

# German Funding Schemes for Efficiency

Using additional revenues from ETS to finance renovations with a focus on low-income households – lessons learned Germany

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# Climate and Transformation Fund (KTF) (Energy and Climate Fund -Energie und Klimafonds – EKF)

- Funded by ETS revenues, CO<sub>2</sub> pricing and the federal budget

August 2021	2021	2022 (draft)	2023 (planned)	2024 (planned)	2025 (planned)
Revenues ETS	2.745.000	3.466.000	3.585.000	4.984.000	5.104.000
Revenues BEHG (CO <sub>2</sub> pricing)	7.413.000	8.672.000	10.493.000	13.009.000	15.348.000
Federal budget	2.479.321	5.833.159	3.152.082	2.706.665	2.446.665
Withdrawal from reserves	30.057.279	16.211.422	4.932.717	0	0
<b>Total revenues</b>	<b>42.694.600</b>	<b>34.182.581</b>	<b>22.162.799</b>	<b>20.699.665</b>	<b>22.898.665</b>
<b>Total Expenditures</b>	<b>26.493.628</b>	<b>29.249.864</b>	<b>23.332.343</b>	<b>22.168.095</b>	<b>21.513.233</b>
Expenditure BEG	5.782.311	7.822.927	6.881.127	4.329.127	4.329.127

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18.000.000 ???

11.000.000???

Source <https://dip.bundestag.de/vorgang/finanzplan-des-bundes-2021-bis-2025/280926>

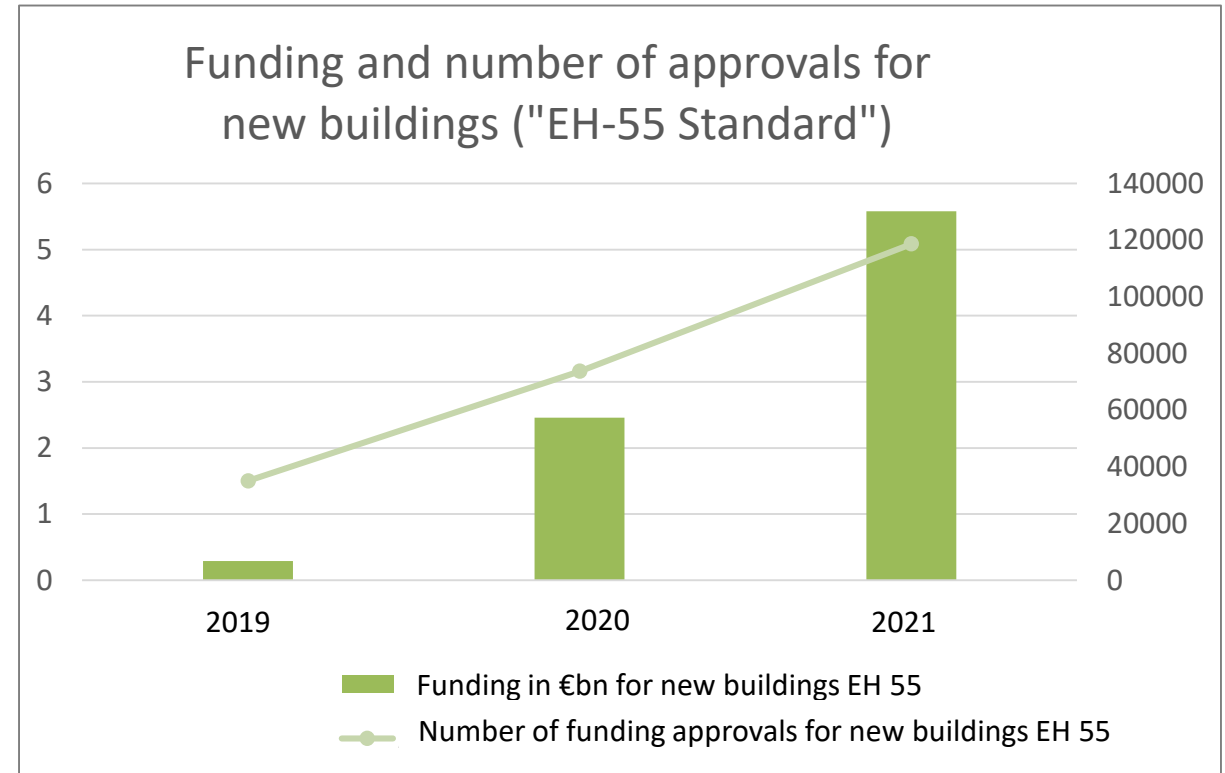
## Funding for Renovation & Efficiency: Bundesförderung effiziente Gebäude (BEG)

	BEG WG		BEG EM	BEG NWG
	New buildings	Full renovation	Individual measures	
Investment grants and repayment bonuses on loans	<del>EH 55: 15 – 17,5 %</del> EH 40: 20 – 25 % (?)	EH historical buildings: 25 – 30 % EH 100: 27,5 – 32,5 % EH 85: 30 – 35 % EH 70: 35 – 40 % EH 55: 40 – 45 % EH 40: 45 – 50 %	Insulation and other measures: 20 % Heating: 20 – 50 %	

## Bundesförderung effiziente Gebäude (BEG): Problems

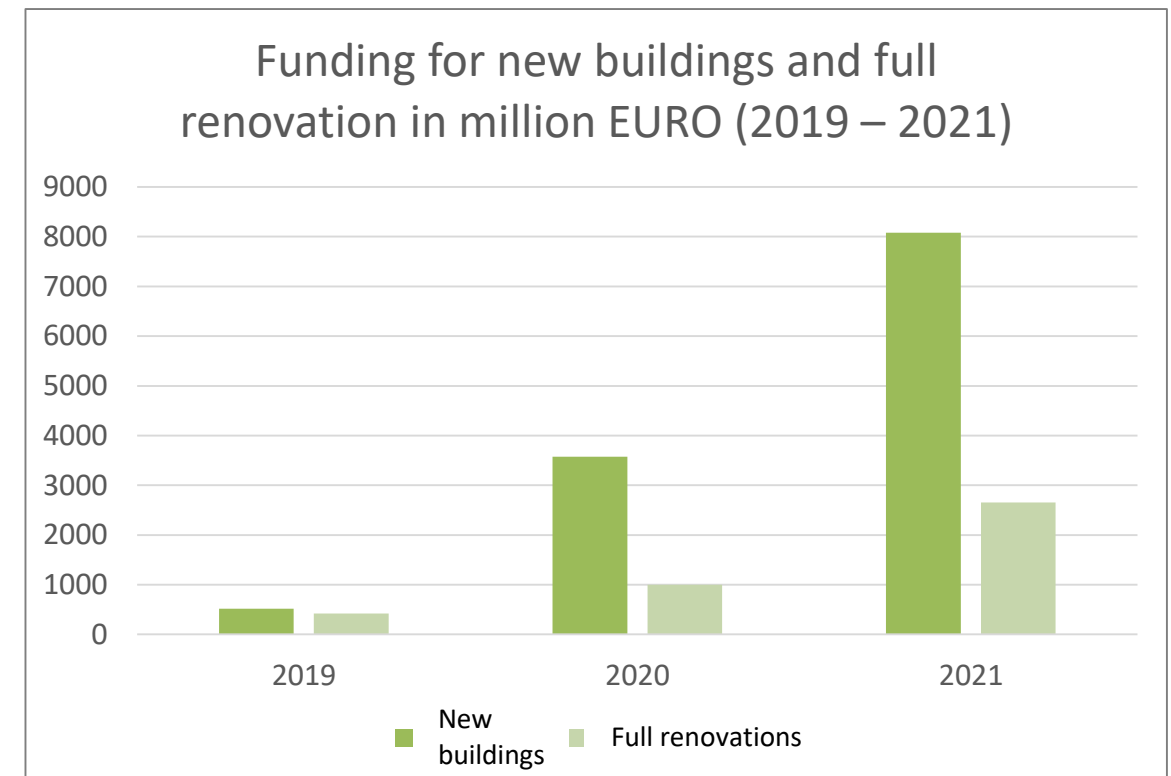
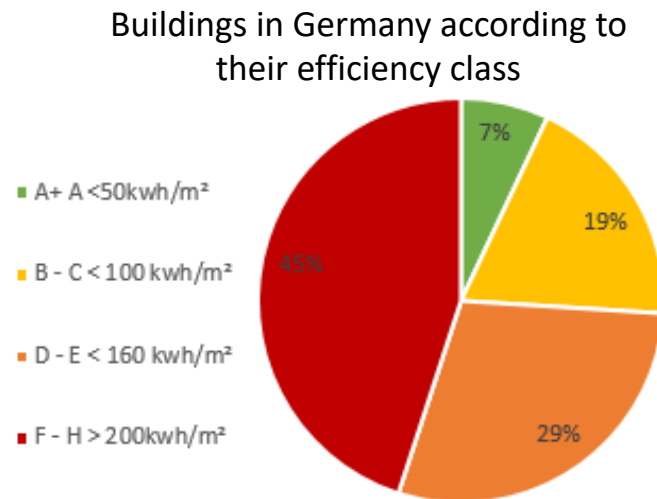
- Reporting incomplete
- Funding:
  - 2021: 18 billion EURO
  - 2020: 6 billion EURO
  - Mostly used for new buildings, not in line with climate goals

→ Freerider effect



## Bundesförderung effiziente Gebäude (BEG): Problems

- About 95 % of the building stock were constructed before 2012
- Yet more than 60 % of the funding flows to new buildings



## Status Quo and Suggestions for the BEG „summer package“

- Funding for new buildings (EH 55) ended January 2021, funding for new buildings (EH 40) limited to 1 billion in 2022
- New programme for new constructions is planned

### Suggestions

- Permanently increase funding to 25 bill. per year
- Funding should focus on
  - Renovation of existing building stock
  - Climate-compatible standards
- Bonus for private owners with low income (combined with introduction of MEPS)?



# Thank you.

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