

IOGP Europe's recommendations for further improvements to the Revised General Block Exemption Regulation (GBER)

The **revision of the General Block Exemption Regulation (GBER)** represents an important step towards aligning State aid rules with the EU's climate neutrality and industrial competitiveness objectives. **IOGP Europe welcomes several positive improvements in the draft revised proposal**, notably the introduction of a clearer structure, the eligibility of permitting and feasibility study costs, as well as competitive bidding mechanisms as potential delivery mechanisms.

However, several elements highlighted in [IOGP Europe's response to the call for evidence](#) remain only partially addressed, or not addressed at all, in the current draft.

Further adjustments would help ensure that the revised GBER effectively supports decarbonisation investments and strategic industrial transformation.

The following recommendations outline priority areas for improvement:

1. Clarification of the distinction between R&D pilots and environmental protection aid

The draft provisions on R&D project funding (Section 4 of the new draft GBER) would benefit from clearer definitions of pilot and demonstration plants. It should be clarified that such installations are primarily aimed at technology development, testing and demonstration, rather than immediate greenhouse-gas reduction.

Defining these categories separately from environmental protection aid – or lowering the requirements for their expected GHG abatement (or other) impacts – would ensure that early-stage innovation projects are evaluated under appropriate criteria.

In addition, **Article 33** (on Seal of Excellence) should be expanded to recognise additional EU quality/strategic labels, to ensure consistency with other legislations: for instance it would be worth introducing the STEP Seal or the Competitiveness Seal (as proposed in the Regulation for the establishment of the European Competitiveness Fund), to facilitate blending of finance, access to State aid for projects already positively evaluated at EU level.

2. Enhanced support for CCUS and low-carbon hydrogen

The revised draft marks an improvement by increasing the aid intensity for carbon capture equipment to 45% compared with the previous framework, but this needs to be further improved to reflect current market conditions. Currently, the levelized costs of CCS value chains range from approximately €130 to €230 per tonne of CO₂¹ while recent EUA prices have fluctuated between €72 and €89 €/tCO₂². This gap indicates that the current ETS price signal alone is not sufficient to incentivise investments.

¹ Source: IOGP Europe – Creating a sustainable business case for CCS value chains – the needed funding and de-risking mechanisms; based on [Rystad Energy data](#).

² Source: [IOGP Europe Data Room](#).

To address this, IOGP Europe recommends:

- **Further increasing the aid intensity for CCUS investments to 65%** to better reflect the capital-intensive nature of the CO₂ capture segment³.
- **Raising the support ceiling for climate protection investments** from €30 million to €70 million per project, to enhance the impact and effectiveness of the GBER.
- **Aligning the GBER with the Innovation Fund** (and preparing the stage for the upcoming Industrial Decarbonisation Bank and European Competitiveness Fund operations) by allowing it to finance projects across the entire CO₂ value chain, thereby facilitating the blending of different EU and national support mechanisms.
- Similarly, while the revised draft introduces references to low-carbon fuels and hydrogen, eligibility conditions remain linked to specific production pathways. **Aid eligibility should equally apply to all hydrogen forms** compatible with climate neutrality, including low-carbon hydrogen, to ensure technology neutrality.

3. Improved eligibility for energy and decarbonisation infrastructure

Despite improvements in the draft, now explicitly recognizing hydrogen-dedicated infrastructure, a funding gap remains for dedicated hydrogen and CO₂ infrastructure, given that **project-specific “last-mile” infrastructure** connecting production sites to industrial users is not clearly eligible. Nonetheless, these connections are often indispensable to enable industrial decarbonisation projects, and this necessity has **already been recognized under the recently published Clean Industrial Deal State Aid Framework (CISAF)**⁴. Article 66 on energy infrastructure should therefore align with CISAF and explicitly allow project-related infrastructure essential to the operation of decarbonisation projects to be included as eligible costs.

4. Higher notification thresholds and increased aid intensity in key areas for transformation

Notification thresholds proposed in the revised GBER are maintained at the levels defined in 2014, therefore not considering inflation, current investment needs and challenges in the context of the new decarbonisation policies.

To realistically reflect the investment needs in the context of a growing international market competition, we propose for the EC to **raise the thresholds** for benefiting from exemptions:

- from €30 million to €150 million for **environmental investments**;
- from €70 million to €100 million for **energy infrastructure investments**.

We also propose to **increase the intensity** of aid in the categories listed below:


- electrification and high-efficiency gas cogeneration: **60%**
- district heating systems: **60%**
- recharging and refuelling infrastructure: **50%**
- other investments related to infrastructure development: **55%**

5. Preserving security of supply in gas infrastructure investment decisions

Article 66(3c) of the revised proposal requires that gas infrastructure needs to be used for hydrogen and/or renewable gases, or to transport more than 50% of such gases, to be considered eligible for funding under GBER rules. **This approach risks insufficiently reflecting the role of natural gas infrastructure in ensuring security of supply and system adequacy across Member States**, including compliance with the N-1 standard and related resilience requirements. Moreover, it may not allow for a phased and demand-driven transition to new energy carriers (hydrogen, biomethane).

³ Capture accounts for 53% to 80% of the total aggregated costs, compared with 10-23% for transport and 10-25% for storage, depending on the specific scenario (e.g. onshore, offshore).

⁴ European Commission, [CISAF](#), p. 25, note 86.



For these reasons, **we call for the revised GBER to allow for financing of gas infrastructure projects without rigid allocation criteria or threshold requirements** which may undermine Member States' ability to meet security of supply obligations and lead to premature repurposing, underutilisation, or result in underinvestment in strategic assets (i.e. natural gas pipelines), particularly in a context of evolving supply patterns and geopolitical uncertainty.

A system-wide perspective is therefore essential. **Infrastructure planning should be based on comprehensive assessments of security of supply, resilience and adequacy across interconnected energy systems** – rather than investment/asset-level thresholds – allowing for case-by-case decisions preserving flexibility (and redundancy, where needed for security reasons) and enabling repurposing to (e.g.) hydrogen when sufficient volumes materialise.

6. Allowed submission of applications after a project's start of works

To expand funding possibilities, the **GBER should allow for submission of aid applications after a project's start of works milestone**, provided that the level of financial advancement and the value of commitments already undertaken by project developers do not exceed 10% of the total eligible costs.

7. Expanded simplified cost options (SCOs) use

Simplified cost options remain restricted to projects linked to EU funding or subject to ex-ante verification by public authorities. **Expanding SCOs horizontally to strategic industrial and decarbonisation projects** would significantly reduce administrative complexity. Benchmark-based approaches, such as standardised costs per MW of electrolysis capacity or per tonne of CO₂ captured, could streamline implementation while ensuring transparency and proportionality.