



## Country profile –Luxembourg

Country: Luxembourg												
Support schemes	Electricity and heat production			Consumption				Transport		Supply and others		
	RES	Fossil	Nuclear	RES	Fossil	Electricity	Heat	Biofuels	Fossil	RES	Fossil	El./heat
<b>1. Direct subsidies</b>												
Direct on-budget subsidies	4, 3, 2									5		
Feed-in tariffs	1											
Feed-in premiums												
Adjustment Aids												
Inherited liabilities												
Induced transfers												
Others												
<b>2. Fiscal measures</b>												
Energy Tax Allowance												
Energy Tax Exemptions					18, 17, 16, 15, 12, 11, 10, 9, 8	13	14					
Other Tax Deductions	6											
Earmarked refunds of taxes												
<b>3. Transfer of risk to government</b>												
Adjustment Aids												
Inherited liabilities												
Others												
<b>4. Other financial measures</b>												
Adjustment Aids												
Other Tax Deductions												
Others												
<b>5. Non-fiscal measures</b>												
Quota obligations								7				
Priority Grid Access												
Others												

No	Datasource	Description
1	RES-LEGAL	In Luxembourg, electricity from renewable sources is promoted through a feed-in tariff. All renewable electricity generation technologies are eligible, except for geothermal energy (Art. 4 RGD du 8 février 2008). The amount of feed-in tariff differs for the various technologies and depends on the size of the plant. The feed-in tariff is guaranteed for a period of 15 years (Art. 6 RGD du 8 février 2008).
2	RES-LEGAL	Subsidy I (Regime d'aides pour la promotion de l'utilisation rationnelle de l'énergie et la mise en valeur des énergies renouvelables) - Investments in renewable electricity generation are subsidised by the state, which awards investment grants up to a certain maximum. New support conditions were introduced from 1 January 2013 for investments made between 1 January 2013 and 31 December 2016. According to the new regulation, only PV installations with a maximum capacity of up to 30 kWp are eligible for subsidy.  Transitional measures apply for projects already ongoing in 2012 and for which the invoice is issued between 1 January 2013 and 31 December 2014. Under certain conditions, these projects can still benefit from the support scheme in force during 2012. According to these transitional measures, PV installations with a maximum capacity of up to 30 kWp as well as micro-CHP plants with a nominal capacity between 1 and 6 kW are subsidised by the state.

3	RES-LEGAL	Subsidy II (Régime d'aide à la protection de l'environnement et à l'utilisation rationnelle des ressources naturelles) - Companies investing in renewable electricity generation are eligible for investment grants.
4	RES-LEGAL	Subsidy III (Régime d'aide en faveur des classes moyennes) - In order to support companies regarding environmental protection and the rational use of natural resources, the state of Luxembourg grants subsidies for companies investing in renewable energies for the production of electricity. The subsidies can be allocated in form of capital grants or of interest-rate subsidies (Art.8, Loi du 30 juin 2004).
5	RES-LEGAL	Subsidy IV (Fonds pour la protection de l'environnement) - The Law of 31 May 1999 has introduced the creation of a fund bound to support Luxembourg municipalities in their investments for environmental protection. The fund is managed by a committee composed of delegates of the Ministry of Environment, the Ministry of Budget and the Ministry of the Interior (Art.6, Loi du 31 mai 1999).
6	RES-LEGAL	Tax regulation mechanisms (Income tax reduction) - Income from the sale of electricity generated by photovoltaic installations with a capacity of 1 - 4 kWp is exempt from income tax, as the sale of photovoltaic electricity from these installations is not deemed a commercial activity.
7	RES-LEGAL	Biofuel quota - The law of 18 December 2009 obliges oil companies releasing petrol and diesel for consumption to fulfil a defined quota of biofuels per year (Art. 1 (1), Loi du 17 décembre 2010).
8	OECDTADFFSS	Reduced Rate of Excise for Certain Uses of Petroleum Fuels. Sales of certain petroleum products (diesel fuel and LPG) in Luxembourg are subject to a lower rate of excise duty when used in agriculture, horticulture, or for heating purposes.
9	OECDTADFFSS	Reduced Rate of VAT for Solid Mineral Fuel. A 12% VAT rate is applied to the supply of coal and coke used for heating in Luxembourg. No estimates available.
10	OECDTADFFSS	Reduced Rate of VAT for Heating Fuel. A 12% VAT rate is applied to the supply of mineral oil used for heating in Luxembourg. No data available.
11	OECDTADFFSS	Reduced Rate of VAT for Natural Gas. A 6% VAT rate is applied to the supply of natural gas in Luxembourg. No data available.
12	OECDTADFFSS	Reduced Rate of VAT for LPG. A 6% VAT rate is applied to the supply of LPG in Luxembourg. No data available.
13	OECDTADFFSS	Reduced Rate of VAT for electricity. A 6% VAT rate is applied to the supply of electricity in Luxembourg. No data available.
14	OECDTADFFSS	Reduced Rate of VAT for heat. A 6% VAT rate is applied to the supply of heat in Luxembourg. No data available.
15	OECDTADFFSS	Reduced Rate of VAT for wood used for heating. A 6% VAT rate is applied to the supply of wood for heating in Luxembourg. No data available.
16	OECDTADFFSS	Excise Tax Exemption for Coal. No data available.
17	OECDTADFFSS	Excise Tax Exemption for Gas used as fuel or in co-generation. No data available.
18	OECDTADFFSS	Excise Tax Exemption for Biofuels used in pure form. No data available.