

Targeted Consultation for the Evaluation of the Guidelines on State aid for Environmental protection and Energy 2014-2020 (EEAG)

Fields marked with * are mandatory.

Introduction

In 2012, the Commission launched the State aid modernisation with the objectives to: 1) foster sustainable, smart and inclusive growth in a competitive internal market; 2) focus Commission's *ex ante* scrutiny on cases with the biggest impact on the internal market; and 3) streamline the rules and provide for faster decisions. In view of these objectives, the Commission has since 2013 revised a number of State aid rules, including the State aid Guidelines for environmental protection and energy (EEAG).

In January 2019, the European Commission announced its intention to prolong seven sets of State aid rules for a period of two years^[1] and launched a comprehensive policy evaluation in the area of State aid ("Fitness Check") (https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2018-6623981_en). Part of this exercise is the evaluation of the State aid Guidelines for environmental protection and energy to reflect if the current rules are still fit for purpose.

Besides the general public consultation on the fitness check of EU State aid rules, this targeted consultation aims to ask supplementary questions in order to gather stakeholders' views on the implementation of the State aid Guidelines for environmental protection and energy and the provisions applicable to aid for environmental protection (and energy) (Section 7) of the General Block Exemption Regulation (GBER) and to receive insights about potential gaps, overlaps or excessive regulatory burden.

You are kindly invited to reply to a set of 19 Questions. Please make sure you use the save button as you proceed with the questionnaire to avoid losing information that was already inserted - especially in the case of questions with open replies. At the end of the survey you will have an opportunity to provide broader, more general comments and to upload documents, which you consider as relevant.

The Commission will publish an analysis of the results of the Fitness Check and examine possible follow up actions at the beginning of 2020.

^[1] For details and state-of-play see the relevant initiatives on the Better Regulation Portal: State aid – 2-year extension for general block exemption regulation (https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2018-6622730_en); State aid

– 2-year extension for de minimis regulation (https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2018-6622705_en);
Prolongation of state aid rules reformed under the state aid modernisation package expiring end of 2020
(https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2018-6622656_en).

About you

For the rules on personal data protection on the EUROPA website, please see
http://ec.europa.eu/geninfo/legal_notices_en.htm#personaldata
(http://ec.europa.eu/geninfo/legal_notices_en.htm#personaldata)

*Publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

☐ **Anonymous**

Only your type of respondent, country of origin and contribution will be published. All other personal details (name, organisation name and size, transparency register number) will not be published.

☒ **Public**

Your personal details (name, organisation name and size, transparency register number, country of origin) will be published with your contribution.

Please provide your contact details below.

*Language of my contribution

English

*First name

Hannes

*Surname

Tuohiniitty

*I am giving my contribution as

Business association

*Organisation name

255 character(s) maximum

The Bioenergy Association of Finland

*Organisation size

Micro (1 to 9 employees)

Transparency register number

255 character(s) maximum

Check if your organisation is on the transparency register

(<http://ec.europa.eu/transparencyregister/public/homePage.do?redir=false&locale=en>). It's a voluntary database for organisations seeking to influence EU decision-making.

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*Please describe the main activities of your company/organisation/association, if applicable.

1,000 character(s) maximum

Bioenergy Association represents the interests of the bioenergy sector in Finland

The association has ca 270 member organisations

It represents the entire bioenergy sector from land ownership to forest and energy companies, and technology and research in the field. The association aims to promote the preconditions of the production, use, competitiveness and economy of bioenergy and peat incl waste wood.

Main activities are: lobbying, communication and sectoral development projects

*Please describe the relevance of State aid rules for you.

1,000 character(s) maximum

Bioenergy Association of Finland represents the interests of the bioenergy industry in Finland. The guidelines on state aid for environmental protection and energy are an important part of enabling the EU member states to achieve their climate and energy targets and to support the development of a sustainable bioeconomy sector.

Fair support schemes for market entry of new technologies are paramount for competitiveness of Finnish and European industries. On the other hand, these support schemes need to be cost-effective for public acceptance.

Sound and coherent rules set the stage for predictable national policy landscape in designing national support schemes. It is paramount for guaranteeing long-term perspective and the development of our sector in creating more jobs at the same time as creating climate wise solutions.

How would you best describe the nature of your understanding and involvement in matters related to State aid rules?

1,000 character(s) maximum

Our sector has faced the restrictions set by the State Aid rules as well as the possibilities to support our growth during the past decade. Within the electricity sector low-carbon solutions have delivered and ETS should be the main solution to incentivize low-carbon solutions. Even when electrification of society is progressing, we will still need a major share of ICE's with biofuels & biomethane and bioboilers producing heat & electricity in the coming decades. More attention should be put on the non-ETS. Average emission reduction cost there is much higher than on the ETS, up to 125 - 150 €/CO₂-tn, cost-effective actions are needed. We could produce negative emissions (NET) with bio-CCS and other technologies, but in our analysis the NET has not been well addressed in the current State Aid rules (e.g 3.6 of EEAG). On a transition to circular bioeconomy more synergies between sectors are required. This implies more integrated processes and industrial symbiosis.

***Country of origin**

Please add your country of origin, or that of your organisation

Finland

***Email (this won't be published)**

hannes.tuohiniitty@bioenergia.fi

- ☒ I agree with the personal data protection provisions (see document in link below)
[Protection_of_your_personal_data.pdf \(/eusurvey/files/7cbde909-eeff-4bf8-b73c-eeb00de47de4\)](#)

EEAG Targeted Questionnaire

Effectiveness:

In this section, we would like your opinion on the extent to which the State aid Guidelines for environmental protection and energy (EEAG) and the provisions applicable to aid for environmental protection (which include provisions on energy) (Section 7) of the General Block Exemption Regulation (related GBER provisions) have achieved their objectives and delivered results.

1. Based on your experience, to what extent have the EEAG and the corresponding GBER provisions (e.g. tendering, technological neutrality, market integration) been effective in:

	To a large extent	To some extent	Not at all	I don't know

- enabling the deployment of renewables while lowering societal costs and reducing the amount of aid needed?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
- facilitating the integration of renewable energy into the electricity market?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
- ensuring financing of support schemes to renewable energy sources, while limiting negative impacts on the competitiveness of EU firms?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
- ensuring that capacity mechanisms were necessary and cost-effective in providing security of supply and least-distortive to competition and intra-EU trade?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
- ensuring that capacity mechanisms did not negatively impact the objective of phasing out environmentally harmful subsidies including for fossil fuels?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
- ensuring that in cogeneration and district heating the most cost-efficient projects could be realised?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain:

5,000 character(s) maximum

The framework provided by the EEAG has influenced the design of support measures for the bioenergy sector at national level. In absence of a carbon price (applying to those sectors of the European economy not covered by the EU ETS) support measures are often needed to deploy sustainable solutions such as bioenergy. We believe that a higher level of cost-effective technologies/solutions has been achieved and most of national schemes compliant with the guidelines have delivered in helping the deployment of bioenergy solution.

Yet, certain important shortcomings of the guidelines should be rectified with a view of the extension of their validity towards 2022 and in their future design.

Notably, on biofuels:

1. The mere extension of the current guidelines framework to 2022, would create a discrepancy with the Directive (EU) 2018/2001. We therefore ask the Commission to amend the Communication on the extension of the validity of the State aid rules to provide for a corresponding extension of the 2020 limit for operating aid to food-based biofuels

2. In several cases, the application of the EEAG together with the Energy Taxation Directive resulted in the paradoxical situation of fossil fuels taxed at lower or equal rates than their low-carbon and renewable alternatives. Indeed, the current taxation framework provides incentives to fossil fuels use in the form of tax benefits. These have been persistent over the last decade in the EU28 and amounted to almost €40 billion in 2016 (Source: European Commission FACTSHEET on energy taxation). A large extent of these tax benefits come from tax reductions for fossil fuels used as motor and heating fuels granted mainly under the Energy Taxation Directive.

Regarding incentives schemes covering electricity generation, the Bioenergy Association of Finland believes that dedicated incentive schemes rewarding technologies that combine i) efficiency (capacity of achieving high total system efficiencies for producing both electricity and thermal energy); ii) flexibility; and iii) dispatchability (e.g. Bio-CHP, the biomass combined heat and power) should be designed. Bio-CHP is struggling to compete with intermittent production in electricity markets on many hours. Incentives for intermittent production has distorted electricity price formation and severely damaged the financial situation of SME's supplying biomass to energy plants. Furthermore, bioelectricity should have priority over fossil fuel solutions. The possibility to grant dynamic incentives (for example based on seasonal needs and rewarding accordingly the generation of bioelectricity in those periods) should be facilitated, namely on 3.9 of EEAG.

Regarding heat, its generation is highly localized and often produced directly at the point of demand, such as steam generation in industrial processes or hot water boilers in buildings or networks. The market is local and other circumstances (incl fuel price, logistical situation etc.) create a situation where local incentives schemes would not hamper

the EU internal market. EEAG should allow MSs to design local incentives tailored to the needs of local actors operating in this heat market without risking unfair competition.

Currently, when aid is not covered by the few exceptions to mandatory notification, waiting time for European Commission decisions is sometimes excessively long and in certain cases has clashed with the date in which the measures should have been put into effect. This has generated uncertainties in the market with potential negative impacts on the willingness to further invest in the sector.

The guidelines should also be adapted to adequately support innovative Bioenergy Carbon Capture and Storage demonstration projects. Bioenergy Carbon Capture and Storage is one of the most mature negative emission technologies and the European Commission long-term strategic vision for GHG emissions reductions partly relies on this technology to achieve net zero emissions by 2050. A clear derogation from the rules governing the cumulation of aid (3.2.5.2) should be included for Bioenergy Carbon Capture and Storage projects to enable any future development at large scale of this technology. Those bioenergy units receiving favorable state aid decisions, should be able to ask and receive support for the development of innovative Carbon Capture and Storage projects.

Please continue if necessary:

5,000 character(s) maximum

2. Based on your experience, have Member States created a level playing field for imported and domestically produced biofuels and/or biomass energy when providing support (for instance by supporting a specific type of domestically produced biofuels and/or biomass energy, but not other types of biofuels and/or biomass energy with similar costs or greenhouse gas emissions)?

- ☐ Yes
- ☐ No
- ☒ Partially
- ☐ I don't know

Please explain:

1,000 character(s) maximum

Several EU countries, incl Finland, have created a level playing field for imported and domestic biomass and biofuels. However, the treatment of imported biofuels varies in EU Member states. In certain cases, national legislation favors domestically produced biofuels for the purposes of double-counting under the RES Directive 2009/28/EC). The list of feedstocks defined as waste and residues differs across member states. I.e, pulp mill residue used in the production of advanced biofuels is not accepted on the market of certain MSs.

Imported biomass should have same conditions to compete with local production if it meets the EU environmental standards such as sustainability criteria, FLEGT etc. At the same time it should be possible to grant aids to support logistics of domestic biomass that are inducing positive forest management activities. This kind of operational subsidy does not put into question fair competition against imported biomass and brings along environmental benefits.

3. Based on your experience, to what extent has the GBER ensured public support for waste recycling while limiting the amount of aid to the minimum and limiting distortions of competition to the minimum?

- ☐ To a large extent
- ☐ To some extent
- ☐ Not at all
- ☐ I don't know

Please explain:

1,000 character(s) maximum

4. Based on your experience, to what extent has Article 39 GBER allowed aid through financial instruments for energy efficiency measures in buildings while limiting distortions of competition at the level of the financial intermediary and the funds involved?

- ☐ To a large extent
- ☐ To some extent
- ☐ Not at all
- ☐ I don't know

Please explain:

1,000 character(s) maximum

5. Based on your experience, has State aid granted under the EEAG or the GBER generally achieved the relevant climate and environmental protection objectives while maintaining a

competitive internal market?

- ☐ Yes
- ☐ No
- ☒ Partially
- ☐ I don't know

Please explain:

1,000 character(s) maximum

State aid granted under the EEAG or the GBER have generally contributed to achieving the relevant climate and environmental objectives. There is however a significant margin for improvement.

Decarbonisation of heating & cooling and transport in the EU has not been very successful. Incentive schemes for the renewable heating sector should be allowed to be exempted from mandatory notification. Heating is a local market and incentives are unlikely to have impact on the internal energy market. One way for this is to amend article 43 of the GBER to have higher thresholds, 10 MWth, for H&C

As biomass market is developed, we believe art 42, 3 v) is quite blunt in giving member states an option to generally exclude bioenergy from tendering based on biomass market reasons. MS's should have room to include precise constraints rather than a general exclusion of biomass. Discrepancy between the Energy Taxation Directive and the application of the EEAG, (see Q1) should be rectified.

6. Based on your experience, has State aid granted under the EEAG or the GBER generally achieved the relevant energy objectives while maintaining a competitive internal market?

- ☐ Yes
- ☐ No
- ☒ Partially
- ☐ I don't know

Please explain:

1,000 character(s) maximum

While several EU countries are on track to meet their 2020 renewable energy targets, also thanks to implementation of cost-effective incentive schemes, some of them will not achieve them. The pace at which decarbonization of European economy should occur, justifies the need for environmental consideration to prevail over mere economic consideration. This aspect should be pivotal when designing support schemes and an EU-wide guideline. When restricting access to state aid, one of the guiding principles should be the consideration that the cost of climate inaction will be higher than the cost of climate change mitigation.

7. Based on your experience, have there been any unexpected or unintended results from the implementation of the EEAG and the corresponding GBER provisions?

- ☒ Yes
- ☐ No
- ☐ Partially
- ☐ I don't know

Please specify:

1,000 character(s) maximum

Unintended negative results have been triggered by the provisions on biofuels and the short-term operational support granted in the form of tax exemptions (more details in answer to Q19). This, together with the lengthy notification processes have had negative consequences on investors' trust.

In Finland we did face a situation in development of RES-electricity auction that even though the Government endorsed technology neutrality as such, there were specific technical requirements that in practice excluded bio-electricity plants from the auction.

8. Are there sectors (at NACE 4 level^[2]) and products (at Prodcom 8 level^[3]) which, were included in the list of eligible sectors and products for reductions under section 3.7.2. of the EEAG (c.f. Annex 3 and Annex 5 of the EEAG), but which, according to your experience, were not particularly affected by the financing costs of renewable energy support and therefore were not put at a significant competitive disadvantage?

- ☐ Yes
- ☐ No
- ☐ I don't know

[2] NACE is derived from the French "Nomenclature statistique des Activités économiques dans la Communauté Européenne" (Statistical classification of economic activities in the European Community). It designates the various statistical classifications of economic activities developed since 1970 by the European Union. According to NACE rev.1.1: http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_CLS_DLD&StrNom=NACE_1_1&StrLanguageCode=EN&StrLayoutCode=HIERARCHIC (http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_CLS_DLD&StrNom=NACE_1_1&StrLanguageCode=EN&StrLayoutCode=HIERARCHIC)

[3] Production Communautaire list, available at: https://ec.europa.eu/eurostat/statistics-explained/index.php/Industrial_production_statistics_introduced_-_PRODCOM (https://ec.europa.eu/eurostat/statistics-explained/index.php/Industrial_production_statistics_introduced_-_PRODCOM) PRODCOM is a survey, with an at-least-annual frequency, for the collection and dissemination of statistics on the production of industrial (mainly manufactured) goods, both in value and quantity terms, in the European Union. The PRODCOM survey is based on a list of products called the PRODCOM list which currently comprises about 4000 headings relating to industrial products and some industrial services. These products are detailed at an eight-digit level.

9. Are there sectors (at NACE 4 level^[4]) or products (at Prodcom 8 level^[5]) which, according to your experience, were particularly affected by the financing costs of renewable energy support and therefore were put at a significant competitive disadvantage, but were not included in the list of eligible sectors for reductions under section 3.7.2. of the EEAG (c.f. Annex 3 and Annex 5 of the EEAG)?

- ☐ Yes
☐ No
☐ I don't know

[4] According to NACE rev.1.1: http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_CLS_DLD&StrNom=NACE_1_1&StrLanguageCode=EN&StrLayoutCode=HIERARCHIC
 (http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_CLS_DLD&StrNom=NACE_1_1&StrLanguageCode=EN&StrLayoutCode=HIERARCHIC)

[5] Production Communautaire list, available at: https://ec.europa.eu/eurostat/statistics-explained/index.php/Industrial_production_statistics_introduced_-_PRODCOM
 (https://ec.europa.eu/eurostat/statistics-explained/index.php/Industrial_production_statistics_introduced_-_PRODCOM)

10. Based on your experience, have the minimum own contributions of the full electricity surcharges of 15 % of the full renewable surcharge, and 4 % and 0.5 % of the Gross Value Added of the undertaking concerned (see points 188 and 189 of the EEAG) been adequately set to ensure a sufficient financing basis for the underlying energy policy?

	Too high	Too low	Adequate	I don't know
15% of the full renewable surcharge	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4% of the Gross Value Added	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
0.5% of the Gross Value Added	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please substantiate your answer:

1,000 character(s) maximum

11. Based on your experience, have the reductions in electricity surcharges given to energy-intensive users (EIUs) created market distortions?

- ☐ Yes
☐ No
☐ I don't know

Please substantiate your answer:

3,000 character(s) maximum

12. Based on your experience, what impact have reductions granted to energy intensive users had on renewable energy charges and other relevant charges paid by non-energy intensive industrial consumers and households?

- ☐ Excessive
- ☐ Adequate
- ☐ I don't know

Please substantiate your answer:

3,000 character(s) maximum

13. Based on your experience, has the higher aid intensity allowed under point 78 of the EEAG been adequate to address the double market failure linked to the higher risks of innovation and the environmental aspects of the project without creating unnecessary distortions of competition?

- ☐ Yes
- ☐ Not adequate (too low aid intensity)
- ☐ Not adequate (too high aid intensity)
- ☐ I don't know

Please explain:

1,000 character(s) maximum

Efficiency:

In this section, we would like to know your opinion about the efficiency of the EEAG and the related GBER provisions.

14. Based on your experience, to what extent are the different compatibility conditions and methodologies included in the EEAG and the GBER related provisions sufficiently clear and easy to apply:

	Yes	No	I don't know
- in general terms?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
- as regards the methodology for calculating eligible costs for investment aid to go beyond standards, in the absence of standards and early adaptation to standards under Article 36 of the GBER and points 73 to 75 of the EEAG?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

- as regards the criteria for limiting bidding processes for renewables to specific technologies (see EEAG point 126 and GBER Article 42.3)?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
- as regards the methodology for calculating eligible costs for investment aid to renewables and co-generation (CHP) projects?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
- as regards the methodology to assess proportionality of aid based on levelised cost of energy (see point 131 of the EEAG and Article 43, paragraphs 5 and 6 of the GBER)?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
- as regards the provisions for demonstration projects (as defined in point 19 paragraph 45 of the EEAG) and for the new and innovative renewable energy technologies (see Article 42.4 of the GBER)?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
- as regards the methodology to assess eligible costs for energy-efficiency investment aid under Article 38 of the GBER?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
- as regards the compatibility conditions (in particular the full passing on, the leverage condition, the conditions imposed on the financial intermediaries) for energy efficiency projects in buildings (see paragraphs 4 to 10 in Article 39 of the GBER)?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
- as regards the compatibility conditions for aid for Resource Efficiency (section 3.5.1 of the EEAG read in combination with section 3.2 of the EEAG)?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
- as regards the compatibility conditions (in particular the “state of the art” requirement, the “polluter pays principle” and the “treatment of the waste of others”) for waste management projects under 47 of the GBER and section 3.5.2 of the EEAG?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
- as regards the methodology for calculating eligible costs for waste management projects under Article 47 of the GBER and section 3.5.2. of the EEAG?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
- Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain:

5,000 character(s) maximum

15. Based on your experience, how do administrative costs incurred by the aid application under the EEAG and GBER related provisions compare with the actual amount of compensation received?

Please rate from very low (administrative costs representing less than 1% of the actual amount

of compensation received) to very high (administrative costs representing more than 20% of the actual amount of compensation received):

	Very low (less than 1%)	Low (between 1% and 5%)	Intermediate (between 5% and 10%)	High (between 10% and 20%)	Very high (more than 20%)	I don't know
Proportion of administrative costs in total actual amount of compensation received	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please explain:

1,000 character(s) maximum

Bioenergy Association of Finland would like to underline that the notification period tends to be very long. This creates extra costs as project financing cost and through uncertainty for investors and market players, who rely on long-term perspectives to take their business decisions.

Relevance:

16. Based on your experience, have the EEAG and GBER adequately addressed recent market developments or technological changes such as:

	Yes	No	Partially	I don't know
Storage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Zero subsidy bids	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Repowering	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Renewable energy power purchase agreements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Renewable self consumption and/or active consumers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Citizens energy communities and/or renewable energy communities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hydrogen, synthetic fuels and low carbon gas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Alternative fuel infrastructure (publicly accessible or dedicated infrastructure)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Low or zero emission vehicles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Carbon Capture, Storage and/or Utilisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Nearly-zero-energy buildings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Smart energy technologies (e.g. in buildings)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy services (e.g. energy performance contracting)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advanced technology for water reuse (e.g. membranes and UV)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain:

5,000 character(s) maximum

17. To what extent do recent economic developments – such as the falling renewable energy costs and possible changes to trade intensity and electro intensity of the sectors concerned – impact the relevance of the rules which apply to reductions for energy-intensive users (EIUs)?

	To a large extent	To some extent	Not at all	I don't know
Falling costs of renewable energy producers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Changes to the trade intensity of the sectors listed in Annex 3 and 5 of the EEAG	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Changes to the electro intensity of the sectors listed in Annex 3 of the EEAG	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain:

3,000 character(s) maximum

Coherence:

In this section, we would like to know your opinion on the extent to which the EEAG and the related GBER provisions are coherent with other EU policies and legislations.

18. Based on your experience, to what extent are the EEAG and the related GBER provisions coherent with relevant EU policies and legislation such as:

	Yes	No	Partially	I don't know
Renewable Energy Directive (https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1556036659452&uri=CELEX:32018L2001)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Electricity Directive [6] (https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32009L0072)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Electricity Market Regulation [7] (https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32009R0714)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Risk-preparedness Regulation [8] (https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1556030281025&uri=CELEX:32005L0089)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
EU ETS Directive (https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1556058436713&uri=CELEX:02003L0087-20180408)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Industrial Emissions Directive (https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1556036819181&uri=CELEX:02010L0075-20110106)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Alternative Fuels Directive (https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32014L0094)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Energy Efficiency Directive (https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1556058114994&uri=CELEX:02012L0027-20181224)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy Performance of Buildings Directive (https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1556058114994&uri=CELEX:02010L0031-20181224)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

EU Waste legislation (https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1556058493613&uri=CELEX:02008L0098-20180705)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Water Framework Directive (https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1556058613163&uri=CELEX:02000L0060-20141120)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Air Quality Directive (https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1556037056639&uri=CELEX:02008L0050-20150918)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Birds Directive (https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1556036987656&uri=CELEX:32009L0147)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Habitats Directive (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:31992L0043)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
ERDF Regulation (https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1556059076943&uri=CELEX:02013R1301-20180802)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain:

5,000 character(s) maximum

EEAG has allowed generous incentives for renewable power generation, which have resulted in oversupplied EUA market and a lower price level of EUAs. This on the other hand, has slowed down investment in renewable energy and shifted the cost burden from companies to tax-payers.

EEAG and related GBER provisions never were in line with the definitions of Renewable Energy Directive. Now that the recast Renewable Energy Directive (RED II) has been enacted, the definitions and the approach to aid with RED II should be aligned.

Most importantly, the undefined concept of "food based biofuels" in EEAG should be replaced with the concept of "biofuels produced from food and feed crops" as "biofuels" and "food and feed crops" are defined in Article 2 of RED II.

When designing the approach to aid under GBER and EEAG, it should be noted that the outcome of the RED II Directive was to maintain "biofuels produced from food and feed crops" eligible for national support schemes as defined in RED II. The volumes of these biofuels will be capped at 2020 consumption levels, but they will remain eligible for national support schemes.

Therefore the differentiation between "biofuels produced from food and feed crops" and other biofuels in the EEAG should be cleared when reforming EEAG and GBER.

When the EEAG was elaborated in 2014, the European Commission held the view that food based biofuels should no longer receive public support after 2020. However, this is no longer the case, as the EC proposal and especially the final text of RED II as adopted by the EU legislator make clear.

It should also be noted that while "advanced biofuels" are finally defined in RED II, the categories of "biofuels produced from food and feed crops" and "advanced biofuels" are not exhaustive. There are also biofuels that are produced from residues or wastes that are not listed in Annex IX, part A, of RED II, but still are eligible for national support schemes.

[6] This directive is under review. The latest text can be consulted on:

[https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2016/0380\(COD\)&l=en](https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2016/0380(COD)&l=en)

[7] This regulation is under review. The latest text can be consulted on:

[https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2016/0379\(COD\)&l=en](https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2016/0379(COD)&l=en)

[8] This directive is under review. The latest text can be consulted on:

[https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2016/0377\(COD\)&l=en](https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2016/0377(COD)&l=en)

19. Have the EEAG and GBER rules on exemptions or reductions from energy taxation produced inconsistencies with other EU rules?

	Yes	No	Partially	I don't know
Energy Taxation Directive	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain:

1,000 character(s) maximum

The inconsistencies between the Energy Taxation Directive (ETD) and the EEAG has created unintended consequences on biofuels, especially high blends. The volume approach on the basis of the ETD does not take into due account the energy content of the different products. As competing products on the market must be taxed in a way that does not favor them over the major product, biofuels measure their competitiveness with their fossil counterpart. Therefore, their environmental advantage is not considered.

Implementation of EEAG in countries applying a carbon tax on transport sector has led to avoid tax exemption for fear of over-compensation.

We believe that support schemes are justified where they enable bioenergy to compete with fossil energy sources.

There are no legal grounds to discriminate against sustainable biofuels within the meaning of Article 29 of REDII. Member States should not refuse to financially support sustainable biofuels, through differentiated taxation.

Final Comments and Document Upload

If there is anything else you would like to say which may be relevant for the evaluation of the EEAG and the related GBER provisions, please feel free to do so:

1,000 character(s) maximum

If you wish to attach relevant supporting documents for any of your replies to the questions above, please feel free to do so:

Please upload your file

Please indicate whether the Commission services may contact you for further details on the information submitted, if required.

☒ Yes

☐ No

THANK YOU FOR RESPONDING TO THIS QUESTIONNAIRE

Useful links

Fitness Check (http://ec.europa.eu/competition/state_aid/modernisation/fitness_check_en.html)
(http://ec.europa.eu/competition/state_aid/modernisation/fitness_check_en.html)

Guidelines on State aid for environmental protection and energy 2014-2020 (<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A52014XC0628%2801%29>) (<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A52014XC0628%2801%29>)

General Block Exemption Regulation (GBER) (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02014R0651-20170710>) (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02014R0651-20170710>)

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