

COVENANT OF COMPANIES FOR CLIMATE AND ENERGY

Overview of Support Schemes **GERMANY**



INTRODUCTION

Context

The European Climate Law sets an ambitious emission reduction target of 55% by 2030 and the objective of becoming climate-neutral by 2050. Achieving these new 2030 energy and climate targets will require an ever more integrated approach to energy transition. It is thus essential to invite companies, in particular the less resourced SMEs, to join the energy and climate efforts of cities in order to develop mutually beneficial public-private partnerships at local level¹.

Aim of the Covenant of Companies

The European Covenant of Companies for Climate and Energy (EU CCCE) is a pilot initiative to encourage and support companies to step up their contribution to a clean energy transition, energy savings and related climate objectives as set out in the European Green Deal. The initiative aims to provide practical, step-by-step guidelines and technical assistance to European companies to help them take concrete actions resulting in the decarbonisation of their businesses. The initiative is currently in a pilot phase for two years where concepts will be developed and tested to establish a strong foundation for the Covenant of Companies.

Overview of support schemes

With these documents the EU CCCE provides an overview of the European and national support schemes for energy efficiency and renewable energy, national financing tools for clean energy research and innovation projects, as well as available capacity building support for companies.

For the first phase of the project the Consortium has opted to create detailed overviews by narrowing the study down to six focus countries: Croatia, Finland, Germany, Italy, the Netherlands, and Poland. This document presents an overview of the financial support schemes, the financing tools for research and innovation and available capacity building materials (non-financial support), at the national and European level. It further offers insights in the national context within which the support is provided.

Disclaimer

This document gives an overview of the available support schemes as of July 2022. It serves to give a general overview of existing material at the national level at this date. Although the Consortium has put considerable effort in collating the material presented, it cannot guarantee that the overviews are fully comprehensive and up-to-date.

¹Tender specification setting up and operating the Secretariat for the EU Corporate Covenant Initiative, p.6.

HIGHLIGHTS

- Germany aims at a 30% reduction of primary energy use and a 30% share of renewables in the gross final consumption in 2030.
- Germany has an elaborate SME Strategy with a section on energy and climate, including support for measures in the building and transport sectors.
- The Federal States (Länder) have important legislative and administrative power and offer their own support schemes. However, it is the federal government that primarily defines legislation on energy policy.
- All support schemes and programmes at federal and state levels are available and searchable on a dedicated platform of the federal government.
- Multiple support schemes are available at national level for the utilisation of renewable energy, for energy efficiency as well as sustainable mobility, in the form of grants or subsidised loans.
- Funding is available to companies for technology R&I on energy topics in the frame of research programmes, some of them specifically targeting SMEs.
- Capacity building support is channelled to SMEs through the dedicated SME Initiative Energy Transition and Climate Protection.



OVERVIEW OF MAIN SUPPORT SCHEMES

Selection of financial and non-financial support schemes available to German companies as of July 2022 for clean energy projects and R&D&I in clean energy.

					Germ	any									
SUPPORT SCHEMES		GENER	AL INFORM	IATION		ENE	RGY SOLUT	IONS COVI	COSTS COVERED				STATUS		
Selected Support Schemes		Scope	Category	Technology Readiness Levels (TRL)	Renewable energy utilisation	Energy efficient buildings	Energy Efficiency in processes and operations	Sustainable mobility	Circularity	Non-specific	Consultancy fee	Capital investments	Wages/labour costs	Other operational costs	Specific for SMEs
General climate protection															
Climate protection initiative for companies		FIN	LOAN		~		~	~				/			
Renewable energy															
Renewable Energies – Premium		FIN	LOAN & GRANT		~							~			
Renewable Energies – Standard		FIN	LOAN		~							~			
Renewable Energies – Premium – Deep Geothermal E	nergy	FIN	LOAN & GRANT		~							~			
Energy efficiency															
Federal Funding for Energy Consulting for Non-Resid Buildings, Plants and Systems - Auditing and consultin		FIN	GRANT			~	~				~				
Federal funding for efficient buildings - Individual mo (BEG EM) for companies	easures	FIN	LOAN & GRANT			V					V	V			
Federal Funding for Efficient Buildings - Non-Resider Buildings (BEG NWG) — credit	ntial	FIN	LOAN			~					~	V			
Federal Funding for Efficient Buildings - Non-Resider Buildings (BEG NWG) — subsidy	ntial	FIN	GRANT			~					~	~			
Energy-efficient construction and renovation – fuel of subsidy	ell	FIN	GRANT			~						~			
Federal Funding for Energy Efficiency – Funding Competition for ambitious projects		FIN	GRANT				>				~	~			
Federal funding for energy and resource efficiency i economy — 4 Modules & Transformation Concept	n the	FIN	LOAN & GRANT				~				V	V	V	V	

LEGEND Scope FIN - Financial support scheme R&I - Research & Innovation financing tool

Category TAX - Tax benefit or incentive GRANT - Grant

FUND - Fund LOAN - Loan GUAR- Guarantee

OVERVIEW OF MAIN SUPPORT SCHEMES

Selection of financial and non-financial support schemes available to German companies as of July 2022 for clean energy projects and R&D&I in clean energy. Continued.

				Germ	any									
SUPPORT SCHEMES	GENEF	AL INFORM	IATION		ENE	RGY SOLUT	IONS COVI		COSTS C		STATUS			
Selected Support Schemes	Scope	Category	Technology Readiness Levels (TRL)	Renewable energy utilisation	Energy efficient buildings	Energy Efficiency in processes and operations	Sustainable mobility	Circularity	Non-specific	Consultancy fee	Capital investments	Wages/labour costs	Other operational costs	Specific for SMEs
KfW Energy Efficiency Programme - Production plants/processes	FIN	LOAN				~				~	~	~	~	
Sustainable mobility														
KfW Environmental Programme	FIN	LOAN					V	~	~		~			
Investment Loan Sustainable Mobility	FIN	LOAN					V				~			
Charging stations for electric vehicles — Company	FIN	GRANT					V				~			
Subsidy for climate-friendly commercial vehicles	FIN	GRANT					V			V	V			
Purchase of electrically powered vehicles (Environmental bonus)	FIN	GRANT					V				~			
Climate Protection Initiative — E-Cargo Bicycles	FIN	GRANT					V				~			
Sustainable modernisation of inland waterway vessels	FIN	GRANT					V				~			
Sustainable modernisation of coastal vessels	FIN	GRANT					V				~			
Research and Innovation														
7th Energy Research Program - application-oriented research projects	R&I	GRANT	3 - 7	~	~	~	~	~		~	~	~	~	
7th Energy Research Program - living labs	R&I	GRANT	7-9	~	~	V	V	~		~	~	~	~	
Central Innovation Programme for SMEs	R&I	GRANT							V	~	~	~	~	V
BMBF Funding Initiative SME-innovative - Resource efficiency and climate protection	R&I	GRANT	-			~		~	~	~	~	~	~	~
New vehicle and system technologies – promotion of R&D projects	R&I	GRANT	6-7				V			~	~	~	V	
ERP mezzanine for innovation - products and processes	R&I	LOAN							~	~	~	~	~	
Federal Funding for Serial Refurbishment	R&I	GRANT			~					~	~	~	~	

OVERVIEW OF MAIN SUPPORT SCHEMES

Capacity building material available to German companies as of July 2022 for their clean energy transition.

Germany													
CAPACITIY BUILDING MATERIAL	TYPE SCOPE STA												
Selected Capacity Building Material	Type of support	General information and examples	Emission inventory	Energy performance base line	Monitoring & reporting	Energy Audit	Clean energy plan or strategy	Implementation support	Networking	Specific for SMEs			
MIE Energy Book / E-tool	TOOL	V	V	V	V	V	V	V		V			
Guidelines for energy efficiency in the skilled trades	DOC & TOOL	V	V	~	~		V			~			
Practice Guides	DOC	V					V			~			
Mittelstand-Digital Network	PLAT & EXP	~					~	V	V	V			
Labs Network Industrie 4.0	PLAT &TRAIN	V					V	V	V				
One-stop-shop Hydrogen	PLAT	V					V						

LEGEND

Form of support

DOC - Guidance document

EXP - Expert guidance / consultancy TRAIN - Course, training, workshop PLAT - Platform or portal HD - Helpdesk TOOL - Tool (web-based, template or other)

OTH - Other

OVERVIEW OF MAIN SUPPORT SCHEMES AT EU-LEVEL

Selection of financial and non-financial support schemes available to European companies as of July 2022 for clean energy projects and R&D&I in clean energy.

								EU								
IAIN LANDING PAGE	https	s://ec.	europ	a.eu/i	info/f	undin	g-ten	ders/	oppor	tuniti	ies/po	ortal/s	scree	n/hon	ne	
pport schemes	GENER	AL INFORM	ATION			ENERGY S	OLUTIONS	COVERED							COST COVERED	STATUS
lected Support Schemes	Scope	Category	TRL levels	Renewable energy utilisation	Energy efficient buildings	Energy storage	Sustainable mobility	infrastructure and smart grids	Circularity	Non-specific	Consultancy fee	Capital investments	Wages/labour cost	Other operational costs	Description	Specific for SMEs
rizon Europe - Relevant Missions																
aptation to Climate Change										>	,	>	>	~	Operational costs are only covered when they can be attributed as direct costs. Indirect costs may sometimes fall under the grant, but will depend on the grant agreement for a specific project. See also: https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/aga_en.pdf%95896789622num%22%3A92962C9622gen%22963A0%27D%2C%7B%22name%22%3A%22XYZ%22%7D%2C59%2C722%2C0%5D	
mate Neutral and Smart Cities										~	~	~	~	~	Annotated Grant Agreement - EU Grants - Art.6.1	
rizon Europe - Programme Innovative Europe		FUND &														
Pathfinder	R&I	GRANT	1-4			~					~	V	~	~	Annotated Grant Agreement - EU Grants - Art.6.2	
Transition	R&I	FUND & GRANT	4 - 5/6	V				V	V		~	~	~	~	Annotated Grant Agreement - EU Grants - Art.6.2	
Accelerator	R&I	FUND & GRANT	5/6 - 9		~			~			~	V	~	V	Annotated Grant Agreement - EU Grants - Art.6.2	~
NEA																
F Energy: Energy Infrastructure: Projects of Common Interest	FIN	GRANT						~			~	V	~	~	Annotated Grant Agreement - EU Grants - Art.6.2	
F Energy: Energy Infrastructure: Cross-border renewable energy project	s			~							V	~	~	~	Annotated Grant Agreement - EU Grants - Art.6.2	
E Clean Energy Transition	FIN	GRANT		V	~			V			V	V	~	~	https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021- 2027/life/wp-call/2021-2024/call-fiche life-2022-cet en.pdf	
E Circular economy	FIN	GRANT							_			<u></u>	<i>J</i>	~	https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021- 2027/life/wp-call/2021-2024/call-fiche_life-2022-sap-env_en.pdf	
E Climate Change Mitigation and Adaptation	FIN	GRANT											~	~	https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-	
novation Fund	R&I	GRANT		- 1	•		•		•		•	-	•		2027/life/wp-call/2021-2024/call-fiche_life-2022-sap-clima_en.pdf https://cinea.ec.europa.eu/system/files/2022-02/lF_flyer-2021%20.pdf	
F and EIB	RQI	GRANT		~		~		~				~			https://cirea.ec.europa.eu/system/nies/2022-02/ir_ityer-20219020.pur	
vest EU	FIN/R&I	FUND		~	~	~	~		~						The financing will typically take place through financial intermediaries that take equity participations, convertible loans and other equity-type financing. These intermediaries would typically be independent commercially-run fund managers that select companies with adequate return prospects, driven by a commercial logic when selecting companies in which to invest or provide other forms of financing. The InvestEU intervention will done on commercial terms and crowd in private investors.	V

OVERVIEW OF MAIN SUPPORT SCHEMES AT EU-LEVEL

Capacity building material available to European companies as of July 2022 for their clean energy transition

EU										
CAPACITIY BUILDING MATERIAL	TYPE				SC	OPE				STATUS
Selected Capacity Building Material	Type of support	General information and examples	Emissions inventory	Energy performance baseline	Monitoring & reporting	Energy audit	Clean energy plan or strategy	Implementation support	Networking	Specific for SMEs
LIFE close-to-market projects	PLAT	~					~		V	
EIC Business Accelaration Services	PLAT	~			~				~	
Invest EU - Advisory hub	EXP						¥	>	>	
Innovation Fund	EXP						V	Y	~	

LEGEND FO

Form of support

DOC - Guidance document

EXP - Expert guidance / consultancy TRAIN - Course, training, workshop PLAT - Platform or portal HD - Helpdesk TOOL - Tool (web-based, template or other)

OTH - Other

NATIONAL SUPPORT SCHEMES FOR CLEAN ENERGY PROJECTS

- SMEs are recognised as an important pillar of the German economy and they get special attention and initiatives specific for them.
- The Federal Ministry for Economic Affairs and Climate Action (BMWK) is responsible for many of the issues concerning energy and companies, so it is easier to implement programmes that take into account SMEs' special needs.
- While there are some SME-specific schemes, many of the broader schemes also offer special conditions for SMEs, such as increased subsidies or additional support for expert assistance.
- There is a central page of the Federal Government with a **database of all support schemes**, including from the States and the EU.

Renewable energy utilisation

According to Germany's Climate Action Programme 2030, renewable energies are expected to provide 65% of the country's electricity consumption by 2030. The Renewable Energy Sources Act (EEG) sets out how this target will be achieved and defines the main support schemes. Electricity from all renewable sources is subsidised by a market premium that is determined by competition in auctions for installations with high capacity (e.g. above 750 kW for solar and on-shore wind). Smaller installations can benefit from a feed-in tariff. Support for investments in renewable energy production facilities are provided in the form of low-interest loans and loans with a repayment subsidy by different KfW Programmes. Specifically for companies, the KfW climate protection initiative offers a low interest loan and subsidy for projects reducing, preventing, or capturing greenhouse gases, including generation from renewable sources.

Energy efficiency in buildings

Germany's Energy Efficiency Strategy 2050 (EES 2050) sets the efficiency target for 2030, namely reducing primary energy consumption by 30%, and defines the measures that are needed to reach the target in the **National Action Plan for Energy Efficiency (NAPE 2.0)**. For the building sector, the measures include federal support for efficient buildings, promotion of serial renovation in the building sector, measures for ventilation and heating/cooling systems for non-residential buildings, and further development of energy advice. The **Federal Funding for Efficient Buildings (BEG)** of the Federal Ministry for Economic Affairs and Climate Action (BMWK) is the main instrument that supports energy efficiency and renewable energies in the building sector subsidising renovations, covering also heat production from renewable energy.

Additionally, **financial support is offered for energy audits** and energy consulting for non-residential buildings.

¹Energieeffizienzstrategie 2050 (bmwk.de).

NATIONAL SUPPORT SCHEMES FOR CLEAN ENERGY PROJECTS

Energy efficiency in industry

The EES 2050 and NAPE 2.0 also touch on the issue of energy efficiency in industry, commerce, trade and services. The measures include investments in energy efficiency and process heat from renewable energy in the economy as well as competitive tendering for energy efficiency projects. The Federal Fund for Energy and Resource Efficiency in the Economy gives loans and repayment subsidies for the promotion of transformation concepts and for measures in 4 modules:²

- Module 1: Cross-sectional technologies
- Module 2: Process heat from renewable energies
- Module 3: Measurement, control technology, sensors and energy management software
- Module 4: Energy- and resource-related optimisation of plants and processes

The **KfW Energy Efficiency Programme** for production plants and processes further provides for investments in energy efficiency measures. Companies may also participate in a funding competition to obtain grants for projects that lead to significant energy savings and emissions reduction. Several rounds are organised each year. More programmes for energy efficiency at national and state level can be found in the **Funding Database** of the Federal Government.

Sustainable mobility

Germany is strongly promoting sustainable mobility, including the use of electric vehicles. There are several schemes available that **subsidise the purchase of climate-friendly vehicles**, including passenger vehicles, commercial vehicles, water vessels and e-cargo bikes. Infrastructure for electric vehicle charging is also subsidised. Further, there are **loans** available that additionally cover climate-friendly vehicles and transport infrastructure, ICT, and other sustainable mobility projects and feasibility studies. More programmes at national and state level can be found in the **Funding Database** of the Federal Government.

NATIONAL FINANCING TOOLS FOR RESEARCH AND INNOVATION

There are many funding opportunities for companies and specifically SMEs for R&I in Germany. The BMWK offers a whole range of funding opportunities for innovative SMEs, with a focus on the transfer of technology from research to industry. Programmes and funding instruments for start-ups are summarised on the **BMWK's dedicated page**. The **Central Innovation Programme for SMEs (ZIM)** is the Government's largest programme that supports market-oriented technical research and development projects of consortia with SMEs. Furthermore, the BMWK supports specific research and technology projects in the areas of energy, mobility and ICT, among others. The **7th Energy Research Programme** of the Federal Government provides funding opportunities among others to companies, through calls on specific energy topics. R&I programmes at European, national and state level for specific topics and open topics can be found in the **Funding Database** of the Federal Government.

²Federal funding for energy efficiency in the economy (295) | KfW.

NATIONAL CAPACITY BUILDING MATERIAL

A lot of support is provided specifically to SMEs for energy efficiency and renewable energy measures through the **SME Initiative Energy Transition and Climate Protection (MIE)**. The initiative offers different information material, guidelines, practical guides, webinars and workshops with examples and practical advice for seven main trades and cross-cutting energy topics. It further maintains an online **e-tool** that allows individual evaluations of energy consumption and CO₂ emissions with graphical representation of key figures, which also provides tips for potential measures and includes additional modules for practical tasks and calculations. Further, the **80 million together for energy change** campaign of the BMWK also promotes energy efficiency gathering relevant resources, among others an **Energy Efficiency Funding Guide**. In the field of digitalisation, the **Mittelstand-Digital network** offers SMEs information, testing and training opportunities on Industry 4.0 applications through the 26 **Mittelstand 4.0 competence centres** throughout the country. At these contact points, SMEs and craft businesses can experience the advantages of digitalisation through practical examples, demonstrators, information events, and workshops.

Additional international and European capacity building material can be found in the various public guides and information sheets published on the **CCCE website**.

MAIN SOURCES OF INFORMATION ON SUPPORT SCHEMES

Title	Description page	Link
Federal Ministry for Economic Affairs and Climate Action (BMWK)	The ministry's website offers information on different topics under its responsibility, from energy to digitalisation, innovation, industry and SMEs. The different policies and measures can be consulted per topic.	https://www.bmwk.de
BMWK funding search engine	The searchable federal funding database provides information on the funding programmes of the federal government, the federal states and the EU in all subject areas. It includes around 1300 programmes suitable for enterprises, of which 275 with nation-wide applicability, including many for energy efficiency and renewable energy, digitalisation and R&I.	https://www. foerderdatenbank.de
SME initiative for energy transi- tion and climate protection	The initiative offers different material to help SMEs with their energy transition on its website. This includes an energy data management e-tool, guidelines and practical guides and webinars for different trades. The material focuses on seven main trades: bakers, butchers, hairdressers, textile cleaners, carpenters, metal crafts and automotive trades.	https://www. mittelstand- energiewende.de/ index.html
80 Millionen gemeinsam für Energiewechsel	The website of the "80 million together for energy change" campaign offers energy saving tips, a database of energy efficiency experts , a hotline for general questions, as well as an overview of funding programmes for energy efficiency, accompanied by an Energy Efficiency Funding Guide .	https://www. energiewechsel.de

NATIONAL INDUSTRIAL AND ENERGY POLICY FRAMEWORKS AND MAIN STAKEHOLDERS

Germany has an elaborate small and medium-sized enterprise (SME) Strategy with specific focus on energy and climate, including support for measures in the building and transport sectors.³ The country furthermore adopted a carbon pricing programme for transport and heating fuels, should gradually lead to the energy transition of SMEs, among others. According to its National Energy and Climate Plan, Germany aims to increase energy efficiency targeting a reduction of 30% in primary energy consumption (compared to 2008) and sets a 30% target for the share of renewables in the gross final consumption in 2030. The plan foresees the extension of the SME Initiative for Energy Transition and Climate Protection (Mittelstandsinitiative Energiewende und Klimaschutz, - MIE) as well as support to SMEs for energy consultancy. Furthermore, funding was foreseen for monitoring and energy management systems, while the plan also proposed to introduce a voluntary commitment for industrial companies to implement the low-investment measures recommended in energy management systems or energy audits. The recent National Recovery and Resilience Plan for the green transition focuses on the transport sector, building renovations, and renewable hydrogen.

Federal vs state responsibilities

In Germany, the federal government and the **16 federal states (Länder)** share responsibilities in the field of energy policy. However, it is primarily the federal government that defines legislation on energy policy. The states can influence policy via their participation in the federal council (Bundesrat). Generally, the federal government is responsible for central funding instruments, such as for renewables, while state authorities are tasked with regional planning and approval procedures.

The states have a certain flexibility regarding their own energy transition efforts, such as by defining efficiency and renewable obligations for the state properties. They can also pass bills that specify or toughen federal rules in their own legislation. Many states have their own energy transition targets and climate protection laws, or they have established their own energy agencies to advance renewables and efficiency.⁴

³The German SME Strategy (bmwk.de).

⁴German federalism: In 16 states of mind over the Energiewende | Clean Energy Wire.

NATIONAL INDUSTRIAL AND ENERGY POLICY FRAMEWORKS AND MAIN STAKEHOLDERS Continued

Institutions

At federal level, the **Federal Ministry for Economic Affairs and Climate Action (BMWK)** is responsible for energy and climate policy, industrial and SME policy, energy research and technological innovation. **Other federal ministries** with responsibilities related to energy and climate include those for Digital and Transport (BMDV), for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV), for Education and Research, for Food and Agriculture (BMEL) for Education and Research (BMBF), for Finance (BMF), and for the Interior and Community (BMI).⁵

Further, the **Federal Network Agency (Bundesnetzagentur, BNetzA** is Germany's regulatory authority for the electricity sector while the **Federal Financial Supervisory Authority (BaFin** regulates electricity trading. The **German Energy Agency (Dena)** acts as a centre of excellence for energy efficiency and renewables. The **German Environment Agency (Umweltbundesamt, UBA)** takes care of climate and environmental protection. Concerning energy efficiency, the **Federal Office for Economic Affairs and Export Control (BAFA** oversees economic development, particularly of SMEs, and finances renewable energy and energy efficiency measures in the energy sector. Furthermore, the **Federal Energy Efficiency Centre (BfEE)** supports the BMWK in shaping and implementing national and European energy efficiency policy and is responsible for monitoring and assessing energy savings measures and energy services markets. The **KfW** is a German state-owned investment and development bank, offering credit to support renewable energy and energy efficiency projects, among others.

Regarding funding for **research, development and innovation** in the field of energy, the concerned Ministries (BMWK, BMEL, BMBF) each publish funding guidelines within their fields of competence. The **German Federation of Industrial Research Associations (AiF** is the industry-supported network for the promotion of research, transfer and innovation in SMEs.

Other important organisations for companies are the Association of German Chambers of Commerce and Industry (DIHK, the Central Association of German Crafts (ZDH), the Federation of German Industries (BDI), and the German Industry Initiative for Energy Efficiency (DENEFF).

⁵Germany 2020 - Energy Policy Review (windows.net)





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