

# 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

Jeremy

\* 4 Surname

Nicholson

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

nicholson@ifieceurope.org

\* 7 Organisation name

*255 character(s) maximum*

IFIEC Europe

\* 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.

1978775156-31

\* 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

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

\* 11 If you are a an association representing businesses, please indicate the sector (s) of activity (NACE code) of your member organisations.

A1 - Crop and animal production, hunting and related service activities

A2 - Forestry and logging

A3 - Fishing and aquaculture

B5 - Mining of coal and lignite

B6 - Extraction of crude petroleum and natural gas

B7 - Mining of metal ores

B8 - Other mining and quarrying

B9 - Mining support service activities

C10 - Manufacture of food products

C11 - Manufacture of beverages

C12 - Manufacture of tobacco products



- C13 - Manufacture of textiles
- C14 - Manufacture of wearing apparel
- C15 - Manufacture of leather and related products
- C16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
- C17 - Manufacture of paper and paper products
- C18 - Printing and reproduction of recorded media
- C19 - Manufacture of coke and refined petroleum products
- C20 - Manufacture of chemicals and chemical products
- C21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations
- C22 - Manufacture of rubber and plastic products
- C23 - Manufacture of other non-metallic mineral products
- C24 - Manufacture of basic metals
- C25 - Manufacture of fabricated metal products, except machinery and equipment
- C26 - Manufacture of computer, electronic and optical products
- C27 - Manufacture of electrical equipment
- C28 - Manufacture of machinery and equipment n.e.c.
- C29 - Manufacture of motor vehicles, trailers and semi-trailers
- C30 - Manufacture of other transport equipment
- C31 - Manufacture of furniture
- C32 - Other manufacturing
- C33 - Repair and installation of machinery and equipment
- D35 - Electricity, gas, steam and air conditioning supply
- E36 - Water collection, treatment and supply
- E37 - Sewerage
- E38.1 - Waste collection
- E38.2 - Waste treatment and disposal
- E38.3 - Materials recovery
- E39.0 - Remediation activities and other waste management services
- F41 - Construction of buildings
- F42 - Civil engineering
- F43 - Specialised construction activities

G45 - Wholesale and retail trade and repair of motor vehicles and motorcycles

G46 - Wholesale trade, except of motor vehicles and motorcycles

G47 - Retail trade, except of motor vehicles and motorcycles

H49 - Land transport and transport via pipelines

H50 - Water transport

H51 - Air transport

H52 - Warehousing and support activities for transportation

H53 - Postal and courier activities

I55 - Accommodation

I56 - Food and beverage service activities

J58 - Publishing activities

J59 - Motion picture, video and television programme production, sound recording and music publishing activities

J60 - Programming and broadcasting activities

J61 - Telecommunications

J62 - Computer programming, consultancy and related activities

J63 - Information service activities

K64 - Financial service activities, except insurance and pension funding

K65 - Insurance, reinsurance and pension funding, except compulsory social security

K66 - Activities auxiliary to financial services and insurance activities

L68 - Real estate activities

M69 - Legal and accounting activities

M70 - Activities of head offices; management consultancy activities

M71 - Architectural and engineering activities; technical testing and analysis

M72 - Scientific research and development

M73 - Advertising and market research

M74 - Other professional, scientific and technical activities

M75 - Veterinary activities

N77 - Rental and leasing activities

N78 - Employment activities

N79 - Travel agency, tour operator and other reservation service and related activities

N80 - Security and investigation activities

N81 - Services to buildings and landscape activities  
N82 - Office administrative, office support and other business support activities  
O84 - Public administration and defence; compulsory social security  
P85 - Education  
Q86 - Human health activities  
Q87 - Residential care activities  
Q88 - Social work activities without accommodation  
R90 - Creative, arts and entertainment activities  
R91 - Libraries, archives, museums and other cultural activities  
R92 - Gambling and betting activities  
R93 - Sports activities and amusement and recreation activities  
S94 - Activities of membership organisations  
S95 - Repair of computers and personal and household goods  
S96 - Other personal service activities  
T97 - Activities of households as employers of domestic personnel  
T98 - Undifferentiated goods- and services-producing activities of private households for own use  
U99 - Activities of extraterritorial organisations and bodies

\* 12 If you are an association representing businesses, please indicate whether your members include SMEs and micro-enterprises:

- Yes, they include SMEs
- Yes, they include micro-enterprises
- Yes, they include both SMEs and micro-enterprises
- No, they do not include SMEs nor micro-enterprises
- I don't know / NA

\* 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**

*[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 type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Your country will have enough resources to support environmental protection including decarbonisation?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
The difference between Member States' resources to support environmental protection including decarbonisation have increased since 2019?	<input type="radio"/>	<input type="radio"/>	<input checked="" 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 type="radio"/>	<input type="radio"/>	<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 type="radio"/>	<input checked="" 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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" 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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Energy efficiency in production processes	<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 efficiency in buildings	<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"/>
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 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"/>
Resource efficiency /Circular economy (water)	<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"/>
Resource efficiency /Circular economy (waste heat)	<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"/>
Low/zero emission vehicles	<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 transport infrastructure	<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"/>
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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<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 type="radio"/>	<input type="radio"/>	<input checked="" 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 checked="" 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 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"/>

25 If you replied that aid should be allowed for certain types of installation only, please explain which type(s).

3000 character(s) maximum

In the above table (Q23), the items have been selected as they constitute all those items that are deemed desirable and relevant to the European industry to enable the transformation to a climate neutral future. This involves both numerous technology routes as well as the availability of abundant and affordable climate neutral energies, including electricity.

### 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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Renewable heating/cooling	<input checked="" type="radio"/>	<input type="radio"/>	<input 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 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 type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy efficiency in production processes	<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 type="radio"/>	<input type="radio"/>	<input type="radio"/>
Industrial decarbonisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(Solid) Waste recycling	<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"/>
Resource efficiency /Circular economy (waste heat)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Low/zero emission vehicles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Low/zero emission transport infrastructure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Carbon Capture and Storage (CCS)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Carbon Capture and Use (CCU)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy storage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Demand response	<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"/>
Biodiversity	<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"/>
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## 27 If you selected 'other', please specify.

1000 character(s) maximum

The EEAG should stimulate early adoption of innovative first-of-its-kind solutions in industry. These are very often non-mature technologies, which should preferably be supported by investment aid, rather than operating aid. Aid covering operating costs should be as much as possible avoided as it works market distortive and if used the resources for finance should be determined upfront. Mature technologies should not be eligible for aid. Most RES-E-technologies are mature, and most of their cost is CAPEX, so there should be very limited/ no need for aid covering operating costs.

### 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 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 type="radio"/>	<input type="radio"/>
Renewable and low carbon hydrogen production	<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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Combined Heat and Power (CHP)	<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 type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy efficiency in production processes	<input checked="" 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 type="radio"/>	<input type="radio"/>	<input type="radio"/>
Industrial decarbonisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(Solid) Waste recycling	<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"/>
Resource efficiency /Circular economy (waste heat)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Low/zero emission vehicles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Low/zero emission transport infrastructure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Carbon Capture and Storage (CCS)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Carbon Capture and Use (CCU)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy storage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Demand response	<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"/>
Biodiversity	<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"/>
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### 29 If you selected 'other', please specify.

*1000 character(s) maximum*

As a general rule, non-mature technologies should preferably be supported by investment aid. Aid covering operating costs should be as much as possible limited as it can work market distortive. However, in cases where a company operates a new decarbonisation technology suffering from higher operational cost such as several industrial low carbon technologies, then in such cases, operating aid is required to address the cost barrier that prevents companies from investing in new low-carbon technology.

### 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

### 31 Please explain in what areas and/or circumstances their impact may differ or why you consider that they have the same impact.

*1000 character(s) maximum*

Investments in the electricity market are eroded due to operating aid for renewable electricity. Due to these subsidies, massive investments in renewables (sun and wind) were made without accompanying requirements on responsibility to provide for security of supply in absence of sun and wind. This lack of responsibility is now being filled with new subsidies for conventional power installations. As a consequence, market solutions for adequacy in the electricity market are disincentivised. Several industrial decarbonisation pathways (electrification, hydrogen, CCUS, etc.) imply significantly higher operating costs than conventional technologies. Therefore, taking into account the technological risk as well as the harsh international competition, both operating and investment aid is need to upscale and roll-out as soon as possible the new technologies.

### 32 Do you think that the current rules include appropriate safeguards to avoid potential negative impacts or are additional safeguards required?

*1000 character(s) maximum*

Additional safeguards are required in aid for renewable electricity generation, where technological development and market competitiveness are evolving very rapidly. The following elements are necessary in this field:

- Closed (pre-fixed) aid budget with dedicated and transparent finances communicated upfront.
- Aid granted in a technology neutral way accessible to all low carbon technologies
- Operational aid should be targeted and limited in time and should be decreasing over time.
- Aid should be stopped for mature technologies.

Considering the expected increase of regulatory costs due to higher climate & energy targets, the existing provisions are not sufficient for safeguarding EII (loss of global competitiveness, risk of carbon leakage), especially concerning the group of sectors addressed (industrial value chains are not taken into account). Also, new provisions are necessary to support the decarbonisation of these sectors.

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

34 If you replied 'other' to the previous question, please explain.

*1000 character(s) maximum*

Fixed premiums (degressive over time) expose the operator of a RES-E-installation to market risk, further incentivizing market integration. This mechanism therefore is better suited to support RES-E (as far as they are not yet mature technologies). Therefore, fixed premiums which are reduced over time and are set at the adequate level avoiding over subsidies, then seem to be better suited to reduce the overall subsidy costs (which are bore by consumers).

Two-way-CfDs effectively guarantee a certain price. Thereby they reduce market risk and are more suitable for those technologies that haven't yet reached market maturity. For any subsidy scheme the resources for finance should be determined upfront.

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 CO2 for the production of a given product (steel, cement, fertilisers, etc.) and the actual CO2 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 type="radio"/>	<input checked="" 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 type="radio"/>	<input type="radio"/>	<input checked="" 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 type="radio"/>	<input checked="" 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*

Competitive bidding – although competitive bidding process should generally be the rule in renewable electricity generation due to the fast recent technological development, when it comes to industrial decarbonization, sectors and technologies are very different and not really comparable, therefore competitive bidding across such sectors is not the most appropriate instrument (they are however well suited when it comes to standardized and comparable projects like windmills)

Technology neutral: means that CCfDs should be technology neutral in a given sector or for sectors that have the same CO2 abatement costs. CO2 costs can vary in a significant way for a period of several years. There is no reason to limit for investments whose life time is greater than 15 years. Materials from different sectors can be used for same applications. Therefore, CfDs cannot be sector specific but should support technology/material neutrality.

Contracts for difference can overcome investment gaps for innovation and demonstration projects. They could have a positive effect as costs of new installations without CO2 emissions can be much higher than the cost of the avoided CO2 emissions. Current carbon leakage measures, based on CO2 emissions, are not adequate to protect competitiveness in the EU for installations that no longer emit CO2 and which lead to benchmarks going to zero. If designed correctly, CCfDs can help enable a low-carbon transition in a cost-efficient way. The budget should be pre-determined (cost should be limited in time and amount); the origin of the budget should not hamper competitiveness.

### 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*

Generally, state aid intervention runs the risk of creating competition imbalances on the market. However, this would depend on how the CCfDs are designed (eg: EU or national level). The risk may arise for new installation, which will be awarded the contract, and incumbent installations in the EU, that can be pushed out the market and be replaced by import. Any potential risk of competition distortion would be reduced by making possible to complement Carbon Contracts for Difference with other types of European and national funding programmes (such as the EU Innovation Fund, Just Transition Fund etc.)

41 If you replied yes, which type of safeguards would you propose to reduce the risk (limitation of the amount, duration of the aid, degressivity, eligibility, competitive bidding process, etc.)?

*3000 character(s) maximum*

EEAG should enable contracts for difference to de-risk investments while maintaining the EU level playing field. Member States and EU budget should in the future contribute to the realization of European greenhouse gas reduction objective without distorting the intra-EU level playing field.

In determining the contract for difference, the comparison with existing technologies is an important parameter. Furthermore, a balance should be found between sufficient support to trigger the investments on the one hand and to avoid overcompensation on the other hand. Any potential risk of competition distortion would be reduced by making possible to complement Carbon Contracts for Difference with other types of European and national funding programmes (such as the EU Innovation Fund, Just Transition Fund etc.)

### *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 CO<sub>2</sub> 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 type="radio"/>
Renewable heating/cooling	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Renewable and low carbon hydrogen production	<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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Combined Heat and Power (CHP)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
District heating/cooling	<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 type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Energy efficiency in buildings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Industrial decarbonisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(Solid) Waste recycling	<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"/>
Resource efficiency/Circular economy (waste heat)	<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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

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.3.4) Administrative burden*

While an application for public support will inevitably put an administrative burden on aid applicants, this burden might vary depending on the type of project, the granting procedure or the aid instrument. The following questions aim to compare the administrative burden of different granting procedures.

57 If you are a business or an association representing businesses, assuming you (or one of your members) would apply for a subsidy of EUR 1 000 000 how do you rate the burden of administrative procedures in applying for aid for environmental protection (ie. the cost to a business incurred to prepare the application and required documentation and take part in the application procedure) based on the following application processes?

Admin burden of	1 (not burdensome)	2 (acceptable)	3 (burdensome)	4 (very burdensome)	5 (too burdensome: you would not apply)	I don't know/no experience
Operating aid based on the bid submitted in a competitive bidding process	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Operating aid based on pre-established tariffs by the administration (no competitive bidding process, only aid application)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment aid based on pre-established aid intensities. Counterfactual is already established by granting authority.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment aid based on pre-established aid intensities. Counterfactual situation must be described by the aid applicant.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment aid based on Funding gap (aid applicant must submit discounted cash flow projections)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

58 Please provide an estimate of the costs (in % of budget) you think a business would incur to prepare the application and take part in the application procedure, based on the following application processes.

	Estimate of costs (% of subsidy)
Operating aid based on the bid submitted in a competitive bidding process	
Operating aid based on pre-established tariffs by the administration (no competitive bidding process, only aid application)	
Investment aid based on pre-established aid intensities. Counterfactual is already established by granting authority.	
Investment aid based on pre-established aid intensities. Counterfactual situation must be described by the aid applicant.	
Investment aid based on Funding gap (aid applicant must submit discounted cash flow projections)	

#### 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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Crowding-out of private investment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Greenwashing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" 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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" 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*

Transparency is needed to prevent overcompensation. However, this will result in additional complexity. Further, there is a danger that business confidential information may be disclosed to the public. The greater added value for society from investment in low carbon processes with large abatement potential should be recognized in the allocation procedure for aid.

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 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.4.2) 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*

For renewable energy generation technologies with proven market penetration, broadening requirements shall be applied. Yet, for aid to decarbonization of industry, priority shall be given to implementation of projects at industrial scale which have not been tested and upscaled and entail high technological and financial risk, hence require dedicated substantial support.

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

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 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.4.3) 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*

Cooperation mechanisms and opening of support schemes are already allowed today by RED, on a voluntary basis. They should continue to be voluntary as this might be most cost-effective and result in more optimal solutions. Introducing a mandatory requirement would increase the complexity, could be challenging, and the detailed rules would be difficult., like e.g. should it be all or a certain percentage of the available budget? It would be better instead to create incentives for Member States to implement cooperation mechanism.

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*

The other environment objectives are linked to local situation. For example, actions to reduce water consumption in a water-stressed region shall be implemented in this region and not at the other end of Europe.

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

97 If you replied no, in which of the following area(s) do you think that competitive bidding procedures should not be applied to allocate operating aid?

- 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) \_\_\_\_\_

## 98 If you selected 'other', please specify.

*1000 character(s) maximum*

As a general rule, competitive bidding procedures are well suited if there is competition, when projects are comparable and not in the early stages. So, they are suitable for RES-E. But they are not the best option to allocate aid for transformation processes in the industry, where projects are not comparable across (or even within) sectors. Therefore, a more individual approach is needed for industry.

## 99 If you replied no, in which of the following area(s) do you think that competitive bidding procedures should not be applied to allocate investment aid?

- 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) \_\_\_\_\_

## 101 If you consider that competitive bidding processes should not be the general rule to allocate aid for energy and environmental purposes, why do you consider that a competitive bidding process should not be carried out?

Multiple answers possible.

- The foreseeable number of potential projects/sites not sufficient to ensure competition  
Certain participants could bid strategically (e.g. due to market power), preventing fair competition  
Project realisation would be so uncertain that fewer projects overall would be developed
- Not possible to create a suitable parameter against which the different environmental merits of the projects could be compared
-



## Other (please specify)

### 102 If you selected 'other', please specify.

*1000 character(s) maximum*

Auctions are reasonably applicable within a group of projects that are comparable and where there is sufficient competition to be expected. This is the case for e.g. RES-E projects. In the case of industrial decarbonization however, this is not the case: Industry covers a lot of sectors and numerous different processes which can exhibit very different production technologies and costs. Auctions would drive out decarbonization projects exhibiting fundamentally higher costs. However, in industrial transformation, there is the need for developing new technologies for different processes in parallel. Moreover, the different projects would be hard to compare across companies, processes and sectors, which would require the auctions to be tailored for a small group of comparable projects, which would probably lead to little competition.

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

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 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"/>
Missing 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.4.5) 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 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 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 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 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 type="radio"/>	<input type="radio"/>
Awarding environmental aid through tenders makes it more acceptable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input 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 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 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 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

#### *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

### ***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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Levies to finance Renewables	<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"/>	<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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Network charges	<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"/>
Energy taxes	<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"/>	<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 type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Decarbonisation levies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" 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 type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Decarbonisation levies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" 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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Surcharges on fossil fuels	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
ETS revenues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Specific charges imposed on industry	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Environmental taxes imposed on industry	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Environmental taxes imposed on the economy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
General budget	<input type="radio"/>	<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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

135 If other, please specify.

1000 character(s) maximum

ETS revenues could be a suitable source, but with the clear requirement that these sources are ringfenced and are to be reinjected in industry to decarbonize.

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

Any costs stemming from financing of decarbonization technologies cannot be passed on into charges to industrial consumers who face international competition and carbon and investment leakage. Also, surcharges applied on electricity are not only linked to decarbonation costs. Moreover, exemptions can only be eliminated parallel to the full phase out of the surcharges, including the historical ones. Until then, exemptions for EIUs shall be maintained.

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 type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Exposure to a risk of carbon leakage as determined for the purposes of the ETS Guidelines 2020-2030	<input checked="" type="radio"/>	<input type="radio"/>	<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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

139 If other, please specify.

1000 character(s) maximum

Maximum 1000 characters.

Carbon leakage risk needs to be measured more broadly:

Trade intensity calculated from statistical data does not address potential competition: i.e. there might be no cross-border trade for a certain product yet, but such international trade may be triggered by introducing an energy cost-increase on one side of the border.

Value chains need to be taken into account too: reductions should be possible for companies especially burdened through a high energy intensity and international competition with competitors which do not face an equivalent burden. This must include also companies active in intermediate elements of manufacturing value chains (e.g. pressurized air, industrial gases).

Updating the current EEAG list mirroring recently updated State Aid rules for ETS indirect cost compensation will not be appropriate, being a too narrow selection of activities/companies which may be eligible for state aid. A reference to EU Sustainable Finance Taxonomy would not be appropriate either.

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*

- Industries exposed to international competition and high carbon leakage risk, should not face decarbonisation costs
- Whatever the support measures, it is important to avoid overcompensation and maintain a cost-efficient and market-based approach
- Timeframe of the support measures should be aligned with exemption timeframe
- Need to contain added admin costs and slower decision making if added complexity from the EEAG rules;

slow decision making also contributes to uncertainty and carbon leakage. Access to any support scheme shall not be subject to the compliance with taxonomy criteria. It would be a brake to the decarbonation. It would be counterproductive.

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, which are also relevant for the EEAG revision. The questions are reproduced here for the sake of transparency. The Commission invites stakeholders to submit their comments to this consultation on the role of competition law in the Green Deal to [COMP-GREEN-DEAL@ec.europa.eu](mailto:COMP-GREEN-DEAL@ec.europa.eu).

*3. If you consider that more State aid to support environmental objectives should be allowed, what are your ideas on how that should be done?*

*a. Should this take the form of allowing more aid (or aid on easier terms) for environmentally beneficial projects than for comparable projects which do not bring the same benefits ("green bonus")? If so, how should this green bonus be defined?*

*b. Which criteria should inform the assessment of a green bonus? Could you give concrete examples where, in your view, a green bonus would be justified, compared to examples where it would not be justified? Please provide reasons explaining your choice.*

*4. How should we define positive environmental benefits? a. Should it be by reference to the EU taxonomy and, if yes, should it be by reference to all sustainability criteria of the EU taxonomy? Or would any kind of environmental benefit be sufficient?*

Thank you for responding to this questionnaire.

**Useful links**

[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)

[Fitness Check \(https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/2044-Fitness-check-of-2014-State-aid-modernisation-package-railways-guidelines-and-short-term-export-credit-insurance\)](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/2044-Fitness-check-of-2014-State-aid-modernisation-package-railways-guidelines-and-short-term-export-credit-insurance)

## **Contact**

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