

Austrian Government Introduces “Made in Europe” Bonus for Solar and Energy Storage Projects

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The Austrian Ministry of Economic Affairs and Energy has announced a new incentive to bolster the domestic solar and energy storage sectors. Effective from June 23, 2025, a “Made in Europe” bonus of 20% will be applied to government funding for photovoltaic (PV) and energy storage projects utilizing components manufactured within Europe.

This funding initiative will be accessible for new projects supported through the year’s second fundraising round, scheduled to commence on June 23. The measure is explicitly aimed at addressing what the ministry terms “unfair global competition.” While specific markets were not identified, this phrasing is commonly used by Western manufacturers to highlight the cost competitiveness of solar manufacturing from regions outside Europe.

This announcement builds upon Austria’s previous introduction of a similar “Made in Europe” bonus last year, which provided up to 20% additional subsidy for European solar component manufacturers. The combined effect of these policies signifies a strong commitment to supporting both the production and deployment of European-made solar technologies within Austria.

“A central element of this is the ‘Made in Europe’ bonus,” stated Austrian Minister of Economic Affairs and Energy Wolfgang Hattmannsdorfer. “It represents regional added value and a clear commitment to Europe as an industrial location. This course is complemented by the strengthening of hydropower, the targeted expansion of electricity storage and photovoltaics.”

The announcement coincided with the outlining of Austria's government funding priorities for 2025, allocating €60 million (US\$68.1 million) to PV systems and storage out of a total renewable energy fund of €70 million. The remaining funds will be directed towards smaller hydropower, biomass, and wind turbine projects. Notably, the total funding for renewable energy has decreased compared to the €150 million committed in the previous year, with direct support for solar systems also reduced from €135 million in 2024.

State Secretary for Energy Elisabeth Zehetner explained this shift, stating, "We must use public funds more specifically and effectively. That is why we are gradually aligning our funding policy more strongly with system service and efficiency – so that every subsidised kilowatt-hour also makes a real contribution to the energy transition."

Looking ahead, the government also announced significant amendments to the Electricity Investment Grant Ordinance 2025 (EAG), set to take effect in the fourth quarter of this year. These changes will prioritize PV systems co-located with storage, eliminate funding during periods of negative electricity prices, and place a stronger emphasis on hybrid power plants. These adjustments indicate a strategic focus on ensuring the reliability and efficiency of renewable energy generation, alongside the expansion of capacity, as Austria progresses towards its energy transition goals. This move also addresses the increasing challenge of curtailment within the Austrian power grid.