

# Public Consultation for the Revision of the Guidelines on State aid for Environmental protection and Energy 2014-2020 (EEAG)

Fields marked with \* are mandatory.

## Target audience

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The Commission is interested in hearing your views on the revision of the Energy and Environmental State aid guidelines ('EEAG'). It is particularly keen to hear from :

- National and regional competent authorities involved in the granting of aid
- National regulatory authorities (energy and environmental protection)
- Competition authorities
- Businesses, including SMEs and micro enterprises
- Associations representing businesses
- Interest groups professionally involved in the fight for environmental protection and against climate change, e.g. think tanks, green NGOs
- Groups representing consumers
- Transmission and distribution system operators
- Members of academia
- The general public.

Comments and information from any other stakeholders not explicitly mentioned above are also welcomed.

## Why we are consulting

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The aim of the consultation is to allow interested parties to provide their feedback regarding the design of the future **Guidelines on State aid for environmental protection and energy (EEAG)** that will apply from 1 January 2022 and the related articles in the **General Block Exemption Regulation (GBER)** (art. 36 to 49 of the GBER). The review of the EEAG and related GBER articles will occur against the background of the European Green Deal, which aims at achieving climate neutrality in 2050 and transforming the EU economy into a circular economy thriving for zero-pollution, where natural capital is protected. The present consultation aims to collect views and information on the review of the current rules. In particular, it aims to collect the views on the scope of and conditions for national aid measures that promote the fight against climate change, support environmental protection and ensure security of energy supply. All the measures should be necessary, proportionate and effective, should do not generate undue distortions of competition and trade in the single market.

## Background

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### Introduction

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The EEAG enable Member States to fund projects for environmental protection, energy infrastructure and security of energy supply in a cost-effective and non-distortive way, protecting competition and trade in the single market.

Member States can also grant aid for environmental purposes in accordance with the GBER. This Regulation allows Member States to grant aid for smaller and simpler projects without the need to notify the measure to the Commission in advance, provided the aid meets a number of predefined criteria. These criteria are derived from the Commission experience with notified measures and reflect those established in the EEAG, although generally with lower aid intensities to account for the fact that the Commission does not examine these measures ex-ante.

The EEAG entered into force in 2014 together with the relevant provisions of the GBER. Both acts were applicable until 31 December 2020 but the Commission has prolonged their validity until 31 December 2021 and 31 December 2023 respectively.

The revision of the EEAG and the related provisions of the GBER occurs against the backdrop of recent regulatory changes (notably the 2030 Climate and Energy Framework, the Clean Energy Package, the Clean Mobility Package, the Circular Economy Package), as well as the Commission's intention to make Europe fit for the Digital Agenda, the Industrial Strategy and the European Green Deal initiative that aims to transform the EU into a carbon neutral economy by 2050, as well as into a circular economy thriving for zero-pollution, where natural capital is protected (see [Green Deal Communication](#) and the various initiatives announced in the [Roadmap](#)). In addition, in September 2020 the Commission proposed to increase the EU's climate ambition for 2030 to a reduction of at least 55% compared to 1990, including carbon removals. To that effect, it will put forward proposals for the revision of key climate and energy legislation by June 2021.

In addition, the revision will have to take into account the impact of the COVID-19 pandemic on Member States' economies (including citizens) and their funding capabilities together with the deployment of the Recovery Plan for Europe.

This consultation follows the results of the ['fitness check'](#). Although the EEAG and related provisions in GBER have generally delivered on their objectives, the following issues are noticed :

- a) There are indications that the scope of the guidelines might have been too restricted and that the guidelines are too tightly focused on specific aid categories and technologies. They are thus not sufficiently future-proof, to cater for recent and expected technological and market developments and novel aid designs.
- b) There are some indications that the compatibility rules on environmental protection are not entirely suited to face the climate neutrality challenge, in particular the rules to ensure necessity of aid, proportionality and limitation of distortions.
- c) It is very difficult to measure whether the redistribution of costs inherent in the reductions to Energy

Intensive Users (EIUs) from energy charges really increases the acceptability of the underlying policy from the perspective of public opinion. Furthermore, the correlation between the existence of EIU reductions and the introduction of ambitious renewables policies is uncertain.

d) More could be done to contribute to the Energy Union, by aligning to the more recent legislation in the energy field and further promoting competition and market integration. In addition, more could be done to align to more recent legislation in the sphere of environmental protection (including climate protection).

e) Finally, there is scope for further clarifying and simplifying a series of concepts and provisions, taking into account additional case practice and experience.

This consultation focuses on issues a) to c) where more evidence and information is required, in line with the Commission's Better Regulation requirements.

The EEAG are not the only set of guidelines that contain compatibility criteria for aid schemes supporting the achievement of the objectives of the Green Deal. Other guidelines can also be of relevance, like the Framework on Aid for research and development and innovation or the Communication on State aid to important projects of common European interest or the Guidelines on State aid in the agricultural and forestry sectors and in rural areas. This consultation does not focus on areas covered by those other guidelines.

The information collected through this consultation will be used by the Commission to prepare the impact assessment for the future EEAG and relevant parts of GBER. The questionnaire is available in the three Commission working languages (English, French and German) and replies can be submitted in all official EU languages.

A summary report of the public consultation will also be published in the spring of 2021 on the official public consultations page of the European Commission ([https://ec.europa.eu/info/law/better-regulation/have-your-say\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say_en)). The final report will be published in the autumn of 2021 on the same website.

In a separate but linked exercise, DG Competition has also published a call for contributions on questions about how competition rules and sustainability policies work together, and how competition rules can best support the Green Deal, including open questions on whether and how to deal with support to projects which can have negative impact on the environment or whether more support should be granted to projects with high environmental value. More information is available here: [https://ec.europa.eu/competition/information/green\\_deal/index\\_en.html](https://ec.europa.eu/competition/information/green_deal/index_en.html).

## About you

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### \* 1 Language of my contribution

- Bulgarian
- Croatian
- Czech
- Danish
- Dutch

- English
- Estonian
- Finnish
- French
- German
- Greek
- Hungarian
- Irish
- Italian
- Latvian
- Lithuanian
- Maltese
- Polish
- Portuguese
- Romanian
- Slovak
- Slovenian
- Spanish
- Swedish

\* 2 I am giving my contribution as

- Academic/research institution
- Business association
- Company/business organisation
- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)
- Public authority
- Trade union
- Other

\* 3 First name

UPRIGAZ

\* 4 Surname

UPRIGAZ

\* 5 Email (this won't be published)

uprigaz@uprigaz.com

\* 7 Organisation name

*255 character(s) maximum*

UPRIGAZ is a professional association

\* 8 Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

9 Transparency register number

*255 character(s) maximum*

Check if your organisation is on the [transparency register](#). It's a voluntary database for organisations seeking to influence EU decision-making.

\* 10 Country of origin

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

- |                                      |  |                                     |  |
|--------------------------------------|--|-------------------------------------|--|
| <input type="radio"/> Afghanistan    | <input type="radio"/> Djibouti           | <input type="radio"/> Libya         | <input type="radio"/> Saint Martin                     |
| <input type="radio"/> Åland Islands  | <input type="radio"/> Dominica           | <input type="radio"/> Liechtenstein | <input type="radio"/> Saint Pierre and Miquelon        |
| <input type="radio"/> Albania        | <input type="radio"/> Dominican Republic | <input type="radio"/> Lithuania     | <input type="radio"/> Saint Vincent and the Grenadines |
| <input type="radio"/> Algeria        | <input type="radio"/> Ecuador            | <input type="radio"/> Luxembourg    | <input type="radio"/> Samoa                            |
| <input type="radio"/> American Samoa | <input type="radio"/> Egypt              | <input type="radio"/> Macau         | <input type="radio"/> San Marino                       |
| <input type="radio"/> Andorra        | <input type="radio"/> El Salvador        | <input type="radio"/> Madagascar    | <input type="radio"/> São Tomé and Príncipe            |

- Angola
- Anguilla
- Antarctica
- Antigua and Barbuda
- Argentina
- Armenia
- Aruba
- Australia
- Austria
- Azerbaijan
- Bahamas
- Bahrain
- Bangladesh
- Barbados
- Belarus
- Belgium
- Belize
- Benin
- Bermuda
- Bhutan
- Bolivia
- Bonaire Saint Eustatius and Saba
- Bosnia and Herzegovina
- Equatorial Guinea
- Eritrea
- Estonia
- Eswatini
- Ethiopia
- Falkland Islands
- Faroe Islands
- Fiji
- Finland
- France
- French Guiana
- French Polynesia
- French Southern and Antarctic Lands
- Gabon
- Georgia
- Germany
- Ghana
- Gibraltar
- Greece
- Greenland
- Grenada
- Guadeloupe
- Guam
- Malawi
- Malaysia
- Maldives
- Mali
- Malta
- Marshall Islands
- Martinique
- Mauritania
- Mauritius
- Mayotte
- Mexico
- Micronesia
- Moldova
- Monaco
- Mongolia
- Montenegro
- Montserrat
- Morocco
- Mozambique
- Myanmar /Burma
- Namibia
- Nauru
- Nepal
- Saudi Arabia
- Senegal
- Serbia
- Seychelles
- Sierra Leone
- Singapore
- Sint Maarten
- Slovakia
- Slovenia
- Solomon Islands
- Somalia
- South Africa
- South Georgia and the South Sandwich Islands
- South Korea
- South Sudan
- Spain
- Sri Lanka
- Sudan
- Suriname
- Svalbard and Jan Mayen
- Sweden
- Switzerland
- Syria

- Botswana
- Bouvet Island
- Brazil
- British Indian Ocean Territory
- British Virgin Islands
- Brunei
- Bulgaria
  
- Burkina Faso
- Burundi
  
- Cambodia
  
- Cameroon
  
- Canada
- Cape Verde
- Cayman Islands
  
- Central African Republic
- Chad
- Chile
- China
  
- Christmas Island
- Clipperton
- Cocos (Keeling) Islands
  
- Colombia
  
- Guatemala
- Guernsey
- Guinea
- Guinea-Bissau
  
- Guyana
  
- Haiti
- Heard Island and McDonald Islands
- Honduras
- Hong Kong
  
- Hungary
  
- Iceland
  
- India
- Indonesia
- Iran
  
- Iraq
  
- Ireland
- Isle of Man
- Israel
  
- Italy
  
- Jamaica
- Japan
  
- Jersey
  
- Netherlands
- New Caledonia
- New Zealand
- Nicaragua
  
- Niger
  
- Nigeria
- Niue
  
- Norfolk Island
- Northern Mariana Islands
- North Korea
  
- North Macedonia
- Norway
- Oman
- Pakistan
  
- Palau
  
- Palestine
- Panama
- Papua New Guinea
- Paraguay
  
- Peru
- Philippines
  
- Pitcairn Islands
  
- Taiwan
- Tajikistan
- Tanzania
- Thailand
  
- The Gambia
  
- Timor-Leste
- Togo
  
- Tokelau
- Tonga
  
- Trinidad and Tobago
- Tunisia
  
- Turkey
- Turkmenistan
- Turks and Caicos Islands
- Tuvalu
  
- Uganda
- Ukraine
- United Arab Emirates
- United Kingdom
- United States
- United States Minor Outlying Islands
- Uruguay

- Comoros
- Congo
- Cook Islands
- Costa Rica
- Côte d'Ivoire
- Croatia
- Cuba
- Curaçao
- Cyprus
- Czechia
- Democratic Republic of the Congo
- Denmark
- Jordan
- Kazakhstan
- Kenya
- Kiribati
- Kosovo
- Kuwait
- Kyrgyzstan
- Laos
- Latvia
- Lebanon
- Lesotho
- Liberia
- Poland
- Portugal
- Puerto Rico
- Qatar
- Réunion
- Romania
- Russia
- Rwanda
- Saint Barthélemy
- Saint Helena Ascension and Tristan da Cunha
- Saint Kitts and Nevis
- Saint Lucia
- US Virgin Islands
- Uzbekistan
- Vanuatu
- Vatican City
- Venezuela
- Vietnam
- Wallis and Futuna
- Western Sahara
- Yemen
- Zambia
- Zimbabwe

\*20 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 contribution, country of origin and the respondent type profile that you selected 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.

I agree with the [personal data protection provisions](#)

The questionnaire is organised in two parts – part one is more general covering various **energy and environmental issues** and part two deals specifically with aid in the form of reduced energy charges for **energy intensive users (EIUs)**.

## **A) Environmental protection and energy**

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*[Environmental protection should be understood as covering covers all measures that contribute to the protection of the environment, including the fight against climate change, across the various sectors of the economy, including through the deployment of clean energy sources]*

### **A.1) Context**

22 Do you consider that due to the COVID19-pandemic, the ensuing recession as well as the national policy response and taking into account the European response through the Recovery Plan and the Next Generation package:

	Yes	No	I don't know /No opinion
Your country will redirect public resources to environmental protection including decarbonisation?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Your country will have enough resources to support environmental protection including decarbonisation?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
The difference between Member States' resources to support environmental protection including decarbonisation have increased since 2019?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

### **A.2) Necessity for aid**

In the light of technological progress and market evolutions (significant decrease in equipment costs), it might be that State aid possibilities for environmental protection purposes should either be more restricted or be subject to stricter conditions or on the contrary widened to achieve the Green Deal objectives.

## 23 In your opinion, should aid be allowed for the following areas?

With regard to the area of **biodiversity**, please note the following. Measures to promote biodiversity and nature capital, as long as they constitute state aid, can fall under Article 53 GBER, or Article 29 of the Agricultural Block Exemption Regulation (ABER) or they may qualify as a Service of General Economic Interest (SGEI), while support for biodiversity measures are excluded from the current EEAG. Stakeholders are here asked to explain whether they believe that aid should also be granted under the EEAG for biodiversity insofar as it is not covered by the other provisions.

	Yes, in the same way as today	Yes and more than before (higher aid intensities or new aid forms)	Yes, but subject to stricter conditions	Yes but subject to lower aid intensities /amounts	For certain types of installations only within the category (Please specify)	No: aid is no longer needed	No: aid is too distortive	No: aided measure is not beneficial for the environment	Don't know /No opinion.
Renewable electricity	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Renewable heating /cooling	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Renewable and low carbon hydrogen production	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Alternative transport fuel (other than hydrogen)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Combined Heat and Power (CHP)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
District heating /cooling	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Energy efficiency in production processes	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy efficiency in buildings	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Industrial decarbonisation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(Solid) Waste recycling	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Resource efficiency /Circular economy (water)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Resource efficiency /Circular economy (waste heat)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Low/zero emission vehicles	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Low/zero emission transport infrastructure	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Carbon Capture and Storage (CCS)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Carbon Capture and Use (CCU)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy storage	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Demand response	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Energy infrastructure	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Biodiversity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Other (e.g., reduction of pollutants beyond EU standards). Please specify	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

24 If you selected 'other', please specify.

1000 character(s) maximum

### A.3) Type of aid / aid instrument

#### A.3.1) Eligible costs: operating versus investment expenses

26 In your opinion, should aid covering operating costs (in particular energy costs and raw material costs) on top of investment costs be generally allowed for the following areas?

With regard to the area of **biodiversity**, please note the following. Measures to promote biodiversity and nature capital, as long as they constitute state aid, can fall under Article 53 GBER, or Article 29 of the Agricultural Block Exemption Regulation (ABER) or they may qualify as a Service of General Economic Interest (SGEI), while support for biodiversity measures are excluded from the current EEAG. Stakeholders are here asked to explain whether they believe that aid should also be granted under the EEAG for biodiversity insofar as it is not covered by the other provisions.

	Yes	Yes but only with sufficient safeguards against undue competition distortion	No, aid covering investment costs is normally sufficient to incentivise a project	No because surcharges financing the support would increase too much	I don't know
Renewable electricity	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Renewable heating/cooling	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Renewable and low carbon hydrogen production	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Alternative transport fuel (other than hydrogen)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Combined Heat and Power (CHP)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
District heating /cooling	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Energy efficiency in production processes	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy efficiency in buildings	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Industrial decarbonisation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(Solid) Waste recycling	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Resource efficiency /Circular economy (water)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Resource efficiency /Circular economy (waste heat)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Low/zero emission vehicles	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Low/zero emission transport infrastructure	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Carbon Capture and Storage (CCS)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Carbon Capture and Use (CCU)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy storage	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Demand response	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy infrastructure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Biodiversity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*A.3.2) Form of the aid: operating aid versus investment aid*

28 Do you think that aid paid out as a premium covering the difference between the production costs for one unit and the revenues is more suited than aid paid ex ante as a share of the investment costs in any of the following areas?

	Yes – because operating aid can more easily be designed to precisely match the funding gap (eg. adapting over time to market revenues)	Yes – because operating aid allows the payments to be spread over the project lifetime rather than requiring an immediate disbursement from the budget	No – because operating aid is more distortive	No – because operating aid is generally financed from surcharges on the product	I don't know /No opinion
Renewable electricity	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Renewable heating/cooling	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Renewable and low carbon hydrogen production	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Alternative transport fuel (other than hydrogen)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Combined Heat and Power (CHP)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
District heating /cooling	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy efficiency in production processes	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy efficiency in buildings	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Industrial decarbonisation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(Solid) Waste recycling	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Resource efficiency /Circular economy (water)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Resource efficiency /Circular economy (waste heat)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Low/zero emission vehicles	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Low/zero emission transport infrastructure	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Carbon Capture and Storage (CCS)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Carbon Capture and Use (CCU)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy storage	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Demand response	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy infrastructure	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Biodiversity	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

30 Do you think operating aid for environmental protection impacts the aid beneficiary's behaviour on the energy or product market differently than investment aid?

- Yes
- No
- I don't know

33 Various different instruments have been used to incentivise investments in renewable energy that pay beneficiaries over the project lifetime – for example

fixed feed in premiums that pay a fixed subsidy for each unit of output, variable premiums that pay a top up equal to the difference between the market value of the output and a predefined price, and two way contracts for difference that pay this top up in the same way as a variable premium but also oblige the beneficiary to make a payback if market prices go above the predefined price level.

Do you think that these methods are equivalent in terms of incentivising new investments while keeping and product markets distortions limited to the minimum?

- Yes – all of them allow investments to be financed and take account of market revenues.
- No – fixed premiums are superior because they leave market participants more exposed to market price signals and adapt production to real demand.
- No – variable premiums are superior over fixed premiums as they are adapting to real costs.
- No – two-way contracts for difference are superior because they guard against overcompensation.
- Other (please explain)
- I don't know/No opinion

35 The introduction of carbon contracts (for difference) has been suggested to further incentivise the decarbonisation of the industry. Such contracts would reimburse the extra costs resulting from decarbonisation by paying the investor the difference between the costs of reducing one ton of CO<sub>2</sub> for the production of a given product (steel, cement, fertilisers, etc.) and the actual CO<sub>2</sub> price in the ETS, bridging the cost gap compared to conventional production of the given product. Such type of contract would create a further incentive for industries to invest into decarbonisation technologies beyond the ETS incentive by removing uncertainties about the profitability of the investment and guarantee a certain rate of return for the investment.

Do you agree with the above statement and thus consider that this type of support should be allowed?

Those contracts for difference can be one way contracts (the difference in costs is paid to the producer of the industrial product when decarbonisation costs are higher than the carbon price or two-ways if the industrial producer also has to pay back the difference when the decarbonisation costs are below the carbon price.

- Yes
- No
-

I don't know

37 If you believe that carbon contracts for difference should be allowed, do you consider that:

	Yes	No	I don't know
They should only be awarded via competitive bidding procedures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
They should be technology neutral and eligibility should apply to a wide range of sectors.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
They should be sector specific provided sufficient competition is possible to have a competitive bidding procedure	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
They should apply only to investments that have a high emissions reduction potential, but not to incremental carbon reductions	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
They should be available only for long-term investments (life time > 15 years)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
They should be available to all economic sectors, whether in ETS or not	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
They should be available only to sectors subject to the ETS	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
They should be available only to sectors that are facing particular technological challenges to decarbonise.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

38 Please explain your answers when you answered with yes or no.

*3000 character(s) maximum*

39 Do you think that carbon contract for difference for the industry would imply certain risks for competition on the market?

- Yes
- No
- I don't know

40 Please explain your reply to the previous question.

*1000 character(s) maximum*

Carbon contracted for difference , if benchmarked on actual carbon price, should not create market distortion or alter competition.

### *A.3.3) Aid intensities – Funding gap*

For investment aid, the EEAG and the GBER use two approaches to calculating the amount of aid that a project can receive: i) **funding gap** (for energy infrastructure, for district heating and cooling networks and for CO2 capture, transport and storage); and ii) **aid intensities**.

According to a **funding gap** approach, all revenues and expenses over the lifetime of the investment, discounted to their current value (typically using the cost of capital) are forecasted. If the sum of the discounted cash flows is negative for the investment, aid can be awarded to cover the entire gap. The funding gap approach requires a thorough business plan. The funding gap can be calculated only on project per project basis.

**Aid intensities**, on the other hand, limit the aid awarded to a certain percentage (so-called maximum aid intensity) of the extra investment cost of the project which needs to be incurred to reach the environmental or energy objective compared with a defined counterfactual. This approach was chosen in 2014 for investment aid for equipment producing energy or products. It was considered to ensure predictability, be easy to use and to ensure a level playing field when comparing projects within a specific category. Aid intensities were calculated to roughly approximate the funding gap of a certain number of standard projects observed before 2014. In the meantime, however, new technologies have been developed.

42 Do you think that aid intensities combined with the use of a counterfactual should be maintained as a way to measure the proportionality of the aid?

The counterfactual allows excluding costs to cover the standard (and more polluting) equipment to conduct the activities concerned.

Yes – because easy to use

Yes – in particular under the GBER

Yes – in particular for small projects

Yes – but only for standard projects where costs and counterfactual are well established.

No – because aid amount is never correctly calibrated

No – because counterfactual is difficult to identify

I don't know

43 Please indicate if you consider there are specific types of investments where applying aid intensities would be particularly useful:

Renewable electricity

Renewable heating/cooling

Renewable and low carbon hydrogen production

Alternative transport fuel (other than hydrogen)

Combined Heat and Power (CHP)

District heating/cooling

Energy efficiency in production processes

Energy efficiency in buildings

Industrial decarbonisation

(Solid) Waste recycling

Resource efficiency/Circular economy (water)

Resource efficiency/Circular economy (waste heat)

Low/zero emission vehicles

Low/zero emission transport infrastructure

Carbon Capture and Storage (CCS)

Carbon Capture and Use (CCU)

Energy storage

Demand response

Energy infrastructure

Biodiversity

Other (Please specify)

49 Are you aware of projects eligible for support for environmental protection under the EEAG or GBER, which were not implemented because the aid intensity allowed under the EEAG or GBER did not make the project sufficiently financially attractive?

Yes

No

50 If yes, please indicate for the relevant type(s) of projects which higher aid intensity would have incentivised its implementation in your view.

*at least 1 answered row(s)*

	30-40%	40%-50%	50%-60%	60%-75%	Above 75%	I consider the currently applicable maximum aid intensity sufficiently attractive.
Renewable electricity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Renewable heating/cooling	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Renewable and low carbon hydrogen production	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Alternative transport fuel (other than hydrogen)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Combined Heat and Power (CHP)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
District heating/cooling	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy efficiency in production processes	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy efficiency in buildings	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Industrial decarbonisation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(Solid) Waste recycling	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Resource efficiency/Circular economy (water)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Resource efficiency/Circular economy (waste heat)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Low/zero emission vehicles	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Low/zero emission transport infrastructure	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Carbon Capture and Storage (CCS)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Carbon Capture and Use (CCU)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy storage	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Demand response	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy infrastructure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Biodiversity	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

51 If other, please specify the type of project.

*1000 character(s) maximum*

Hydrogen production from natural gas with CCS.

Biomethane and biogas

In general, Uprigaz wishes to indicate that the answers to certain questions are fairly indicative and would require the EU to carry out impact studies on the effectiveness of the aid according to the objectives to be achieved and taking into account technological feasibility. It is in fact difficult to assess for question 50, for example, the level of impact -between 30% to 80%- of an increase in State aid on the deployment of a particular technology.

52 Do you have experience with the funding gap (as explained above) approach in receiving or granting of aid?

- Yes  
 No

56 Do you think that a claw back mechanism should be introduced to avoid excessive funding?

- Yes  
 No  
 I don't know/No opinion

**A.4) Aid award procedure: Transparency, broadening, cross border opening, competitive bidding process, public consultation, avoiding investment flow interruption**

This section seeks views on potential competition distortions that may result from the continued and increasing use of State aid for environmental protection, as well as the pros and cons of various tools that could be used to reduce these distortions.

63 There are various situations, in which State aid for environmental protection might pose a risk to fair and equal competition, such as:

- **Overcompensation** (projects receive more aid than needed to carry out the investment/activity)
- **Crowding-out of private investment** (aid granted to projects which would have taken place without aid anyway or reducing the private incentive to invest)
- **Greenwashing** (projects claiming aid for alleged higher environmental benefits, while the real environmental benefits they provide are very low)

- **Lack of cost-effectiveness** (the cheapest projects to fulfil the environmental objective are not chosen)
- Deep pockets distortions (Member States with greater financial resources being able to over subsidise environmental protection activities in their territory, giving a competitive advantage to firms located in their territory).

On a scale from 1 (not at all important) to 5 (very important), how important is it that State aid rules seek to minimise/prevent these risks?

	1	2	3	4	5	I don't know /No opinion
Overcompensation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Crowding-out of private investment	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Greenwashing	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of cost effectiveness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Deep pockets distortions	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

#### A.4.1) *Transparency of environmental protection costs*

Transparency in this section refers to the transparency of the environmental protection cost. State aid rules could more systematically require Member States to identify the contribution to environmental protection in monetary terms in a harmonised manner, as cost (in EUR) per unit of environmental protection achieved (as for example, EUR aid per tCO<sub>2</sub> emissions reduced) *[or, where other objectives are identified, eg. EUR per measurable unit of improvement of air/water/soil quality or biodiversity]*.

Increasing the transparency of the cost in this way could provide a basis for ensuring aid is necessary, as well as comparing and choosing between different types of project that contribute to the same objective. Making the costs transparent might also discourage Member States from picking relatively expensive means to meet the targeted objective and reducing the risk that targeted support is used to support national industry rather than as an efficient means of increasing environmental protection, bearing in mind the need to support the development of technologies to decarbonise production processes that currently face high abatement costs in view of the climate neutrality objective by 2050.

For decarbonisation costs, such a calculation would need to take into account direct savings from the activity as well as emissions linked to primary energy consumption – for example, switching from a gas boiler to an electric boiler would reduce emissions because gas would no longer be burned to fire the boiler. The calculation would need to make assumptions about the carbon intensity of the electricity used to power the electric boiler. Similarly, for support for renewable electricity this could require a calculation taking into account estimates of the hours in which the supported generation would run, and the type of alternative electricity production that it would displace in these hours.

64 Do you think a calculation of the cost per tCO<sub>2</sub> emissions reduced should be reported for aid measures targeting decarbonisation for the sake of transparency?

- Not at all
- Rather not
- Neither yes nor no
- Rather yes
- Yes, fully
- I don't know

65 Please explain the reason for your response.

*1000 character(s) maximum*

The cost per ton of CO2 curtailed is a valuable benchmark for subsidized projects.

For other environmental protection objectives, such a calculation can also be complex, in particular when environmental protection projects tackle several types of environmental impacts. Allocating the costs to the various environmental benefits can be complicated. For instance, an investment that allows a company to both consume less water and release less pollutants in the air and water may be complex to convert into a cost per unit of pollution avoided. Also the types of pollution avoided vary and cannot be compared amongst each other. In those cases, instead of a cost per unit of environmental benefit, it might be more useful to require the quantification of the expected different environmental benefits of a given investment.

66 For environmental protection objectives other than decarbonisation, do you think that a calculation of the actual cost per unit of environmental benefit or where not possible a requirement for quantifying the actual environmental benefits of support measures should be required as part of the compatibility conditions:

- Not at all
- Rather not
- Neither yes nor no
- Rather yes
- Yes, fully
- I don't know

67 How do you rate aid intensities compared to a funding gap approach in terms of the likelihood of generating a reasonable rate of return or an excessive rate of return?

- Aid intensities are more likely than funding gap to lead to an excessive rate of return (because the aid intensity is too generous and/or ignores important savings/revenues)
- Funding gap method is more likely to lead to an excessive rate of return (because costs and revenues cannot correctly be forecasted)
-

When combined with a claw back mechanism (i.e. a mechanism that ensures that aid has to be reimbursed if actual costs are lower than foreseen in the funding gap calculation or when revenues are higher than initially planned), the funding gap method is more likely to lead to reasonable a rate of return than aid intensities

- Both approaches are equivalent
- I don't know/No opinion

68 Please explain the reason for your response.

*1000 character(s) maximum*

69 How difficult do you rate the quantification of the environmental benefits?

- Easy
- Rather easy
- Neither easy/nor difficult
- Rather difficult
- Difficult
- Very difficult
- I don't know

70 How would you rate this potential transparency requirement in terms of its suitability to mitigate the following risks?

	No impact on the risk	Only partially suited	Well suited	I don't know/No opinion
Overcompensation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Crowding-out of private investment	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Greenwashing	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of cost effectiveness	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Deep pockets distortions	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

#### *A.4.2) Broadening*

Broadening in this context refers to increasing the eligibility for participating in an aid scheme from a specific beneficiary or group of beneficiaries (in terms of technology or sector) to other beneficiaries, sectors or technologies that can contribute to the same objective. For instance, a broadening requirement could prevent that a Member State limits support only to energy efficiency measures in buildings, or only to

solar electricity production, or to renewable energy or only to low emission mobility through electric cars. Rather, State aid rules could aim at opening schemes to a wider variety of projects that can all contribute to the targeted objective (like decarbonisation). Similarly, if a Member State aims to incentivise industrial decarbonisation, State aid rules could avoid limiting the support to one company only and rather require a broadening of the proposed support so that eg. all companies active in the same sector, or all companies which are competing against each other, or all companies facing the same decarbonisation challenge are eligible to apply for subsidies.

By opening up the possibility of support to the entire sector, to all competing undertakings or all undertakings facing the same environmental challenge, competition distortions may be reduced. For example, expanding eligibility to include more cost-effective options, or direct/indirect competitors to the originally targeted beneficiaries might reduce the possibility for Member States to use State aid for providing competitive advantage to the beneficiaries over competitors by subsidising emissions reductions only in one specific factory, in one specific part of the country, or in one specific type of factory.

Provided that the broadening is not accompanied by an increase in the budget and is combined with a selection procedure, it might also reduce the cost of achieving environmental protection objectives, given that Member States would have the possibility to select the projects that they will support from a larger range of potentially cheaper projects *[Broadening should not be understood as requiring Member States to increase the budget of their aid schemes or to broaden the support to more expensive approaches. Rather, such a requirement would be limited to requiring support for comparable projects when they can more cost-effectively achieve the targeted objective]*. A significant challenge associated with such a “broadening” approach would be the need to come up with an objective basis for defining an appropriate scope – ie. is it sufficient to broaden a measure to include all undertakings producing the same good or service, would the Member State have to also include undertakings producing products or services that compete with the originally intended beneficiaries, or would the Member State have to include all possible projects that could contribute to the targeted objective? An additional complexity would arise in schemes pursuing more than one environmental objective.

71 Would you consider beneficial a requirement for Member States to broaden their support schemes for decarbonisation?

- Yes
- No
- I don't know

72 Please explain.

*1000 character(s) maximum*

Transparency of support schemes in Member States is essential for ensuring a level playing game across EU and to ensure that investments are geared to the most effective projects.

73 Would you consider beneficial a requirement for Member States to broaden their support schemes for environmental objectives other than decarbonisation?

- Yes
-

No

I don't know

74 Please explain and specify for which objectives you would consider it necessary.

*1000 character(s) maximum*

same answer as for question 73.

75 If you answered yes to 71) and/or 73), how far should this broadening requirement reach?

- Must include all undertakings producing the same good or service
- Must include undertakings producing products or services that compete with the originally intended beneficiaries (eg. steel producers as well as all products competing with steel for its various applications)
- Must include all possible projects that could contribute to the targeted objective, i.e. should apply across sectors
- Other (please explain)

76 Please explain your answer.

*1000 character(s) maximum*

79 How would you rate this potential broadening requirement in terms of its suitability to mitigate the following risks?

	No impact on the risk	Not sufficient on its own to fully tackle the risk	Well suited	I don't know /No opinion
Overcompensation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Crowding-out of private investment	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Greenwashing	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of cost effectiveness	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Deep pockets distortions	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

#### *A.4.3) Cross-border opening of aid schemes*

Cross-border opening of aid schemes in this context refers to the possibility for State aid rules to require national support schemes to be broadened beyond national borders. Schemes would need to be open to

projects in other Member States that can contribute to the achievement of the targeted objective *[This would be similar to the rules already applicable for capacity mechanisms used to ensure security of electricity supplies. However, the existing sectoral rules for renewable energy (Renewables Directive) makes the use of cooperation mechanisms and the opening of support schemes across borders voluntary]*.

The requirement to enable foreign participation could be limited to a percentage of the available budget for a scheme.

As with the potential national broadening tool described above, it would not be appropriate for State aid rules to require Member States to increase the budget of their aid schemes. Rather, such a requirement would be limited to requiring support for comparable projects in other Member States when they can more cost-effectively achieve the targeted objective.

Such a requirement would increase competition and could potentially serve as an important control against the risk of Member States with greater financial resources being able to over subsidise environmental protection activities in their territory, giving a competitive advantage to firms located in their territory. However, it would also increase complexity and there may be challenges associated with monitoring and enforcing rules across borders, which would depend to some extent on the willingness of national authorities to cooperate.

However, there may also be situations when such approach would not be appropriate. Where a Member State targets a specifically local pollution problem – air quality in a city for example – it would not be likely to be appropriate to open the support scheme to projects in other Member States unless these projects were geographically close enough to cost effectively make a difference to the objective pursued.

80 Would you support a requirement for Member States to open their support schemes for decarbonisation across borders?

- Yes
- No
- I don't know

81 Please explain.

*1000 character(s) maximum*

Opening of support schemes to cross border decarbonisation projects would enhance the effectiveness of investment projects and their development following a merit order.

82 Would you support a requirement for Member States to open their support schemes for environmental objectives other than decarbonisation across borders?

- Yes
- No
- I don't know

83 Please explain.

1000 character(s) maximum

see reply question 79

84 If you answered yes to 80) and/or 82), should Member States be able to limit the amount of support available to projects in other Member States?

- Yes – no more than 10% of the scheme budget should be available to projects in other Member States
- Yes – no more than 50% of the scheme budget should be available to projects in other Member States
- No – it should be possible for projects in other Member States to be allocated the full budget from the scheme if they are more cost effective ways to achieve the targeted objective than national projects
- Other (please explain)

85 Please explain your answer.

1000 character(s) maximum

The goal is to Implement an EU wide level playing field for decarbonisation projects and incumbents.

95 How would you rate this potential cross-border opening requirement in terms of its suitability to mitigate the following risks?

	No impact on the risk	Contributes to reducing the risk but not sufficient on its own	Well suited	I don't know /No opinion
Overcompensation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Crowding-out of private investment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Greenwashing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of cost effectiveness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Deep pockets distortions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

#### A.4.4) Competitive bidding process

Competitive bidding process refers to selecting beneficiaries and determining the aid amount for the beneficiaries through a non-discriminatory and competitive bidding process, that provides for the participation of a sufficient number of undertakings and where the aid is granted on the basis of either the initial bid submitted by the bidder or a clearing price. The budget or volume related to the bidding process is a binding constraint leading to a situation where not all bidders can receive aid. Tenders can be limited to specific categories of projects.

Competitive bidding processes in general have been useful to drive down costs and increase the efficiency of the support and help ensure the proportionality of aid. They can be complex to design and may increase the administrative burden and costs especially for smaller participants, but they avoid the need for administrative assessments of the amount of aid that projects should receive.

To ensure the proportionality of the aid, competitive bidding processes require a sufficient number of projects and those projects should be sufficiently comparable. There may therefore be areas in which competitive bidding processes are less suitable because there are not enough projects on a regular basis to organise a competitive bidding process or because projects are so diverse that a comparison of costs only would not seem adequate.

96 Do you think that competitive bidding processes should be the general rule to allocate investment and operating aid for energy and environmental purposes?

- Yes
- No
- I don't know/No opinion

A requirement for a competitive bidding process could be combined with other requirements being considered in this consultation, for example the potential requirement for broadening and the potential 'transparency' requirement for calculating the cost of achieving the targeted objective. If a broadening requirement were to be combined with tendering it could be expected to lead to a further reduction of the costs of support. Also, when combined with tender, the broadening requirement could ensure that the tender is competitive by contrast to a tender limited to a sector in which there are only too few competitors.

107 In your view, would a competitive bidding procedure that selected the cheapest projects to deliver industrial decarbonisation within a given sector and on national basis (steel only, cement only, fertilisers only) be sufficiently competitive to ensure that aid is limited to the minimum necessary to trigger the projects?

- Yes
- No
- I don't know

109 If yes, why?

*3000 character(s) maximum*

Within the industries eligible to ETS, it seems advisable to organize the bidding process sector by sector.

110 Competitive bidding procedures open to several technologies/sectors usually focus on one or very few parameters, on which participants bid and are compared, such as the actual aid amount for the construction of the project or the cost of delivering a MWh of renewable energy or the costs of reducing one ton of CO<sub>2</sub>. Are

there important environmental or social costs or benefits that cannot be internalised in a competitive bidding procedure with a broader scope?

- Yes
- No
- Don't know/No opinion

111 If yes, which one(s)?

- Costs for electricity grid reinforcement  
Costs for system integration
- Long-term potential of projects/technologies  
Lock-in into a technology which is not suitable in the long term  
Trade-offs with other environmental impacts (e.g. on local air quality, biodiversity, etc.)  
Coordination with other policies (e.g. security of supply)  
Other (please specify)

113 How would you rate a competitive bidding procedure across heterogeneous projects? In such a procedure, projects of different types all contributing to decarbonisation would compete and be compared on the basis of the cost per unit of CO2 emission reduction. This could involve for example a competitive bidding process in which renewable electricity and heat, insulation of buildings, acquisition of clean vehicles, process energy efficiency, waste heat recovery, renewable and low carbon hydrogen production/consumption, and CCS projects all participate.

	Not at all suited (no impact on that risk)	Contributes to reducing the risk but not sufficient on its own	Well suited	Don't know/No opinion
Overcompensation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Crowding-out of private investment	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Greenwashing	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Missing cost effectiveness	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Deep pockets distortions	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

*A.4.5) Public consultation*

The public consultation envisaged in this section would require Member States/authorities setting up a support scheme to publish as part of its preparation a consultation open to all interested parties on a public platform, covering the main features of the support scheme, as well as the proposed eligibility and the way projects would be selected for support. The responses received would be published, together with a summary report with the Member States' reactions to the main comments. This summary report would be provided to the Commission as part of the notification of the State aid scheme for approval. Failure to conduct the prior public consultation would lead to the incompatibility of the aid measure.

Such a consultation would entail a significant administrative burden for Member States/authorities but could be a useful tool notably for larger and more complex schemes and those involving higher budgets. In particular, if a requirement for broadening (as explained above) is introduced, a requirement for public consultation could serve as a basis for determining whether the eligibility for the scheme is appropriate – ie. the Member State could consult the market on the proposed eligibility, providing an opportunity for market participants to provide evidence if they are aware of projects that could more cost effectively contribute to the objectives targeted by the scheme. The Member State could then consider broadening the scope of the proposed scheme to include such projects (and this information would be available to the Commission when the Commission examines the compatibility of the scheme). Another type of consultation that might be useful is a public consultation aiming at probing the market for potential project to verify that there is a need for a support scheme and that it would not crowd out private projects.

116 On a scale from 1 to 5, how useful would you consider such a consultation to ensure a proposed scheme is reasonably open to competitors and avoids unduly distorting competition?

- 1 (not useful at all)
- 2
- 3
- 4
- 5 (very useful)
- I don't know/No opinion

117 When should such a consultation requirement apply?

- It should not apply to any measures
- It should apply to all measures regardless of their cost/complexity
- It should apply to all measures exceeding a certain budget threshold
- It should apply to all measures involving certain complex features eg. participation of multiple project types (please explain)
- It should apply to all areas as means to verify the necessity of an aid scheme
- It should apply to all notifiable amendments (i.e., amendments requiring a new State aid decision) to measures that originally required a consultation
- It should apply only to notifiable amendments related to certain complex features eg. participation of multiple project types

- Other (please explain)
- I don't know

#### A.4.6) Summary

Having responded to the questions above, please summarise your views by completing the following table.

119 On a scale from 1 (completely disagree) to 5 (completely agree): to which extent to you agree with the following statements?

	1	2	3	4	5	I don't know /No opinion
Currently, State aid for environmental protection is well spent.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
State Aid should allow Member States to target what they consider the most pressing environmental issues in their national context regardless of competition distortions	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reducing the cost of environmental aid makes it more acceptable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Improving the transparency of the cost of environmental protection makes aid for environmental protection more acceptable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
State aid rules should prevent Member States subsidising only more expensive ways to achieve environmental protection objectives and should require Member States to also/instead support more cost effective ways to achieve environmental protection objectives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Awarding environmental aid through tenders makes it more acceptable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Opening environmental aid schemes to as many contributors to the environmental objective as possible makes it more acceptable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Opening environmental aid schemes cross border makes them more acceptable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Making the rules clearer and simpler would significantly facilitate their use	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

120 Other than the potential tools explained here (transparency, broadening etc) do you have any other suggestions as to how the risks of competition distortions could be mitigated through state aid rules?

- Yes

- No
- I don't know

121 If you replied yes, please explain.

*3000 character(s) maximum*

Organizing and launching a bidding process for large innovative projects like blue hydrogen production with CCS.

#### *A.4.7) Administrative burden*

126 Do you have any suggestions for limiting the complexity and/or reducing the administrative burden of the options listed above?

- Yes
- No
- I don't know

128 Do you think that simplified rules should apply for smaller projects?

- Yes
- No
- No opinion

129 If yes, how should a small project be defined, bearing in mind the risk of abuse (eg. circumvention by splitting the budget or splitting the installation into smaller production units)?

*3000 character(s) maximum*

#### ***B) Energy Intensive Users***

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130 Over the past years, taxes and levies on electricity, such as those financing renewable support schemes, have continued to increase. At the same time, the energy component of the final (retail) electricity price has reduced both in absolute and relative terms [see DG Energy, *Energy Prices and Costs Report, 2019*]. In the context of the Green Deal and the planned decarbonisation, how do you expect the various components of the electricity bill to change in light of the EU's increased climate ambitions?

	Decrease by more than 50%	Decrease by 20-50%	Decrease by 10-20%	Decrease by less than 0-10%	Remain stable	Increase by 0-10%	Increase by 10-20%	Increase by 20-50%	Increase by more than 50%	I don't know /No opinion
Energy component	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Levies to finance Renewables	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Levies to finance other decarbonisation objectives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Network charges	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy taxes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

131 Based on the expected levels of levies to finance renewables and other decarbonisation objectives (“decarbonisation levies”) or energy taxes, as indicated in the question above, on a scale of 1 (none) to 6 (very high), how would you rate the risk that EIUs would relocate from your Member State assuming that the existing exemptions for EIUs will continue to apply?

	1 (none)	2 (low)	3 (medium-low)	4 (medium-high)	5 (high)	6 (very high)	I don't know/No opinion
Energy taxes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Decarbonisation levies	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

132 Based on the expected levels of decarbonisation levies or energy taxes, on a scale of 1 (none) to 6 (very high), how would you rate the risk that EIUs would relocate from your Member State if the exemptions for EIUs were removed?

	1 (none)	2 (low)	3 (medium-low)	4 (medium-high)	5 (high)	6 (very high)	I don't know/No opinion
Energy taxes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Decarbonisation levies	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

133 The level of taxes and levies on electricity, both in absolute value and as a share of total price of the input, can affect the incentives for energy intensive users to electrify their production processes. How would you rate, on a scale of 1 (none) to 6 (very high), the risk that the expected levels of taxes and levies on electricity will significantly impair this electrification process?

- 1 (none)
- 2 (low)
- 3 (medium-low)
- 4 (medium-high)
- 5 (high)
- 6 (very high)
- I don't know

134 How would you rate, on a scale of 1 (should not be used) to 5 (very good choice), the use of the following sources of financing for the support to decarbonisation schemes?

Support for decarbonisation policies should be financed from:	1 (should not be used)	2 (not a good choice)	3 (medium)	4 (good choice)	5 (very good /preferred choice)	I don't know/No opinion
Surcharges on electricity	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Surcharges on fossil fuels	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
ETS revenues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Specific charges imposed on industry	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Environmental taxes imposed on industry	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Environmental taxes imposed on the economy	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
General budget	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

136 Do you consider the need for reductions for EIUs could be reduced or eliminated, if decarbonisation measures were financed through means other than surcharges on electricity?

- Yes
- No
- I don't know/No opinion

137 Please justify your reply to the previous question.

*1000 character(s) maximum*

Taxes on the invoicing of electricity to final domestic consumers in France –excluding VAT- already account for nearly 20% and an increased share of taxes would foster energy poverty.

138 In your opinion, which of the following parameters, on a scale of 1 (not relevant) to 5 (very relevant), are the most relevant to identify the sectors that will be at risk of relocation due to taxes and levies with a decarbonisation objective?

	1 (not relevant)	2 (slightly relevant)	3 (relevant)	4 (rather relevant)	5 (very relevant)	I don't know /No opinion
Exposure to international trade ("trade intensity")	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Exposure to electricity costs ("electro intensity")	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exposure to a risk of carbon leakage as determined for the purposes of the ETS Guidelines 2020-2030	<input type="radio"/>	<input type="radio"/>	<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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

139 If other, please specify.

*1000 character(s) maximum*

Maximum 1000 characters.

A carbon adjustment at EU borders should be implemented to mitigate the risks of carbon leakage and loss of competitiveness in the industrial sector.

140 In your opinion, in order to minimise the risk of relocation while ensuring level playing field, should the possibility of granting reductions to EIUs be limited to only those Member States that have reached a certain EU-wide minimum level (in absolute amount) of decarbonisation levies?

- Yes
- No
- I don't know/No opinion
- Other (please specify)

142 In your opinion, should the granting of reductions to EIUs be made conditional upon requirements to invest part of the support in energy efficiency and/or the decarbonisation of production processes?

- Yes
- No
- I don't know/No opinion
- Other (please specify)

## **Final comments and document upload**

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144 If there is anything else you would like to say which may be relevant for the impact assessment of the EEAG, feel free to do so.

*1000 character(s) maximum*

UPRIGAZ wishes to stress that the impact assessment of the EEAG should consider the merit of an EI wide scheme of green gas development, including biogas, biomethane and hydrogen, in particular blue hydrogen produced with CCS.

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

The maximum file size is 1 MB

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

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

- Yes
- No

As mentioned in the Introductory Part of this questionnaire, the Commission is currently conducting a consultation on the relationship between competition law and the Green Deal. In this framework, the Commission is examining to what extent green bonuses could be allowed for measures or projects delivering high environmental protection, whether that high environmental contribution should be identified thanks to the EU taxonomy or not and how risks of overcompensation can be avoided when normal aid intensities already cover all extra environmental costs.

In the call for contributions, stakeholders are invited to examine among others the following questions,

