

## Supporting document: IOGP response to public consultation on the revision of the Guidelines on State aid for environmental protection and energy (EEAG) 2014-2020

**The International Association of Oil & Gas Producers' (IOGP) member companies account for approximately 90% of oil and gas produced in Europe. IOGP supports the goals of the Paris Agreement and the EU's objective of climate neutrality by 2050, and will work with policymakers to help create the measures which can enable the energy transition. Many challenges must be overcome to meet this objective, and the energy transition will require significant investments in low-carbon technologies and effective policies driving their uptake.**

IOGP believes that the EEAG should facilitate investments in promising, innovative and scalable technologies that facilitate large-scale carbon emission reduction and management projects while maintaining the functioning of the Internal Energy Market. They should be aimed at allowing for European industries to deliver the scale of projects required to meet the EU's climate objectives, while, as a priority, maintaining competitiveness, keeping existing and creating new jobs. This is essential both in the context of the European Green Deal and as the EU plans to recover from the COVID-19 crisis.

We recommend adapting the EEAG to ensure that the future contributions of carbon capture and utilisation or storage (CCU and CCS) and low-carbon hydrogen from natural gas with CCS to the achievement of the EU climate neutrality objective by 2050 are adequately included. In addition, the EEAG should facilitate the safe, responsible and sustainable production of oil and gas in Europe, including allowing for support for emission reduction technologies.

Continued oil and gas production in Europe will be required during the transition and provide the basis for the development of many necessary low-carbon technologies and their supply chains. Oil and gas from Europe is produced with a 40% lower carbon footprint compared to the global average.<sup>1</sup> Maintaining oil and gas production also allows for the retention of the human and financial capital needed to develop CCS in Europe, as the technology relies on the same people, technologies and value chains.

This paper includes IOGP's recommendations for:

- 1) **Adapting the EEAG to new developments in CCU and CCS**
- 2) **Incorporating low-carbon hydrogen from natural gas with CCS in the EEAG**
- 3) **Adapting the EEAG to facilitate the safe, responsible and sustainable production of oil and gas in Europe**
- 4) **Ensuring the eligibility of measures to reduce emissions from the production and use of oil and gas**
- 5) **Defining positive environmental benefits**

<sup>1</sup> IOGP (2020): [Environmental performance indicators – 2018 data](#).

## 1) Adapting the EEAG to new developments in carbon capture and utilisation or storage (CCU and CCS):

CCS is a proven technology. Three large-scale projects are currently operating in Europe capturing ca. 2.1 Mt CO<sub>2</sub> per year, and a number of projects under development will capture and store between 30 and 60 Mt CO<sub>2</sub> by 2030.<sup>2</sup> Still, this falls far short of the scale required to reach the Commission's climate neutral scenarios which rely on the amount of CO<sub>2</sub> captured and stored to increase by a factor of 40 to 140 by 2050.<sup>3</sup> To achieve the necessary scale-up, the commitment and support of policymakers is needed.

A range of scenarios have shown that CCS is an integral part of meeting the targets set under the Paris Agreement, including the IPCC's SR1.5<sup>4</sup> and the IEA's 2020 World Energy Outlook.<sup>5</sup> The Commission's 2030 Climate Target Plan impact assessment<sup>6</sup> and 2050 long-term strategy<sup>7</sup> equally show that CCS will be necessary to achieve the EU's energy and climate objectives. With State aid assistance, alongside appropriate carbon pricing measures through the EU ETS, widespread CCS investment and deployment will help deliver on energy and climate objectives, facilitate the uptake of both renewable hydrogen and low-carbon hydrogen from natural gas with CCS, and enable negative emissions.

The current EEAG recognise CCS as "a technology that can contribute to mitigating climate change. In the transition to a fully low-carbon economy, CCS technology can reconcile the demand for fossil fuels, with the need to reduce greenhouse gas emissions". The Guidelines also correctly note that "in some industrial sectors, CCS may currently represent the only technology option able to reduce process-related emissions at the scale needed in the long term". The EEAG therefore allow for investment aid of up to 100% of eligible costs to be supported as compatible with the Treaty. Likewise, energy infrastructure also allows for 100% of eligible costs to be covered by investment aid. **These elements should be maintained in the revision of EEAG.** Furthermore, the Guidelines should also recognise that the design and focus of new CCS projects have changed, and innovation in CCS business models has shifted the focus away from single emission sources to industrial clusters linked with CCS hubs.<sup>8</sup>

### IOGP recommendations for adapting the EEAG to new developments in CCS and CCU:

- **Enable a flexible approach to *both* investment *and* operation aid in the CCS chain:** The EEAG need to be updated to allow for a wider range of circumstances and business models. This may need to involve flexible aid to cover *both* investment *and* operating costs. The policy recommendations outlined in the IOGP-coordinated industry report *The potential for CCS and CCU in Europe*<sup>9</sup> should be considered in this context, in particular Contracts for Difference (CfDs) and tax incentives for CO<sub>2</sub> storage. We believe CfDs should be limited to the ETS sector, or offered such that if a project is awarded a CfD it cannot claim any other policy support mechanism (other than ETS credits) in order to avoid unintended consequences.
- **Incorporate the construction or retrofitting of *shared* CCS infrastructure:** The EEAG do not currently consider how enabling the retrofitting of existing energy infrastructure or the construction of new infrastructure for CO<sub>2</sub> transport and storage may benefit the decarbonisation of *several* industrial processes. This will be important to reflect in the infrastructure section of the revised EEAG.
- **Incorporate the transport of CO<sub>2</sub> for storage by other modes of transport (e.g. shipping) in addition to pipeline:** The definition of energy infrastructure concerning CO<sub>2</sub>, as defined in part 1.3 (§31d) of the EEAG only concerns pipeline networks, not ship-based solutions. At the same time, the chapter on aid to CCS in part 3.6 (§164) allows for State aid for the transport of CO<sub>2</sub> without providing a definition of CO<sub>2</sub> transport modes. It is therefore unclear that ship-based solutions to CO<sub>2</sub> transport for storage can receive State aid. The definition of energy infrastructure in the EEAG should be modified to include the transport of CO<sub>2</sub> by other modes than pipeline (e.g. shipping).

<sup>2</sup> See IOGP's [Map of European CCS projects](#).

<sup>3</sup> European Commission (2018): *Figure 89: CO<sub>2</sub> capture and storage or reuse (2050)*. In: [Supplementary information IN-DEPTH ANALYSIS IN SUPPORT OF THE COMMISSION COMMUNICATION COM\(2018\) 773](#) (p. 73).

<sup>4</sup> IPCC (2018): [Mitigation Pathways Compatible with 1.5°C in the Context of Sustainable Development](#), p. 135. In: *Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty*.

<sup>5</sup> IEA (2020): [World Energy Outlook 2020](#).

<sup>6</sup> SWD(2020) 176 final: [Impact assessment accompanying the 2030 Climate Target Plan](#).

<sup>7</sup> COM(2018) 773 final: [A Clean Planet for all – A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy](#).

<sup>8</sup> IOGP (2020): [New and old CCS projects in Europe: What's different this time?](#)

<sup>9</sup> IOGP (2019): [The potential for CCS and CCU in Europe](#).

- To ensure coherence between various EU policy tools, modification to include CO<sub>2</sub> transport by other modes of transport in addition to pipeline should also be made in the EU ETS Directive, MRR Regulation, TEN-E Regulation and CCS Directive when revised. In this context, we would advise against alignment of the Guidelines with the EU Sustainable Finance Taxonomy, as the current draft Delegated Regulation for climate change adaptation and mitigation only consider as environmentally sustainable the transport of CO<sub>2</sub> by pipeline, and not by other transport modes.
- **Recognise CCU and negative emissions technologies:** The current EEAG do not recognise CCU technologies. We encourage the Commission to define a methodology which enables a quantification of the climate abatement potential of different CCU technologies to ensure that the future EEAG will facilitate the channelling of State aid to these technologies. Likewise, there are limited options for enabling negative emissions. Land-use change and afforestation can and must play a key role, as can bioenergy coupled with CCS (BECCS) and the direct air capture of CO<sub>2</sub> combined with CCS (DACCS).<sup>10</sup> The updated EEAG should reflect this wide variety of potential uses of CCS technology.

## 2) Incorporating low-carbon hydrogen from natural gas with CCS in the EEAG:

Hydrogen is well suited to be a key low-carbon energy carrier which can be produced both from renewable electricity and from natural gas with CCS, resulting in a mix of production technologies. It is in this perspective that nearly all EU Member States have planned for hydrogen in their National Energy and Climate Plans, and several also plan for hydrogen from natural gas with CCS or CCU.<sup>11</sup> Technology neutrality on the EU level is crucial to successfully support the Member States' national hydrogen strategies, as they vary in their approaches to hydrogen production and scale-up.

Across Europe, a number of large-scale projects for low-carbon hydrogen production from natural gas with CCS are planned. For example, the Magnum project<sup>12</sup> in the Netherlands will convert a natural gas-based power plant to combust hydrogen, and the H2morrow project<sup>13</sup> in Germany will provide low-carbon hydrogen for industrial uses. In terms of industrial clusters, the CCS projects in Rotterdam (Porthos) and Antwerpen (Antwerpen@C)<sup>14</sup> include the capture of CO<sub>2</sub> from existing natural gas reformers to produce low-carbon hydrogen for industrial uses. Likewise, the Preem refinery in Sweden will apply CCS to its existing natural gas reforming unit to produce low-carbon hydrogen.<sup>15</sup>

As recognised in the EU Hydrogen Strategy, hydrogen will be key to reduce emissions in hard-to-abate sectors. Hydrogen is also central to the Strategy for Energy System Integration due to its cross-sectoral potential. The importance of both hydrogen and CCS is furthermore confirmed by the impact assessment accompanying the 2030 Climate Target Plan, which shows that a decarbonised energy system will require going beyond electrification and that further deployment of both renewable and low-carbon fuels will be needed in order to meet increased climate ambitions.<sup>16</sup>

The adaptation or construction of infrastructure to accommodate future hydrogen volumes will also require substantial State aid, and the EEAG should be tailored to support this while ensuring that both renewable and low-carbon hydrogen can compete on a level playing field.

<sup>10</sup> For an overview of Negative Emission Technologies (NETs), see Environmental Research Letters (2018): [Negative emissions—Part 1: Research landscape and synthesis](#).

<sup>11</sup> IOGP (2020): [Assessment of National Energy and Climate Plans](#).

<sup>12</sup> Magnum project information [available here](#).

<sup>13</sup> H2morrow project information [available here](#).

<sup>14</sup> Porthos project information [available here](#) and Antwerpen@C [here](#).

<sup>15</sup> Preem CCS project information [available here](#).

<sup>16</sup> SWD(2020) 176 final: [Impact assessment accompanying the 2030 Climate Target Plan](#), (p.12).

## IOGP recommendations for incorporating low-carbon hydrogen from natural gas with CCS in the EEAG:

- **Fast-tracking and streamlining:** The revised EEAG should ensure that procedures for awarding support to low-carbon projects (including renewable and low-carbon hydrogen) are fast tracked and streamlined to allow for near-time investments.
- **Enable a flexible approach to both investment and operation aid in the low-carbon hydrogen chain:** Similar to the above section on CCS, we recommend that the EEAG are updated also to allow for a wider range of circumstances and business models for low-carbon hydrogen. CfDs and flexible aid for both investment and operating should be considered in this context.
- **Ensure alignment between the revised EEAG and updated gas market rules:** The forthcoming revision of EU internal gas market rules will, inter alia, establish a regulatory framework for renewable and low-carbon gases (including hydrogen). The EEAG should be in line with this framework, as State aid will be instrumental for major renewable and low-carbon gas projects and investments in the adaptation of the existing gas infrastructure, market rules and network codes to receive low-carbon gases.
- **Incorporate renewable and low-carbon hydrogen energy infrastructure:** Hydrogen, or renewable and low-carbon gases in general, are not explicitly covered in any of the current sections of the EEAG. Hydrogen could potentially be considered under the generation adequacy chapters, given the vast scope of potential hydrogen applications in the energy system. However, hydrogen is not included in the definition of energy infrastructure in part 1.3(§31), which only outlines the power, oil, gas and CCS sectors. This hinders future hydrogen projects from qualifying for State aid as energy infrastructure projects. The EEAG should therefore incorporate hydrogen (in a technology neutral manner) explicitly in the definition of energy infrastructure – *or* a separate chapter on hydrogen should be created, in line with the forthcoming gas regulatory framework. Furthermore, the additional conditions for individually notifiable aid listed in part 3.2.1.2(§33) of the EEAG (abatement technologies; existing Union standards; future Union standards) are not well coordinated with the chapters on energy infrastructure and generation adequacy. The revised EEAG should include the contributions of both hydrogen and CCS infrastructure to decarbonisation.
- **Assessment criteria for renewable and low-carbon gases (including hydrogen):** IOGP is strongly in favour of a technology neutral approach for all renewable and low-carbon technologies, as this would enable the scale-up of the most promising technologies while allowing for a balanced and cost-efficient approach to decarbonisation. Assessment criteria for low-carbon gases (including hydrogen) in the context of the EEAG should therefore be based on life-cycle assessment of GHG emission performance, enabling renewable and low-carbon hydrogen to compete on a level playing field.
- **Ensure a level playing field between renewable and low-carbon hydrogen:** The EEAG should ensure that all hydrogen production technologies which can deliver significant GHG emission reductions at a competitive price are enabled to compete on a level playing field, both with regards to capital expenditure and operational costs. In this context, it will e.g. be important to ensure that competition is not distorted if considering measures such as allowing exemptions from gas tariffs for renewable hydrogen entering the gas system.

### 3) Adapting the EEAG to facilitate the safe, responsible and sustainable production of oil and gas in Europe:

Energy security in the EU is dependent on maintaining a wide range of diverse sources and technologies. As well as delivering on the objective of climate neutrality by 2050, EU energy policy also needs to provide citizens and businesses with an adequate level of confidence in security of supply including a willingness to facilitate indigenous European production. Energy production is also an important element of the European industrial base and supports a wider supply chain which will further provide the basis for critical energy infrastructure and the development of future capabilities relating to low-carbon technologies.

The European upstream oil and gas industry has environmental and safety standards amongst the highest in the world. In 2018, GHG emissions per unit of hydrocarbons produced in Europe were ca. 40% lower than the global average and Europe has the highest standards of Monitoring Reporting and Verification (MRV).<sup>17</sup> It is also a critical industry, and its importance has been confirmed in the context of the COVID-19 crisis.<sup>18</sup> According to the Commission, the health and economic crisis has been a reminder of how vital reliable access to energy and the reliability of critical supply chains is for European citizens and businesses.<sup>19</sup> The crisis has furthermore accentuated the need for Europe to maintain its industrial capacity and, indeed, repatriate industrial capacity and reverse some of the outsourcing of activities. In the context of recovery from the COVID-19 crisis, the European oil and gas industry can contribute with the supply of oil and gas with a lower environmental footprint and the human and financial capital needed for the development of technologies such as CCS and low-carbon hydrogen from natural gas with CCS.

EU energy policy has so far succeeded in avoiding significant outsourcing of production of oil and gas, with 23% of oil and 46% of natural gas produced in Europe (including Norway and the UK).<sup>20</sup> This increases security of supply and competition between sources while reducing transport costs and associated emissions. Meanwhile, continuous improvement in environmental performance needs to remain at the heart of any oil and gas producing company including investment in step-change emission reduction through, for example, extending affordable electricity supply to offshore assets.

The revised EEAG should enable further emission reductions from oil and gas produced in Europe, and allow for building on the industry's experience and assets to deliver low-carbon solutions which are "Made in Europe".

#### IOGP recommendations for adapting the EEAG to the safe, responsible and sustainable production of oil and gas in Europe:

- **Electrification of oil and gas platforms:** State aid rules should facilitate the connection of offshore production to wider energy networks. In this context, a review of Annex 3 of the EEAG is required. This Annex contains a list of energy consuming sectors which are eligible for aid in the form of reductions or removal of specific charge which is levied from electricity consumers on top of the electricity price as described in Section 3.7.2. The production of crude oil and natural gas has not been considered or included on this list to date, as oil and gas platforms have traditionally been producing their own electricity on site. However, an important measure to reduce emissions from oil and gas produced in Europe could be connecting platforms to onshore networks or sources of renewable electricity. To facilitate the electrification of platforms, the production of crude oil and natural gas should be included in Annex 3 and appropriate modifications should be made to Annex 4 to reflect the calculation of electro-intensity, for example to reflect forward projections of production.
- **Reuse, retrofitting and repurposing of oil and gas infrastructure:** The EEAG should be adapted to ensure that the reuse of existing oil and gas infrastructure for the purpose of producing, transporting or storing low-carbon gases (including hydrogen, biomethane and blends) or transporting CO<sub>2</sub> for utilisation or storage is supported.

<sup>17</sup> IOGP (2020): [Environmental performance indicators – 2018 data](#).

<sup>18</sup> See IOGP [COVID-19 Updates: Industry response and impact](#).

<sup>19</sup> SWD(2020) 104 final: [Energy Security: Good practices to address pandemic risks](#).

<sup>20</sup> IOGP (2019): [Global Production Report 2019](#).

## 4) Ensuring the eligibility of measures to reduce emissions from the production and use of oil and gas:

We understand, following the publication of the State of the Energy Union 2020 report, that the Commission will in cooperation with Member States reinforce actions to reduce fossil fuel consumption and to phase out fossil fuel subsidies, and that this could include considering further measures to ensure coherence among EU policies and addressing the ambition to end fossil fuel subsidies in the legislative review of the State aid Guidelines.

In this context, it will be important to ensure that such measures do not impede the initiatives discussed above. For example, CCS must continue to be eligible for State aid when applied to natural gas and electricity produced from a natural gas-fired power plant with CCS should be eligible for State aid, as should the production of low-carbon hydrogen from natural gas with CCS. Likewise, support relating to the reduction of emissions from production should equally be considered as eligible. Also, cogeneration as included in the current EEAG should be considered a means to reduce emissions and increase energy efficiency, and the review should therefore not limit the scope of eligible support for cogeneration.

Similarly, with respect to capacity mechanisms: IOGP does not consider capacity mechanisms subsidies as they ensure that security of electricity supply is not jeopardized. IOGP supports the Commission's approach on the assessment of capacity mechanisms which has been undertaken so far and which needs to be in line with existing legislation.<sup>21</sup> We are convinced that a close cooperation between the Commission and EU Member States will ensure that capacity mechanisms are well-designed and fit for purpose. In this context, natural gas-based power production (alone and in combination with CCS) should remain eligible to participate in capacity mechanisms.

## 5) Defining positive environmental benefits:

IOGP notes the desire to connect the State aid rules with the EU Sustainable Finance Taxonomy. The more the EU can steer investments towards the least-cost pathway to net-zero emissions, the further and faster it is likely to drive decarbonisation across Europe, maximising the EU's contribution to the delivery of the Paris climate goals.

We would like to highlight that the Taxonomy Regulation in itself does not exclude any particular activity. A list of "environmentally sustainable economic activities" will only be laid out in Delegated Regulations which are not yet finalised. It is therefore highly uncertain what economic activities will be considered "Taxonomy compliant" in the future. Likewise, the "Do No Significant Harm" principle will only be defined in the context of the same Delegated Regulations. Considering the legal uncertainty stemming from this, we advise against linking the State aid rules to the Taxonomy.

The Taxonomy, as proposed by the Technical Expert Group (TEG) in their March Report furthermore runs the risk of becoming a tool supporting a niche market for sustainable financial products.<sup>22</sup> In a recent study commissioned by the Federal Environment Ministry of Germany to assess major European firms against the EU Taxonomy, the European capital markets are found to offer limited investment options that comply with the proposed EU Taxonomy criteria. In the three main European indices under consideration, only a small share between 1% and 3% of total revenues is estimated to be taxonomy-aligned.<sup>23</sup> The EU Taxonomy, as proposed by the TEG, would therefore not drive emission reductions in a cost-efficient manner.

Setting too stringent thresholds to define environmentally sustainable economic activities could exclude relevant activities regardless of both their potential contribution to the transition and their ability to further improve their own environmental performance. Such an approach could result in excluding the most cost-effective solutions on the way to climate neutrality and, as a consequence, increase energy poverty rates, especially in those Member States which are heavily dependent on solid fossil fuels. IOGP therefore advocates for a Taxonomy which includes a set of transitional activities (including the use of natural gas) to facilitate a gradual and cost-effective approach to the energy transformation and which would efficiently incentivise all efforts to reach the EU's objective of climate neutrality by 2050. As regards CCS, the current draft Delegated Regulation for climate change mitigation and adaptation only considers as environmentally sustainable the transport of CO<sub>2</sub> by pipeline, and not by other transport modes. It is therefore uncertain how a linkage between the EEAG and the EU Taxonomy would impact on planned CCS projects in Europe which rely on other modes on transport than pipeline.

<sup>21</sup> With reference to the Electricity Regulation [EU] 2019/943.

<sup>22</sup> TEG on Sustainable Finance (March 2020): [Taxonomy: Final Report of the Technical Expert Group on Sustainable Finance](#).

<sup>23</sup> adelphi & ISS ESG (2020): [European Sustainable Finance Survey 2020](#).

We would like to point out that the introduction of a reference to the Taxonomy Regulation in other EU documents should be compliant with principles resulting from the Better Regulation strategy. According to the Better Regulation Guidelines of the Commission, “EU action must lead to **a simple, clear, stable and predictable** regulatory framework for businesses, workers and citizens that continue to add value as problems evolve, new solutions emerge and political priorities change”.<sup>24</sup>

Moreover, according to the Joint Practical Guide for persons involved in the drafting of European Union legislation<sup>25</sup>, the first principle is that “legal acts of the union shall be drafted clearly, simply and precisely”. This notably means that the drafting of legal act must be “clear, easy to understand and unambiguous”. This is an expression of general principles of law, such as **legal certainty**, in that it should be possible to foresee how the law will be applied. Indeed, “According to case-law, the principle of legal certainty is a fundamental principle of Union law which requires, in particular, that rules should be clear and precise, so that individuals may be able to ascertain unequivocally what their rights and obligations are and may take steps accordingly. [...]”<sup>26</sup>. Additionally, according to Guideline 16 of the Joint Practical Guide cited above, it is specified that internal or external references to other acts should be kept to a minimum and that both internal and external references must be sufficiently precise to enable the reader to easily consult the act to which reference is made. As regards external references, it is specified that particular care must be taken when using them and that, in particular, the act to which reference is made should be sufficiently clear and accessible to the public. Therefore, according to the Joint Practical Guide, **an external reference should only be used if - the act referred to has been published or is sufficiently accessible to the public**. On this basis, it could be considered that introducing a reference to a Regulation for which the Delegated Regulations (setting the screening criteria opening eligibility for certain measures) have not yet been adopted would be contrary to the need for clear legislation and to the principle of legal certainty as it would not be possible to foresee how the Regulation would be applied, and in particular to which activities the law would apply.

**For the reasons outlined above, IOGP disagrees with the intention to link the Taxonomy Regulation with the State aid rules at this stage. Given this significant legal uncertainty, indeed, a case-by-case assessment of all environmental benefits is an appropriate approach when allocating State aid for selected activities.**

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<sup>24</sup> European Commission, Commission Staff Working Document, Better Regulation Guidelines, 7 July 2017, <https://ec.europa.eu/info/sites/info/files/better-regulation-guidelines-better-regulation-commission.pdf>.

<sup>25</sup> Joint Practical Guide of the European Parliament, the Council and the Commission for persons involved in the drafting of European Union legislation.

<sup>26</sup> Judgment of the General Court (Second Chamber), 12 February 2014, Beco Metallteile-Handels GmbH v European Commission, case T 81/12, pt 68.

# 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

\* 4 Surname

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

\* 6 Scope

- International
- Local
- National
- Regional

\* 7 Organisation name

255 character(s) maximum

International Association of Oil & Gas Producers (IOGP)

\* 8 Organisation size

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

9 Transparency register number

255 character(s) maximum

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

\* 10 Country of origin

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

- |                                     |  |                                     |  |
|-------------------------------------|--|-------------------------------------|--|
| <input type="radio"/> Afghanistan   | <input type="radio"/> Djibouti           | <input type="radio"/> Libya         | <input type="radio"/> Saint Martin                     |
| <input type="radio"/> Åland Islands | <input type="radio"/> Dominica           | <input type="radio"/> Liechtenstein | <input type="radio"/> Saint Pierre and Miquelon        |
| <input type="radio"/> Albania       | <input type="radio"/> Dominican Republic | <input type="radio"/> Lithuania     | <input type="radio"/> Saint Vincent and the Grenadines |

- Algeria
- American Samoa
- Andorra
- Angola
- Anguilla
- Antarctica
- Antigua and Barbuda
- Argentina
- Armenia
- Aruba
- Australia
- Austria
- Azerbaijan
- Bahamas
- Bahrain
- Bangladesh
- Barbados
- Belarus
- Belgium**
- Belize
- Benin
- Bermuda
- Bhutan
- Ecuador
- Egypt
- El Salvador
- 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
- Luxembourg
- Macau
- Madagascar
- Malawi
- Malaysia
- Maldives
- Mali
- Malta
- Marshall Islands
- Martinique
- Mauritania
- Mauritius
- Mayotte
- Mexico
- Micronesia
- Moldova
- Monaco
- Mongolia
- Montenegro
- Montserrat
- Morocco
- Mozambique
- Myanmar
- Samoa
- San Marino
- São Tomé and Príncipe
- 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
-

● Bolivia

● Grenada

● Namibia

Burma

Svalbard and  
Jan Mayen

● Sweden

- Bonaire Saint Eustatius and Saba
- Bosnia and Herzegovina
- 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
- Guadeloupe
- Guam
- 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
- Nauru
- Nepal
- 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
- Switzerland
- Syria
- Taiwan
- Tajikistan
- Tanzania
- Thailand
- The Gambia
- Timor-Leste
- Togo
- Tokelau
- Tonga
- Trinidad and Tobago
- Tunisia
- Turkey
- Turkmenistan
- Turks and Caicos Islands
- Tuvalu
- Uganda
- Ukraine

● Christmas  
Island

Italy

Guinea

Paraguay

United Arab  
Emirates  
United  
Kingdom



- |  |                                  |   |  |
|--|----------------------------------|---|--|
| <input type="radio"/> Clipperton                       | <input type="radio"/> Jamaica    | <input type="radio"/> Peru  | <input type="radio"/> United States                        |
| <input type="radio"/> Cocos (Keeling) Islands          | <input type="radio"/> Japan      | <input type="radio"/> Philippines                                 | <input type="radio"/> United States Minor Outlying Islands |
| <input type="radio"/> Colombia                         | <input type="radio"/> Jersey     | <input type="radio"/> Pitcairn Islands                            | <input type="radio"/> 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"/>            | <input type="radio"/>   | <input type="radio"/>                                      |
| <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

\* 13 If you are a business, please indicate your sector(s) of activity (NACE code).

- 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

\* 14 If you are a business, please specify whether you have received State aid for energy and environmental protection purposes in the past five years.

- Yes
- No
- I don't know/Not sure.

15 If you replied yes to the question above, please indicate, for each of the purpose (s) for which you have received State aid, whether the amount of aid exceeded € 500 000.

With regard to renewable and low carbon hydrogen production, please note the following. **Renewable hydrogen** is hydrogen produced through the electrolysis of water (in an electrolyser, powered by electricity), and with the electricity stemming from renewable sources. The full life-cycle greenhouse gas emissions of the production of renewable hydrogen are close to zero. Renewable hydrogen may also be produced through the reforming of biogas (instead of natural gas) or biochemical conversion of biomass, if in compliance with sustainability requirements. **Low carbon hydrogen** encompasses fossil-based hydrogen with carbon capture and electricity-based hydrogen, with significantly reduced full life-cycle greenhouse gas emissions compared to existing hydrogen production.  
*at least 1 answered row(s)*

List of purposes	Below €500.000	Above €500.000
Renewable electricity	<input type="radio"/>	<input type="radio"/>
Renewable heating/cooling	<input type="radio"/>	<input type="radio"/>
Combined heat and power (CHP)	<input type="radio"/>	<input type="radio"/>
District heating/cooling	<input type="radio"/>	<input type="radio"/>
Energy efficiency in production processes	<input type="radio"/>	<input type="radio"/>
Energy efficiency in buildings	<input type="radio"/>	<input type="radio"/>
Renewable and low carbon hydrogen production	<input type="radio"/>	<input type="radio"/>
Alternative transport fuels production	<input type="radio"/>	<input type="radio"/>
Industrial decarbonisation	<input type="radio"/>	<input type="radio"/>
(Solid) Waste recycling	<input type="radio"/>	<input type="radio"/>
Resource efficiency - Circular economy (water)	<input type="radio"/>	<input type="radio"/>
Resource efficiency - Circular economy (waste heat)	<input type="radio"/>	<input type="radio"/>
Low/zero emission vehicles	<input type="radio"/>	<input type="radio"/>
Low/zero emission transport infrastructure	<input type="radio"/>	<input type="radio"/>
Carbon Capture and Storage	<input type="radio"/>	<input type="radio"/>
Carbon Capture and Use	<input type="radio"/>	<input type="radio"/>
Energy storage	<input type="radio"/>	<input type="radio"/>
Energy infrastructure	<input type="radio"/>	<input type="radio"/>
Capacity mechanisms	<input type="radio"/>	<input type="radio"/>
Reduced renewable surcharges for energy intensive users	<input type="radio"/>	<input type="radio"/>
Other reduced energy charges for energy intensive users	<input type="radio"/>	<input type="radio"/>
Demand response	<input type="radio"/>	<input type="radio"/>
Biodiversity	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>

**16 If other, please explain.**

*1000 character(s) maximum*

\*



17 If you are a Member State, national or regional authority, please specify whether you have granted or implemented State aid for energy and environmental protection purposes in the past five years.

- Yes
- No
- I don't know

\* 18 If you replied yes to the previous question, please indicate for what purpose(s) by choosing among the following list.

*at least 1 choice(s)*

With regard to renewable and low carbon hydrogen production, please note the following. **Renewable hydrogen** is hydrogen produced through the electrolysis of water (in an electrolyser, powered by electricity), and with the electricity stemming from renewable sources. The full life-cycle greenhouse gas emissions of the production of renewable hydrogen are close to zero. Renewable hydrogen may also be produced through the reforming of biogas (instead of natural gas) or biochemical conversion of biomass, if in compliance with sustainability requirements. **Low carbon hydrogen** encompasses fossil-based hydrogen with carbon capture and electricity-based hydrogen, with significantly reduced full life-cycle greenhouse gas emissions compared to existing hydrogen production.

- Renewable electricity
- Renewable heating/cooling
- Combined Heat and Power (CHP)
- District heating/cooling
- Energy efficiency in production processes
- Energy efficiency in buildings
- Renewable and low carbon hydrogen production
- Alternative transport fuels production
- 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
- Carbon Capture and Use
- Energy storage
- Energy infrastructure
- Capacity mechanisms
- Reduced renewable surcharges for energy intensive users
- Other reduced energy charges for energy intensive users
- Demand response

- Biodiversity
- Other (please specify)

\* 19 If you selected 'other', please specify.

1000 character(s) maximum

\* 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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
* Renewable heating/cooling	<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"/>
* Renewable and low carbon hydrogen production	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Alternative transport fuel (other than hydrogen)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Combined Heat and Power (CHP)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* District heating /cooling	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Energy efficiency in production processes	<input type="radio"/>	<input type="radio"/>	<input 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 type="radio"/>	<input type="radio"/>
* Industrial decarbonisation	<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"/>
* (Solid) Waste recycling	<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"/>
* Resource efficiency /Circular economy (water)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Resource efficiency /Circular economy (waste heat)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input 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 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 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"/>	<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"/>	<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"/>	<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"/>	<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"/>	<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 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"/>

\* 24 If you selected 'other', please specify.

1000 character(s) maximum

Higher aid intensities or new aid forms are needed for measures to reduce emissions from oil and gas production and use, including the electrification of oil and gas platforms and the construction or reuse/retrofitting/repurposing of infrastructure. Co-generation should remain eligible for support, and the scope and intensity of aid for high-efficient CHP should be increased given the transitional role of natural gas and the efficiency of the process. Natural gas-based power (alone and or with CCS) should remain eligible to participate in capacity mechanisms.

CCS must remain eligible for State aid when applied to natural gas (e.g natural gas-fired power plants or hydrogen production). The definition of CO2 infrastructure in the EEAG should be expanded to cover other means of transport besides pipelines (e.g. ship, rail, truck). Hydrogen should be included in the EEAG on a technology neutral basis, with criteria for low-carbon and renewable hydrogen based on life-cycle GHG emissions.

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

3000 character(s) maximum

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

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

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

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

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

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



* Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
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27 If you selected 'other', please specify.

1000 character(s) maximum

*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 checked="" type="radio"/>
* Renewable heating/cooling	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" 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 checked="" type="radio"/>
*					

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

\* 29 If you selected 'other', please specify.

1000 character(s) maximum

\* 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

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

\* 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

\* 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

36 If no, please explain your reply.

3000 character(s) maximum

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

	Yes	No	I don't know
They should only be awarded via competitive bidding procedures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

* They should be technology neutral and eligibility should apply to a wide range of sectors.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* They should be sector specific provided sufficient competition is possible to have a competitive bidding procedure	<input 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 type="radio"/>	<input checked="" 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

IOGP supports competitive, technology neutral bids for carbon contracts for difference (CCfDs). CCfDs should be awarded to the projects which provide the greatest contributions to GHG emissions savings at lowest cost, using standardised life-cycle GHG assessments. CCfDs could be paid for standardised life-cycle GHG emissions savings vs. the incumbent energy it would replace. Implementing CCfDs at the European level would increase cost-efficiency. IOGP believes that operating aid can more easily be designed to precisely match the funding gap, in particular in sectors covered by the EU ETS (adapting over time to the carbon price). We consider that CCfDs should be limited to the ETS sector, or offered such that if a project is awarded a CCfD it cannot claim any other policy support mechanism (other than ETS credits) in order to avoid unintended consequences. For CCS and hydrogen (renewable and low-carbon), we consider that the EEAG need to be updated to allow for a wider range of circumstances and business models. This may need to involve flexible aid to cover both investment and operating costs, and CCfDs should be considered in this context, as well as tax incentives for CO2 storage.

\* 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

CCfDs are relevant in the context of industrial decarbonisation (e.g. considering the potential to reduce industrial emissions with CCS and hydrogen). Designing the CCfDs in a technology neutral manner and awarding through competitive bids would minimise the risk of distorting competition.

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

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

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

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

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

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

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

- Yes – because easy to use
- Yes – in particular under the GBER
- Yes - in particular for small projects
- Yes – but only for standard projects where costs and counterfactual are well established.
- No - because aid amount is never correctly calibrated
- No – because counterfactual is difficult to identify
- I don't know

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

- Renewable electricity
- Renewable heating/cooling
- Renewable and low carbon hydrogen production
- Alternative transport fuel (other than hydrogen)
- Combined Heat and Power (CHP)
- District heating/cooling
- Energy efficiency in production processes
- Energy efficiency in buildings
- Industrial decarbonisation
- (Solid) Waste recycling
- Resource efficiency/Circular economy (water)
-

Resource efficiency/Circular economy (waste heat)

- Low/zero emission vehicles
- Low/zero emission transport infrastructure
- Carbon Capture and Storage (CCS)
- Carbon Capture and Use (CCU)
- Energy storage
- Demand response
- Energy infrastructure
- Biodiversity
- Other (Please specify)

44 If you selected 'other', please specify.

*1000 character(s) maximum*

\* 45 If you are an aid recipient, did you apply for an eco-innovation bonus?

- Yes
- No
- I don't know

\* 46 If you replied yes to the previous question, did you obtain an eco-innovation bonus following your application?

- Yes
- No
- I don't know

\* 47 If you did not obtain an eco-innovation bonus, did this change your project?

- Yes
- No
- I don't know

48 If it did change your project, please explain how.

*Maximum 1000 characters.*

\*



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 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 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 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 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 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"/>

\* 51 If other, please specify the type of project.

*1000 character(s) maximum*

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

- Yes
- No

\* 53 How did you find the aid amount?

- Sufficient
- Insufficient
- Excessive
- I don't know/No opinion

\* 54 How did you find the funding gap method?

- Easy to use
- Difficult to use
- Difficult only for certain types of investments
- Neither difficult, nor easy
- I don't know/No opinion

\* 55 Was a claw back mechanism foreseen?

- Yes
- No
- I don't know

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

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

\* 57 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

#### *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.

58 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 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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Investment aid based on pre-established						

<p>aid intensities. Counterfactual is already established by granting authority.</p>	○	○	○	○	○	○
<p>* Investment aid based on pre-established aid intensities. Counterfactual situation must be described by the aid applicant.</p>	○	○	○	○	○	○
<p>* Investment aid based on Funding gap (aid applicant must submit discounted cash flow projections)</p>	○	○	○	○	○	○

59 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)	



60 If you are an authority involved in the granting and/or implementation of aid, how do you rate the administrative burden (ie. the cost of determining the aid amount, verifying eligibility and selecting aid beneficiary) of setting up a support scheme (budget EUR 500 million/year) and providing aid based on the following parameters?

Admin burden of	1 (not burdensome)	2 (acceptable)	3 (burdensome)	4 (very burdensome)	5 (too burdensome: you would not set the scheme up)	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 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 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 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 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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

61 Please provide an estimate (in % of budget) of the costs of setting up a support scheme and providing aid based on the following parameters.

	Estimate of costs (% of budget)
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.	

\* 62 If you are a business, when preparing to make a significant investment with or without state aid in the ordinary course of business, do you prepare a Business Plan or Business Case including discounted cash flows and an estimated rate or return for each of the projects you consider investing in?

- Yes
- No
- I don't know

\* 63 If no, why do you not prepare those documents and what other documentation /decision documents do you prepare to ensure that selected projects are profitable?

*1000 character(s) maximum*

#### 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.

64 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 type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* Crowding-out of private investment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* Greenwashing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
* Lack of cost effectiveness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* Deep pockets distortions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" 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.

\* 65 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

\* 66 Please explain the reason for your response.

1000 character(s) maximum

IOGP is in favour of clear and transparent criteria, and of GHG emissions avoidance as the central criteria to assess environmental benefits. The EEAG should recognise volumes of GHG abatement as the primary evaluation criteria to assess the contribution of a project to cost-effective decarbonisation. This would contribute to encourage Member States to prioritise low-carbon energy infrastructure and generation adequacy projects.

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

\* 67 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

\* 68 Please explain the reason for your response.

1000 character(s) maximum

Quantifying contributions to environmental protection objectives other than decarbonisation is challenging and should not be central to the assessment of a project. While GHG emission avoidance should be a central criteria, projects could be asked to refer to other contributions to environmental protection objectives as a supplement to the central calculation of GHG emission avoidance.

\* 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 checked="" type="radio"/>
* Crowding-out of private investment	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* Greenwashing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
* Lack of cost effectiveness	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* Deep pockets distortions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" 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*

IOGP would support a requirement for Member States to broaden their support schemes for decarbonisation as it could expand eligibility to include more competitors and more cost-efficient options/technological solutions.

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

- Yes
- No
- I don't know

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

*1000 character(s) maximum*

*E.g. biodiversity*

\* 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

**IOGP would support the inclusion of all possible projects which could contribute to the targeted objective.**

\* 77 If you answered no to either 71) or 73), what are in your views the key risks or limitations of the broadening approach that would argue against it?

- Slow down development of projects/technologies that are currently expensive but have long-term potential.
- Reduces the possibility for Member States to tackle specific environmental issues with a limited budget.
- Difficulty to combine objectives
- Other (please explain).

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

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 checked="" type="radio"/>
* Crowding-out of private investment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
* Greenwashing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
* Lack of cost effectiveness	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* Deep pockets distortions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" 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*

IOGP would support a requirement for Member States to open their support schemes across borders (intra-EU) as it would expand schemes to include more competitors and more cost-efficient options, thereby reducing the costs of the energy transition. However, when Member States target aid, the necessity of following their own transition pathway, ensuring security of supply as well as post-COVID recovery are all considerations which need to be taken into account. There should therefore be flexibility for Member States to introduce limits.

\* 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*

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

- Yes – no more than 10% of the scheme budget should be available to

projects in other Member States



Yes – no more than 50% of the scheme budget should be available to projects in other Member States

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

85 Please explain your answer.

1000 character(s) maximum

IOGP would support a requirement for Member States to open their support schemes across borders (intra-EU) as it would expand schemes to include more competitors and more cost-efficient options, thereby reducing the costs of the energy transition. While the general rule could assume openness of support schemes, Member States should be allowed to introduce limits for the purpose of fulfilling their own transition pathways and ensuring security of supply and economic development (in particular post-COVID recovery).

\* 86 If you are a business, have you participated in the past in a support scheme from a different Member State than the one where you implemented the project?

- Yes
- No
- I don't know

\* 87 How was your experience?

- Positive
- Neutral
- Negative

88 Please explain your answer.

1000 character(s) maximum

\* 89 Would you consider participating in a State aid scheme in another Member State?

- Yes, certainly
- Yes, but only if the support conditions are significantly better than in my own Member State
- Yes, but only if the administrative burden for the participation by foreign companies is proportionate, for example in terms of requested documents and by providing the conditions of the State aid scheme in English/other languages
-

Yes, but only if [other reason] (please explain)

No, never (please explain)

I don't know/No opinion

90 Please explain.

1000 character(s) maximum

\* 91 Would you consider participating in a competitive bidding process for decarbonisation support organised by the Member State in which you are located but which would be open to decarbonisation projects located in other Member States?

- Yes, certainly
- Yes, but only if it is the only way to apply for support
- No, never (please explain)
- I don't know/No opinion

92 Please explain.

1000 character(s) maximum

\* 93 Would you consider participating in a competitive bidding process for supporting projects for environmental protection objectives other than decarbonisation organised by the Member State in which you are located but which would be open to similar projects located in other Member States?

- Yes, certainly
- Yes, but only if it is the only way to apply for support
- No, never (please explain)
- No opinion

94 Please explain.

1000 character(s) maximum

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 checked="" type="radio"/>



* Crowding-out of private investment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Greenwashing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
* Lack of cost effectiveness	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* Deep pockets distortions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" 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

\* 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)

100 If you selected 'other', please specify.

1000 character(s) maximum

\* 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*

\* 103 If you are a business, have you participated in the past in a competitive bidding procedure to apply for aid for environmental protection?

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

\* 104 If yes, how was your experience?

- Positive
- Neutral
- Negative
- I don't know/No opinion

105 Please explain.

*1000 character(s) maximum*

\* 106 Would you consider participating in a competitive bidding procedure to obtain aid for environmental protection?

- Yes
- No
- I don't know

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

\* 108 If no, how much broader should it be (competing product markets? All sectors facing same environmental challenge? Other?) and which criteria could be used to determine the range of sectors eligible to take part in the tender? Please explain.

*3000 character(s) maximum*

\* 109 If yes, why?

*3000 character(s) maximum*

\* 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 CO2. 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)

112 If you selected 'other', please specify.

*1000 character(s) maximum*

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

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

\* 114 Would you consider participating in a competitive bidding procedure in which different technologies and sectors are competing for decarbonisation support?

- Yes, certainly
- Yes, but only if it is the only way to apply for support
- No, never or very unlikely (please explain)
- I don't know

## 115 Please explain.

1000 character(s) maximum

### 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

118 If you selected 'other', please explain.

1000 character(s) maximum

#### 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 checked="" 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 checked="" 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 checked="" type="radio"/>	<input type="radio"/>
* Improving the transparency of the cost of environmental protection makes aid for environmental protection more acceptable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* State aid rules should prevent Member States subsidising only more expensive ways to achieve environmental protection objectives and should require Member States to also/instead support more cost effective ways to achieve environmental protection objectives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
* Awarding environmental aid through tenders makes it more acceptable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" 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 checked="" 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 checked="" type="radio"/>
* Making the rules clearer and simpler would significantly facilitate their use	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" 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

121 If you replied yes, please explain.

*3000 character(s) maximum*

#### A.4.7) Administrative burden

\* 122 If you are a business: How do you consider an obligatory consultation by Member States on eligibility and main technical parameters of their support schemes for your undertaking in terms of administrative burden to react to such a consultation?

- 1 (Not burdensome at all)
- 2 (Burdensome but you would participate)
- 3 (Very burdensome and you would therefore not participate)
- I don't know

\* 123 Please indicate the approximate estimated costs to respond to a consultation (EUR).

*200 character(s) maximum*

124 If you are a Member State, national or regional authority, on a scale of 1 to 5, how would you rate the expected administrative burden to design and implement a support scheme based on the following options and provide an estimate, if possible:

	1 (not burdensome at all)	2	3	4	5 (very burdensome)	Don't know /No opinion
* Make transparent the cost of decarbonisation support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Make transparent the cost of environmental protection	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Conduct a public consultation on eligibility and main parameters	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Conduct tenders instead of administratively awarding the aid	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Conduct tech/sector neutral tenders instead of tech/sector specific tenders	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Broaden your support scheme to include all cheaper options to attain the same objective (and verify that cheaper options also need aid)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Broaden your support scheme to include the entire sector and all competing sectors (and verify which are the competing sectors and whether they need aid)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Broaden your support scheme to all sectors facing similar environmental challenges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Include projects from other Member States in your support schemes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

125 Please indicate the approximate estimated administrative burden (EUR) to design and implement a support scheme based on the following options.

	Estimate (EUR)
*Make transparent the cost of decarbonisation support	
*Make transparent the cost of environmental protection	
*Conduct a public consultation on eligibility and main parameters	
*Conduct tenders instead of administratively awarding the aid	
*Conduct tech/sector neutral tenders instead of tech/sector specific tenders	
*Broaden your support scheme to include all cheaper options to attain the same objective (and verify that cheaper options also need aid)	
*Broaden your support scheme to include the entire sector and all competing sectors (and verify which are the competing sectors and whether they need aid)	
*Broaden your support scheme to all sectors facing similar environmental challenges	
*Include projects from other Member States in your support schemes	

\* 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

127 If yes, please explain.

*3000 character(s) maximum*

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

- Yes
- No
- No opinion

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

*3000 character(s) maximum*

## **B) Energy Intensive Users**

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

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

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

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

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

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



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

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

135 If other, please specify.

1000 character(s) maximum

\* 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

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 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 type="radio"/>	<input type="radio"/>	<input type="radio"/>

139 If other, please specify.

1000 character(s) maximum

Maximum 1000 characters.

\*

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)

141 If you selected 'other', please specify.

*1000 character(s) maximum*

Maximum 1000 characters.

\* 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)

143 If you selected 'other', please specify.

*1000 character(s) maximum*

Maximum 1000 characters.

## **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*

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

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.

