
Fields marked with * are mandatory.

Introduction

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

In January 2019, the European Commission announced its intention to prolong seven sets of State aid rules for a period of two years[1] and launched a comprehensive policy evaluation in the area of State aid (”Fitness Check”). Part of this exercise is the evaluation of the State aid Guidelines for environmental protection and energy to reflect if the current rules are still fit for purpose.

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

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

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


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

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

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

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

Please provide your contact details below.

• Language of my contribution
  ☐ Bulgarian
  ☐ Croatian
  ☐ Czech
  ☐ Danish
  ☐ Dutch
  ☐ English
  ☐ Estonian
  ☐ Finnish
  ☐ French
  ☐ Gaelic
  ☐ German
  ☐ Greek
  ☐ Hungarian
  ☐ Italian
  ☐ Latvian
  ☐ Lithuanian
  ☐ Maltese
  ☐ Polish
  ☐ Portuguese
  ☐ Romanian
  ☐ Slovak
  ☐ Slovenian
  ☐ Spanish
  ☐ Swedish

• First name
  Dominika

• Surname
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

Organisation name
255 character(s) maximum
AGFW e.V.

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

Transparency register number
255 character(s) maximum
88403261302-20

Please describe the main activities of your company/organisation/association, if applicable.
1000 character(s) maximum
Representation of companies active in District Heating and District Cooling Sector as well as operators of CHP plants

Please describe the relevance of State aid rules for you.
1000 character(s) maximum
AGFW’s member undertakings apply for funds and support system (e.g. Regional Funds) as well as apply the provisions of CHP Act, which is to be considered State aid accordingly to European Commission’s decision. The AGFW assists the undertakings in the application process and provides standardised formulas acknowledged by the German authorities applied for e.g. calculation of eligible costs.

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

1000 character(s) maximum

Country of origin

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

- Afghanistan
- Åland Islands
- Albania
- Algeria
- Andorra
- Angola
- Antigua and Barbuda
- Argentina
- Armenia
- Australia
- Austria
- Azerbaijan
- Bahamas
- Bahrain
- Bangladesh
- Barbados
- Belarus
- Belgium
- Belize
- Benin
- Bhutan
- Bolivia
- Bosnia and Herzegovina
- Botswana
- Brazil
- Brunei Darussalam
- Bulgaria
- Burkina Faso
- Burundi
- Cabo Verde
- Cambodia
- Cameroon
- Canada
Central African Republic
Chad
Chile
China
Colombia
Comoros
Congo
Costa Rica
Côte D'ivoire
Croatia
Cuba
Cyprus
Czechia
Democratic Republic of the Congo
Denmark
Djibouti
Dominica
Dominican Republic
Ecuador
Egypt
El Salvador
Equatorial Guinea
Eritrea
Estonia
Ethiopia
Fiji
Finland
France
Gabon
Gambia
Georgia
Germany
Ghana
Greece
Grenada
Guatemala
Guinea
Guinea Bissau
Guyana
Haiti
Honduras
Hungary
Iceland
India
Indonesia
Iran
- Iraq
- Ireland
- Israel
- Italy
- Jamaica
- Japan
- Jordan
- Kazakhstan
- Kenya
- Kiribati
- Kuwait
- Kyrgyzstan
- Laos
- Latvia
- Lebanon
- Lesotho
- Liberia
- Libya
- Liechtenstein
- Lithuania
- Luxembourg
- Madagascar
- Malawi
- Malaysia
- Maldives
- Mali
- Malta
- Marshall Islands
- Mauritania
- Mauritius
- Mexico
- Micronesia
- Monaco
- Mongolia
- Montenegro
- Morocco
- Mozambique
- Myanmar
- Namibia
- Nauru
- Nepal
- Netherlands
- New Zealand
- Nicaragua
- Niger
- Nigeria
North Korea
North Macedonia
Norway
Oman
Pakistan
Palau
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Poland
Portugal
Qatar
Republic of Moldova
Romania
Russian Federation
Rwanda
Saint Kitts and Nevis
Saint Lucia
Saint Vincent and the Grenadines
Samoa
San Marino
Sao Tome and Principe
Saudi Arabia
Senegal
Serbia
Seychelles
Sierra Leone
Singapore
Slovakia
Slovenia
Solomon Islands
Somalia
South Africa
South Korea
South Sudan
Spain
Sri Lanka
Sudan
Suriname
Swaziland
Sweden
Switzerland
Syrian Arab Republic
Tajikistan
Effectiveness:

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

1. Based on your experience, to what extent have the EEAG and the corresponding GBER provisions (e.g. tendering, technological neutrality, market integration) been effective in:
<table>
<thead>
<tr>
<th>Question</th>
<th>To a large extent</th>
<th>To some extent</th>
<th>Not at all</th>
<th>I don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>- enabling the deployment of renewables while lowering societal costs and reducing the amount of aid needed?</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td>- facilitating the integration of renewable energy into the electricity market?</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td>- ensuring financing of support schemes to renewable energy sources, while limiting negative impacts on the competitiveness of EU firms?</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td>- ensuring that capacity mechanisms were necessary and cost-effective in providing security of supply and least-distortive to competition and intra-EU trade?</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td>- ensuring that capacity mechanisms did not negatively impact the objective of phasing out environmentally harmful subsidies including for fossil fuels?</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td>- ensuring that in cogeneration and district heating the most cost-efficient projects could be realised?</td>
<td>☑</td>
<td>☐</td>
<td>☐</td>
<td>☑</td>
</tr>
</tbody>
</table>

Please explain:

5000 character(s) maximum
In case of District Heating and Cooling as well as cogeneration in Germany the provisions ensure, that cost-efficient projects are realised. Due to the calculation methodology of the eligible costs accordingly to work sheet AGFW FW 703 only those projects are supported, which would be profitable after 20 years from granting the subsidy.

However, it would be of vital importance, in the opinion of the AGFW, to streamline the notification process of the support measures, including individual notifications of large cogeneration plants. Currently it takes substantial period of time to acquire an approval, which causes uncertainties for investors and operators, and which lead, as a consequence, to both lower and substantially delayed investments.

It would also be of vital importance, to clarify, that the cumulation of the aid is allowed up to the highest aid intensity or aid amount applicable to that aid. This is, in the German context of EEAG and GBER application, disputable.

In this context the AGFW would like to draw the Commission’s attention to the necessity of a narrow interpretation of the “State aid” definition and especially the new case law of the European Court of Justice. The ECJ held in the judgment from 28 March 2019 (case C 405/16 P) in the context of the German renewable energy Act 2012 (EEG 2012), that the EEG support for electricity implemented by the EEG 2012 has a legal origin this, however, is not sufficient to conclude that the State nevertheless held a power of disposal over the funds managed and administered by the TSOs (no. 75). The authorities only monitor the proper implementation of the EEG 2012, but they do not exercise a public control over the funds generated by the EEG surcharge (no. 76, 80). Therefore the Court stated that the funds generated by the EEG surcharge do not constitute State resources (no. 126). It must therefore be noted, that the fact that a scheme is imposed by statute and confers an undeniable advantage on certain undertakings is not a sole prerequisite to confer the scheme the character of State aid. A legislative or regulatory scheme that requires the transfer of resources from private undertakings to benefit a targeted sector does not constitute prohibited direct or indirect State aid. The advantages must not only be granted directly or indirectly through State resources to be considered State Aid, but also be imputable to the State.

Please continue if necessary:

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

- Yes
- No
- Partially
- I don’t know

Please explain:

1000 character(s) maximum
3. Based on your experience, to what extent has the GBER ensured public support for waste recycling while limiting the amount of aid to the minimum and limiting distortions of competition to the minimum?

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

Please explain:
1000 character(s) maximum

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

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

Please explain:
1000 character(s) maximum

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

- Yes
- No
- Partially
- I don’t know

Please explain:
1000 character(s) maximum

For AGFW’s answer, please see question no. 6.

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

- Yes
- No
Combined answer to q. 5 and 6. In many cases State aid is necessary to safeguard investment in technologies vital to reach the climate and energy objectives. The experience of AGFW and its member undertakings shows that this potential in context of EEAG and GBER wasn't fully exhausted. This is the case regarding energy efficiency savings and CO2 emissions reductions achieved by the deployment of District Heating and its potential to reduce primary and final energy consumption. In Germany e.g., only projects are supported by regional funds, which can prove a significant CO2 reduction. In order to achieve the EU 2030 goals it would be necessary to increase the ceilings of the aid granted and shorten the notification process. As District Heating and Cooling is a purely local product, it does not affect the internal market, however the District Heating and Cooling infrastructure is very cost intensive, the payback period very long and the internalisation of external costs is not possible.

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

- Yes
- No
- Partially
- I don’t know

Please specify:

There has been a negative result from the implementation of the tendering procedure to CHP in Germany. The tendered volume was set at a too low threshold and thus the new installed capacity decreased dramatically since the introduction of tenders. The number of participants is too low to ensure competition. The AGFW is therefore of the opinion, that CHP installations should not be subject to tendering procedure. The technology is local in its character and serves in the first line covering of the local heat demand. The supply structure and operation of CHP plants differ from electricity-only technologies. Central planning and tendering therefore do not lead to the desired effects. The reduction of the administrative burden is also needed: the European and the national frameworks are very complex. It would therefore be necessary to simplify and shorten the existing procedures, adjust them to particular sectors and take the national circumstances more strongly into consideration.

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

- Yes
- No
I don't know


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

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

☐ Yes
☐ No
☐ I don't know


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

<table>
<thead>
<tr>
<th></th>
<th>Too high</th>
<th>Too low</th>
<th>Adequate</th>
<th>I don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>15% of the full renewable surcharge</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>4% of the Gross Value Added</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>0.5% of the Gross Value Added</td>
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</tbody>
</table>

Please substantiate your answer:
1000 character(s) maximum

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

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

- Excessive
- Adequate
- I don't know

Please substantiate your answer:

3000 character(s) maximum

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

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

Please explain:

1000 character(s) maximum

Efficiency:

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

14. Based on your experience, to what extent are the different compatibility conditions and methodologies included in the EEAG and the GBER related provisions sufficiently clear and easy to apply:
<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
<th>I don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>- in general terms?</td>
<td></td>
<td></td>
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<tr>
<td>- as regards the methodology for calculating eligible costs for investment aid to go beyond standards, in the absence of standards and early adaptation to standards under Article 36 of the GBER and points 73 to 75 of the EEAG?</td>
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<td>- as regards the criteria for limiting bidding processes for renewables to specific technologies (see EEAG point 126 and GBER Article 42.3)?</td>
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<tr>
<td>- as regards the methodology for calculating eligible costs for investment aid to renewables and co-generation (CHP) projects?</td>
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<tr>
<td>- as regards the methodology to assess proportionality of aid based on levelised cost of energy (see point 131 of the EEAG and Article 43, paragraphs 5 and 6 of the GBER)?</td>
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<tr>
<td>- as regards the provisions for demonstration projects (as defined in point 19 paragraph 45 of the EEAG) and for the new and innovative renewable energy technologies (see Article 42.4 of the GBER)?</td>
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<tr>
<td>- as regards the methodology to assess eligible costs for energy-efficiency investment aid under Article 38 of the GBER?</td>
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<tr>
<td>- as regards the compatibility conditions (in particular the full passing on, the leverage condition, the conditions imposed on the financial intermediaries) for energy efficiency projects in buildings (see paragraphs 4 to 10 in Article 39 of the GBER)?</td>
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<tr>
<td>- as regards the compatibility conditions for aid for Resource Efficiency (section 3.5.1 of the EEAG read in combination with section 3.2 of the EEAG)?</td>
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<tr>
<td>- as regards the compatibility conditions (in particular the “state of the art” requirement, the “polluter pays principle” and the “treatment of the waste of others”) for waste management projects under 47 of the GBER and section 3.5.2 of the EEAG?</td>
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<tr>
<td>- as regards the methodology for calculating eligible costs for waste management projects under Article 47 of the GBER and section 3.5.2 of the EEAG?</td>
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<tr>
<td>- Other (please specify)</td>
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</table>

Please explain:

5000 character(s) maximum

There are several difficulties arising from the interpretation and clarification of the European rules in the national context. Indeed a problem occurs regarding the eligible costs for cogeneration and District Heating as well. Particular standards would also have to be elaborated, which would consider technical and economic criteria. The interlinkages with other sectors, including regional development and urban policy, must be highlighted. The aid intensity, accordingly to articles 40 and 46 GBER, can serve here as an example. It would be necessary to acknowledge the national provisions, which were practice-proven and accepted by the national ministries and authorities (e.g. in Germany the work sheet AGFW FW 703 for
District Heating). The application of this type of frameworks serves both parties, the applicants in reducing the administrative burden and the authorities in ensuring an equal treatment, streamlining and simplifying the approval process.

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

Please rate from very low (administrative costs representing less than 1% of the actual amount of compensation received) to very high (administrative costs representing more than 20% of the actual amount of compensation received):

<table>
<thead>
<tr>
<th>Proportion of administrative costs in total actual amount of compensation received</th>
<th>Very low (less than 1%)</th>
<th>Low (between 1% and 5%)</th>
<th>Intermediate (between 5% and 10%)</th>
<th>High (between 10% and 20%)</th>
<th>Very high (more than 20%)</th>
<th>I don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

Please explain:  

1000 character(s) maximum

On average the costs of planning amount up to 12% of the total investment of a project. It would be hence of particular importance to accelerate the process and shorten the decision-taking process to 3 – 4 months (this includes confirmation for the project issued by authorities in charge and Commission’s decisions). What is more, the administrative burden arising from the implementation of the provisions would have to be reduced. In many cases the applicants, especially small and communal undertakings, are not certain which costs and investments fall under GBER and EEAR. As a consequence they do not realise the project, as they fear the recovery of the funds. The AGFW is therefore of the opinion, that it would be of vital importance to reduce the administrative burden and the uncertainties via, e.g. shortening approval rules and periods as well as providing clear FAQ.

Relevance:

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

<table>
<thead>
<tr>
<th>Storage</th>
<th>Yes</th>
<th>No</th>
<th>Partially</th>
<th>I don't know</th>
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<tbody>
<tr>
<td></td>
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</tbody>
</table>
Zero subsidy bids

Repowering

Renewable energy power purchase agreements

Renewable self consumption and/or active consumers

Citizens energy communities and/or renewable energy communities

Hydrogen, synthetic fuels and low carbon gas

Alternative fuel infrastructure (publicly accessible or dedicated infrastructure)

Low or zero emission vehicles

Carbon Capture, Storage and/or Utilisation

Nearly-zero-energy buildings

Smart energy technologies (e.g. in buildings)

Energy services (e.g. energy performance contracting)

Advanced technology for water reuse (e.g. membranes and UV)

Other (please specify)

Please explain:

5000 character(s) maximum

The EEAG and GBER do not adequately address the developments regarding storage, as the provisions do not take thermal storage into account. Heating market is crucial for the decarbonisation of the energy sector and therefore it is necessary to increase both the share of renewable energy sources in the heat generation and the flexibility of the systems. Thus, the installation of thermal storage is necessary. What is more, sector coupling should be taken into account as well, which is, however, not considered in the current EEAG and GBER. By the means of Power-to-Heat installations, the surplus renewable electricity can be deployed in order to generate heat. Through connection to a thermal storage, the system gains additional flexibility and the production of renewable electricity does not have to be curtailed. The untapped potential of waste heat should be targeted as well. The connection of existing waste heat sources to District heating should be supported, as it is in line with the “energy efficiency first” principle. Instead of generating heat, the already existing sources should be exhausted. Currently in some Member States, for instance in Germany, green hydrogen - produced by Power-to-Gas installations by using renewable electricity is subject to surcharges, such as the renewable energy surcharge (EEG-surcharge) which makes the production of green hydrogen rather unattractive. The same applies also for other applications of renewable based electricity like Power-to-Heat.

The AGFW regrets, that regarding the Nearly-zero-energy buildings, the connection of the houses to District Heating systems is not supported. District Heating, which is mostly generated in high efficient CHP plants, is a high efficient heating technology; it saves primary and end energy and delivers renewables and efficiency to agglomerations and mostly building stock. Houses connected to District Heating fulfil or considerably help fulfill the criteria of nZEB. District Heating is also a direct tool to decarbonise the building stock in line with the new Energy Performance of Buildings Directive. Technical developments and challenges of the sector, e.g. the switch from steam to hot water systems, the efforts to decrease the temperature of the hot water, should be supported as well, because they lead to efficiency improvements of the system and diminish losses.
The AGFW believes also, that the modernisation of existing CHP plants should be subject of the support as well and should therefore be introduced into the EEAG and GBER. The modernisation, which leads in the majority of the cases to fuel switch, increases the efficiency of the installations and has thus a tremendous impact on the reduction of the CO2 emissions. The current rules provide the possibility for Member States to grant aid for existing biomass plants after depreciation. In line with the recent case law, similar provision should be expressly considered also for existing CHP plants.

The provisions of EEAG and GBER do not appropriately reflect the developments in digital/smart energy technologies in buildings either. By the means of intelligent house stations or smart meters, which go beyond the requirements of the EED, and thus the analysis of consumption the consumers’ behaviour can be influenced, the producer-consumer chain in District Heating can be optimised, renewable energies integrated and load balanced. As a consequence CO2 emissions are indirectly reduced by reducing energy consumption and integration of renewable energy sources.

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

<table>
<thead>
<tr>
<th></th>
<th>To a large extent</th>
<th>To some extent</th>
<th>Not at all</th>
<th>I don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Falling costs of renewable energy producers</td>
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<tr>
<td>Changes to the trade intensity of the sectors listed in Annex 3 and 5 of the EEAG</td>
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<tr>
<td>Changes to the electro intensity of the sectors listed in Annex 3 of the EEAG</td>
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<tr>
<td>Other (please specify)</td>
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Please explain:  
3000 character(s) maximum

Coherence:

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

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

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Partially</th>
<th>I don't know</th>
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<tbody>
<tr>
<td><strong>Renewable Energy Directive</strong></td>
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The AGFW is of the opinion, that the amendment of the State aid package should be used as an opportunity to streamline it with the provisions of the “Clean Energy Package”. The provisions of the new Renewable Energy Directive (RED II), the amended Energy Performance of Buildings Directive (EPBD) are only partly reflected in the EEAG and GBER. The European legislator acknowledged in the Renewable Energy Directive, that the heating market and District Heating will play a decisive role in the decarbonisation of the energy sector. This fact, alongside with the need to increase the share of renewable energy sources in District Heating networks must be taken into account. The RED II acknowledges also the potential of waste heat and therefore the connection of this heat sources into District Heating networks should be subject to support measures as well. Furthermore, as the District Heating systems deliver an immense potential for sector coupling incorporating the surplus renewable electricity, new technologies, including Power-to-Heat and thermal storage, should be taken into consideration.

As the amended EPBD aims at decarbonisation of the building stock, the connection to a District Heating network shall be subject to support as well. District Heating is namely an instrument which delivers energy efficiency and renewable energy sources to existing buildings and thus helps reduce the primary and end energy demand of buildings. The transformation of already existing District Heating systems into efficient networks, by supporting the increase of CHP heat and renewables as well as waste heat, decreasing the temperature of the network and the conversion from steam into hot water systems. This would be in line with the amended Energy Efficiency Directive (EED). In this context the incorporation of the modernisation of CHP plants into EEAG and GBER would be essential.

However, to achieve the EU 2030 targets it would be necessary to increase the ceilings of the aid granted. As District Heating and Cooling, a very energy efficient technology, is a purely local product, it does not affect the internal market. Raising the ceiling would be particularly important for District Heating and Cooling infrastructure, since the costs are very high and the payback period very long. The AGFW would like to
emphasise as well, that a differentiation of the ceiling regarding the size of the generation plant or District Heating system would be desirable. Especially for communal undertakings the burden of an individual notification is an additional hindrance. What is more, the long approval procedures lead to a further increase of the costs of the project.

Even though the AGFW believes that the EEAG and the GBER are generally coherent with the ERDF Regulation, a further harmonisation of the institutions and politics would be necessary, in order to enable district development via realisation of energy projects.


[8] This directive is under review. The latest text can be consulted on: https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2016/0377(COD)&l=en

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

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<th>Yes</th>
<th>No</th>
<th>Partially</th>
<th>I don't know</th>
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<tr>
<td>Energy Taxation Directive</td>
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<td>Other (please specify)</td>
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Please explain:

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The AGFW is of the opinion, that the amendment of EEAG and GBER are an opportunity to streamline the tax exemptions/reductions for Power-to-X technologies. Especially problematic is in this context Art. 21 (3) Energy Taxation Directive. In the opinion of the AGFW the electricity and other purchased energy consumption for the production of fuels for electricity generation is to be exempted from tax - this exemption should be obligatory and not optional. The current wording is not only problematic from the State aid point of view, unjustifiably discriminating between energy products produced within the curtilage of the establishment and those not produced within the curtilage of such an establishment, but delivered to it. Moreover, this could be an anchor for the exemption of electricity consumption for Power-to-X technologies and thus trigger their use and development. This would streamline the usage of surplus renewable electricity and allow renewables to enter other markets.

Final Comments and Document Upload

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

1000 character(s) maximum

If you wish to attach relevant supporting documents for any of your replies to the questions above, please feel free to do so:
Please upload your file
The maximum file size is 1 MB
Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

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

☐ Yes
☐ No

THANK YOU FOR RESPONDING TO THIS QUESTIONNAIRE

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

Contact
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