

Vienna electricity regulations

Austria is poised to undergo substantial changes in its approach to electricity prices. The government has recently announced a series of measures aimed at reducing subsidies and extending key market initiatives.

Finance Minister, Magnus Brunner, and Energy Minister, Leonore Gewessler, presented a comprehensive plan for energy reforms last week, highlighting the importance of promoting competition in the market and adopting a more sustainable approach to subsidies.

Starting July 1st, there will be adjustments to the subsidy structure for electricity consumption. The subsidy for the first 2,900 kilowatt hours (kWh) per household per year will now be reduced from a maximum of 30 cents per kWh to 15 cents per kWh. Additionally, the upper limit of the energy price, which determines the threshold for the subsidy reduction, will be lowered from 40 cents to 25 cents.

It is important to note that despite these changes, the initial 2,900 kWh will still continue to receive subsidies until the end of the year. This means that households will only have to pay 10 cents per kWh for the first 2,900 kWh, which accounts for approximately 80% of the average electricity consumption. This adjustment is expected to provide significant relief to households, especially those with higher electricity usage.

Moreover, households with more than three people will now be eligible for a subsidy of EUR 52.5 per person per year. This additional support aims to alleviate the financial burden on larger households and encourage energy conservation. Low-income households will also benefit from a substantial 75% reduction in grid costs, ensuring that they have access to affordable and sustainable energy services.

In addition to the subsidy adjustments, the windfall profits levy on energy companies will be extended until the end of 2024. This levy will be accompanied by further adjustments to expedite the growth of green electricity production. To encourage investments in renewable energy sources, companies investing in such initiatives this year or within the next 3 years will now be able to deduct 75% of the costs, effectively doubling the deductible amount.

Overall, these energy reforms demonstrate a significant step towards a more competitive and sustainable energy market. The government's focus on reducing subsidies, promoting renewable energies, and encouraging competition will not only benefit households but also contribute to the country's broader environmental goals.

Finance Minister Magnus Brunner and Energy Minister Leonore Gewessler outlined energy reforms on Wednesday, emphasising the need for increased competition in the market and a more sustainable approach to subsidies.

Here's a breakdown of how these new rules will impact residents nationwide.

Effective from July 1st, the subsidy for the first 2,900 kilowatt hours (kWh) of electricity per household per year will be reduced from a maximum of 30 to 15 cents per kWh. The upper limit of the energy price, up to which the brake applies, will also decrease from 40 to 25 cents.

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Under the new regulation, households will pay only ten cents per kWh for the first 2,900 kWh, accounting for approximately 80 percent of average electricity consumption. Furthermore, households with more than three people will receive a subsidy of EUR52.50 per person per year, and low-income households will benefit from a 75 percent reduction in grid costs.

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