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By PwC Deutschland | 06 September 2026

Industrial electricity price – things are finally taking shape

The Federal Office for Economic Affairs and Export Control (BAFA) recently published two guidance documents regarding the application procedure designed to clarify the requirements set forth in the Industrial Industrial Electricity Price Directive, which took effect on 7 May 2026.

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Background

The industrial electricity price is a government-subsidized electricity tariff for energy-intensive companies that, starting in 2026, lowers electricity costs by up to 50 percent of consumption to approximately five cents per kilowatt-hour. The goal is to ensure competitiveness on the international stage and to preserve industrial added value in Europe. The subsidy was introduced on 1 January 2026 and will initially apply for three years (2026 - 2028), with the final payment to be made by 31 December 2030.

Application

Applications are submitted electronically through the German Federal Funding Advisory Agency (“Förderzentrale Deutschland”); the application platform is expected to go live in December of this year. The deadline for submitting applications is 31 March 2027; however, for companies that are also eligible to apply for electricity price compensation for 2026 (as the year for which the annual bill is issued), the application deadline for the industrial electricity price is extended until 15 July 2027.

Reduction or elimination of carbon emissions (decarbonization)

As part of the request, the applicant must invest at least 50 percent of the amount of the subsidy (if utilizing the base subsidy) in one or more of the decarbonization measures listed in the Industrial Electricity Price Directive (“Industriestrompreis-Billigkeitsrichtlinie”). The requirements for these measures are set forth in the BAFA’s separate ‘Information Sheet on Decarbonization Measures.’

Applying for the industrial electricity prize for the first time in 2027 comes along with many challenges despite the BAFA’s guidance documents, especially if it is intended to also apply for electricity price compensation. Professional assistance can make the process much easier.

Note: This post includes in part a free translation of an article published on 3 September 2026 in our German Blog Steuern & Recht.

Keywords

electricity