

Frequently asked questions

1. What is the purpose and scope of the “Energie- a Klimaplang” (Energy and Climate Plan)?

The "Energie- a Klimaplang" sets out the national climate and energy targets by 2030, as well as the policies and measures to achieve them, in particular in the six following sectors: buildings, transport, industry, agriculture, waste and LULUCF (land use, land use change and forestry). Therefore, the "Energie- a Klimaplang" is a **strategic document**, a **planning tool**, enabling Luxembourg to actively engage in climate action, in the energy transition as well as in the development of a sustainable economy. By aiming to reduce Luxembourg's dependence on fossil energy, the plan is a direct response not only to the climate crisis, but also to the energy crisis.

3. What is the future of the CO₂ tax in Luxembourg?

Since 2021, fossil fuels have been subject to a CO₂ tax. One of its main goal is to reduce emissions from the sale of fuels for road traffic. **The price of carbon will continue to increase annually by €5/t CO₂**. The government stresses that the revenues generated by this tax are used in equal parts to invest in **climate measures and solutions to support the energy transition on the one hand and to finance** social compensation measures for low-income households on the other.

The EU plans to extend the Emission Trading System to more sectors as of 2027. EU member states may exempt sectors covered by this extension, in this case transport and housing sectors, provided these sectors are already subject to a carbon tax at national level that is at least equivalent to the EU scheme. The government will therefore conduct a detailed study to determine which system—the national CO₂ tax or the new EU Emission trading System—is most advantageous in terms of climate action and social impacts. As a result of this study, a decision will be taken on whether or not to maintain the national CO₂ tax system beyond 2026.

4. What are the details of the phase-out of fossil fuels?

The "phase-out" of fossil heating systems as envisaged by the “Energie- a Klimaplang” aims for the complete decarbonisation of heating in buildings. In a first step, **the government adopts a voluntary approach**. Citizens and companies will be supported through various aid schemes as well as through a wide range of collective solutions such as systematic neighbourhood renovations and the development of decarbonised heat networks. If the voluntary approach proves to be too slow or insufficient, only **the replacement of heating installations operated with a minimum of 70% renewable energy** will be allowed. It should be noted that the "fossil phase-out" is not an obligation to replace a (fossil) heating installation that is still in proper working order; the phase-out applies at the time of replacement of an existing boiler that is out of order or no longer allowed to operate based on current regulations.

5. What is the idea behind the "national energy renovation support entity"?

The Luxembourg government wants to extend the energy renovation support for **residential buildings with low energy efficiency** and plans to create a **national entity to support energy renovation**, decarbonisation, and the installations of solar panels for residential buildings. The main objective is the structured and comprehensive assistance of owners of

residential buildings with low energy performance in the identification of improvement potentials, planning, financing (taking into account all existing aid schemes), and implementation of energy renovation, decarbonisation, and photovoltaic installation measures.

6. What is the "Klimabonus"?

Since 2022, the "Klimabonus" aid scheme has increased financial support for the construction and sustainable energy renovation of housing, the installation of technical systems harnessing renewable energy sources in housing, and energy advice. The current scheme covers projects launched between 2022 and 2025. The main changes, compared to the previous scheme, are a **simplified procedure** for accessing support, **greater promotion** of environmentally-friendly insulation materials, further encouragement to replace old fossil fuel boilers, the acceptability of **air/water heat pumps** and hybrid air/water heat pumps in existing buildings, and the promotion of photovoltaic **self-consumption** with a higher subsidy and the inclusion of a battery in the eligible costs. In addition, the government will study the feasibility of **pre-financing mechanisms**, and of making access to energy renovation projects possible for those who are ineligible or who find it hard to qualify for climate loans or conventional bank loans. In order to simplify and accelerate access to state aid under the "Klimabonus" scheme, the simplification and **digitisation** of application forms and procedures for applying for an aid is a priority.

7. What are the prospects for the electrification of the Luxembourg registered car fleet?

The "Energie- a Klimaplang" continues to focus on promoting the private charging point network through financial subsidies, the operation of the **public charging infrastructure**, and the introduction of **financial subsidies** for electric zero-emission vehicles. In addition, a working group dedicated to the logistics sector will, in particular, establish a **decarbonisation strategy** for the sector and assess options for a zero-carbon strategy through the deployment of biofuels, electric motorisation, renewable hydrogen, and IT and AI optimisation. However, to ensure that mobility is enhanced and multi-modal travel facilitated, the role of active mobility and public transport must be emphasised. The [NMP 2035 \(National Mobility Plan 2035\)](#) focuses on this topic.

8. How does "social leasing of cars" work?

In order to promote a just transition, the plan sets out the development of a **social leasing system for electric cars**, implemented by means of long-term lease contracts, to support low-income households in electrifying their individual mobility, while taking into account the possibilities offered by car-sharing.

9. What is the commitment under the "Klimapakt fir Betriber" (Climat Pact for Companies)?

The "Klimapakt fir Betriber" (KPB) is a new tool to **support companies in the energy transition and in climate action**. Specifically aimed at **small and medium-sized enterprises (SMEs)**, the KPB is a strategic orientation platform for the coordinated consultation and implementation of different stakeholders' projects and activities, as well as the management of some new programmes. It allows companies to make a **voluntary commitment to enable long-term monitoring of their decarbonisation and energy transition efforts**. It includes both existing support and support under development, as well as future programmes or support to be tailored to need, in line with state aid rules. The KPB provides an overview, and ensures the coherence, of all the services available to help

companies and the economy regarding decarbonisation and energy transition: advice, toolkit, co-financing of solutions, and networking (key players and businesses as well as B2B).

10. What is the place of hydrogen in the “Energie- a Klimaplang”?

Presented in 2021, the [national hydrogen strategy](#) is fully in line with the 2050 decarbonisation and climate neutrality targets. The strategy includes **seven key measures** to promote the production, import, and use of renewable hydrogen: definition of the legal, regulatory and supervisory framework at EU level; cooperation with EU Member States and third countries; identification of research and innovation opportunities in Luxembourg; identification of flagship projects to be studied and brought to fruition; prioritisation of initiatives involving targeted decarbonisation through renewable hydrogen; development of instruments for a renewable hydrogen market, and implementation and continuous improvement. A “**Taskforce H2 Luxembourg**” steering committee has been set up to monitor the strategy.

11. What does the “Energie- a Klimaplang” foresee for agriculture?

Agriculture is affected by climate change, but can also be used to combat it. Presented in 2022, the [Ministry of Agriculture’s National Strategic Plan](#) already offers responses to these challenges, and the provisions of the new plan are in line with this strategy. The “Energie- a Klimaplang” seeks, in particular, to develop and accelerate the roll-out of the **agriculture council**. In addition, it promotes **agrivoltaics**, the combination of agricultural production and photovoltaic energy production.

12. What role do forests play in the “Energie- a Klimaplang”?

On the one hand, forests represent an important **potential for carbon storage** while, on the other hand, they face challenges in adapting to climate change. That is why the “Energie- a Klimaplang” plan raises the **targets for net greenhouse gas removals** in the land use, land use change and forestry sector (“LULUCF”) and presents an **aid scheme** for the sustainable management of private forests: the “**Klimabonus Bësch**”.

14. What consultations were carried out in preparation for the update of the “Energie- a Klimaplang”?

Several consultation and institutional cooperation processes have contributed to the update of the “Energie- a Klimaplang”. These include the international consultation “**Luxembourg in Transition**” (LIT), carried out in 2021 and dealing with spatial planning, the “**Klima-Biergerrot**” (KBR, Climate Citizen Council), organised in 2022, the **Climate Policy Observatory** (OPC) launched at the end of 2021, and the **Platform for Climate Action and Energy Transition** - bringing together the entire organised civil society. In general, the reports from these consultations all came out in favour of even more ambitious targets and measures for Luxembourg. It is in light of these various reports that the government, together with the Interministerial Committee for Climate Action, has drawn up the first draft of the revised “Energie- a Klimaplang”.

15. What is the purpose of the public enquiry, and what is the next deadline?

The public enquiry represents an integral part of the process of updating the “Energie- a Klimaplang”. Indeed, the “Energie- a Klimaplang” requires the **involvement of the public as early as the drafting phase**. This will increase awareness and acceptance of the measures when they are implemented, build confidence in energy and climate policy and, in short, help establish a common understanding of national energy and climate objectives and related

policies and measures. The public consultation will end 16th May 2023, and all public input will be taken into account when finalising the plan by the end of June.