

Press release from the German Heat Pump Association (BWP)

Building Modernisation Act (GMG): Heat pump industry criticises lack of planning certainty, welcomes announcement of stable funding

Berlin, 26 February 2026. From the perspective of the German Heat Pump Association (BWP), the coalition's announcements regarding the Building Modernisation Act (GMG) present both positives and negatives. The legal requirements for climate protection and the expansion of renewable heating cannot be met in this way. Instead of setting clear guidelines for investment in renewable heating and building on the positive trend, fossil fuel options are being given greater political weight. This creates considerable legal and planning uncertainty for the sector in an increasingly competitive heating market. At the same time, however, the coalition is demonstrating that it has recognised the importance of a stable funding framework.

"The coalition is sending out an important signal by confirming that the existing heating subsidy scheme will continue until at least 2029. Unfortunately, the far-reaching changes to the Building Energy Act (GEG) come at the cost of much-needed clarity. That is why it is all the more important that the tried-and-tested subsidy scheme for heat pumps continues," says Dr Martin Sabel, Managing Director of the BWP. "The subsidy scheme must also compensate for the serious setbacks caused by the removal of the 65 per cent target for new heating systems. The announced 'biomass ladder' for new gas and oil heating systems will not be able to replace the impact of this measure if it only comes into effect from 2029 and provides for a renewable energy share of just 10 per cent. The coalition should consider making adjustments here."

In this regard, the coalition can count on strong support for the expansion of heat pumps. With almost 24,000 heat pumps sold in January 2026 – a 33 per cent increase compared with the same month last year – the trend towards renewable heating is continuing into the new year.

Dr Kai Schiefelbein, Managing Director of Stiebel Eltron GmbH & Co KG and Deputy Chairman of the BWP, further highlights the significance of these decisions for industrial policy:

"Europe's heat pump industry is facing increasingly fierce competition. Yet our companies are ideally placed to continue this success story: technological expertise, high quality standards in installation and a high level of customer satisfaction. All of this contributes to employment and value creation in Germany and Europe. If we are to support this development, we need clear policy decisions in favour of future technologies and targeted support for European value creation."

"We call on the coalition to create a legally certain and predictable framework, both in terms of funding and in the Building Energy Act (GEG), and to fulfil its responsibilities in the area of industrial policy," emphasises Dr Schiefelbein. "This is the major challenge for the coming

years, so that companies in industry and the skilled trades, as well as the housing and energy sectors, can make long-term investments.”

The German Heat Pump Association sees considerable legal uncertainty in the key points. The association refers to a legal opinion from the summer of 2025, according to which it is impermissible to knowingly cause setbacks in climate protection. Furthermore, the Federal Government must present a robust climate protection programme by 25 March, including a robust plan for how the climate targets for 2030 – and, for the first time, also for 2040 – are to be met. In doing so, it must also take into account the long-term investment planning of the heat pump sector.

Further information under <https://www.waermepumpe.de/presse/pressemitteilungen/> .

About the German Heat Pump Association (BWP)

The German Heat Pump Association - Bundesverband Wärmepumpe (BWP) e.V. is an industry association based in Berlin that covers the entire value chain surrounding heat pumps. The BWP brings together over 1,350 companies from the heating industry, tradesmen, planning and architectural firms, drilling companies and energy suppliers, all of whom are committed to promoting the increased use of efficient heat pumps.

The German heat pump industry employs around 100,000 people and generates an annual turnover of around 3.5 billion euros. There are currently just under two million heat pumps in use in Germany. Around 95 per cent of the systems installed here are manufactured by BWP member companies.

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