

Luxembourg Renewable Energy Fact Sheet

Policy Background

The EU is working to reduce the effects of climate change and establish a common energy policy. As part of this policy, European Heads of State or Government agreed in March 2007 on binding targets to increase the share of renewable energy. By 2020 renewable energy should account for 20% of the EU's final energy consumption (8,5% in 2005). To meet this common target, each Member State needs to increase its production and use of renewable energy in electricity, heating and cooling and transport.

Although renewable energies are an integral part of our fight against climate change, they also contribute to growth, job creation and increase our energy security.

Country targets

The renewables targets are calculated as the share of renewable consumption to gross final energy consumption. Renewables consumption comprises the direct use of renewables (e.g. biofuels) plus the part of electricity and heat that is produced from renewables (e.g. wind, hydro), while final energy consumption is the energy that households, industry, services, agriculture and the transport sector use. The denominator for the RES share includes also distribution losses for electricity and heat and the consumption of these fuels in the process of producing electricity and heat.

Luxembourg's target: 11% (2005 = 0.9%)

Key issues

Despite a wide variety of support measures for RES and a stable investment climate, Luxembourg has not made significant progress towards its targets in recent years. In some cases, this was due to limitations on eligibility and budget. While electricity production from small-scale hydro power has stabilised in recent years, the contributions from onshore wind, PV and biogas have now started to increase.

Main supporting policies

The 1993 Framework Law (amended in 2005) determines the fundamentals of Luxembourgian RES-E policy.

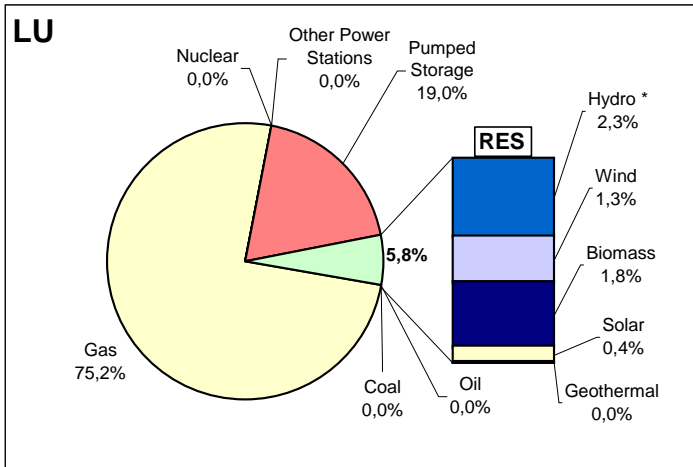
- Preferential tariffs are given to the different types of RES-E for fixed periods of 10 or 20 years. The feed-in system might be subject to change due to further liberalisation of the sector.
- Subsidies are available to private companies that invest in RES-E technologies, including solar, wind, biomass and geothermal technologies.

Tax exemptions are made for biofuels for transport. The setting of maximum levels of tax exemption is foreseen (EUR 23 per 1000 litres of unleaded petrol and EUR 10 per 1000 litres of diesel). Pure biofuels will be tax-free from 2007 to encourage captive fleets to switch.

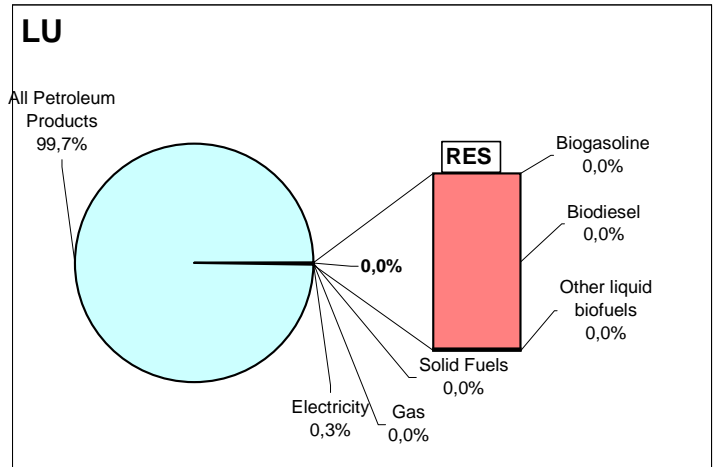
In order to promote RES-H, Luxembourg provides investment subsidies for CHP, for the installation of heat pumps (25%), and for installation of solar thermal (40%).

Key figures¹

Gross Electricity Generation by fuel (2005)



Final Energy Consumption by Fuel, Transport (2005)



Source: Eurostat

* Not including generation from hydro pumped storage, but including electricity generation to pump water to storage. Municipal Solid Waste, Wood waste, Biogas included.

For further information

To find out more about renewables, go to: http://ec.europa.eu/energy/res/index_en.htm

http://ec.europa.eu/energy/intelligent/index_en.html

To find out more about the current situation of renewables in the Member States, go to

http://ec.europa.eu/energy/res/legislation/electricity_member_states_en.htm

http://ec.europa.eu/energy/res/legislation/share_res_en.htm

To find out more about support measures, go to

http://ec.europa.eu/energy/res/legislation/support_electricity_en.htm

To find out about a project or contact an energy agency in your region, go to

<http://www.managenergy.net/emap/maphome.html>

¹ Reliable and complete data for heating and cooling is not yet available from Eurostat

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What is meant by.....?

RES: Renewable energy sources

RES-E: Electricity production from renewable energy sources

RES-H: Production of heat and cold from renewable energy sources

Biofuels: Mainly includes biodiesel and bioethanol

Biomass: Includes solid biomass, biowaste and biogas

PV: Photo-voltaic - technology for the production of electricity from solar energy

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