

Modification of the GBER for the Green Deal and the Industrial and Digital Strategies

A Eurelectric response paper

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Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:

- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

Modification of the General Block Exemption Regulation for the Green Deal and the Industrial and Digital Strategies

Draft Eurelectric answer on the Roadmap

The revision of GBER should go hand in hand with the revision of the Energy and Environmental Aid Guidelines (EEAG) considering the new principles established under the European Green Deal as well as the Industrial and Digital Strategies.

State aid has a role to play when there are well-identified structural market failures, making market signals sufficient to achieve Green Deal's objectives. EEAG should be the reference tool to define the framework allowing Member States' support, while the GBER should remain complementary for specific projects.

Eurelectric invites the Commission to consider the following points when revising the GBER:

- **Increase exemption notification thresholds for:**
 - investment aid for environmental protection (currently aid up to €15 million euro per undertaking per investment project)
 - Specific threshold applying to the different types of investment aid related to Section 7 of the GBER (mentioned at Article 4 (s) to (x))
 - Large aid schemes for renewable energy exceeding €150 million per year and granted on competitive bidding process basis.
- **The main motivation is to reduce processing time of state aid application files by EC. Fast-track procedures** should be set up to speed up the deployment of projects and meet decarbonisation targets. **In return, a sufficient level of transparency is required** for projects exempted from notification requirement to ensure compliance with EEAG principles.
- **Increase the limit of the combined budget of all schemes falling under Art. 42 GBER** in the Member State concerned.
- **Clarify the rules for the cumulation of aids (Art. 8)**
- **Flexibility to modify authorized schemes should be offered** to deploy more efficient solutions in terms of emission reduction and costs aligned with the EU Green Deal objectives. Notification should be exempted if new schemes proved to be more efficient from an environmental and economic point of view. It could be offered on a voluntary basis exclusively to the successful bidders of previous authorized schemes.
- **Eligible costs** – Costs considered eligible by the GBER should cover capital expenditures and operational expenditures since projects benefiting to environment and the energy transition are facing very different risks during their lifetime.
- **Form of the aid** – Concepts of investment aid and operating aid including cost structure (CAPEX, variable OPEX, fixed OPEX) should be further clarified and aligned with EEAG definitions.

- **Aid intensity**
 - **Adopt a funding gap approach for most of technologies by means of auction** as most appropriate way to discover the funding gap which remains to cover. The currently permissible grounds for derogating from competitive aid should be maintained in some cases where the allocation of support at auctions may yield sub-optimal results. Where it is not possible to apply, the “aid intensity approach” shall remain the method of quantifying.
 - **The revised EEAG and GBER should maintain the aid intensity bonus currently foreseen for assisted areas.** It is important for EEAG and GBER to consider the different starting points of Member States in the decarbonisation.
 - **Increase aid intensity threshold for large companies.**
 - **Increase aid intensity threshold from 25% to 50% for support to research and innovation projects under “experimental development category” (Art.25).** Current rate is too low compared to other EU funding programmes for activities with same TRL (70% for H2020, 50% for CEF, 60% Innovation Fund, 55% for LIFE).
- **Broaden current definition of energy infrastructures (Art. 48 GBER)** to evolution of technologies, increasing electrification and digitalisation of the power system.
- **Introduce dedicated categories for :**
 - **Charging electric vehicles infrastructure**
 - **Hydrogen generation produced from renewable and low carbon sources.** Renewable and/or low carbon hydrogen generation facilities especially from electrolysis of water are key to decarbonize sectors where direct electrification is not possible or more expensive.

Eurelectric pursues in all its activities the application of the following sustainable development values:

Economic Development

- Growth, added-value, efficiency

Environmental Leadership

- Commitment, innovation, pro-activeness

Social Responsibility

- Transparency, ethics, accountability



Union of the Electricity Industry – Eurelectric aisbl
Boulevard de l'Impératrice, 66 – bte 2 – 1000 Brussels, Belgium
Tel: + 32 2 515 10 00 – VAT: BE 0462 679 112 • www.eurelectric.org
EU Transparency Register number: [4271427696-87](https://ec.europa.eu/transparency/regexpert/?s=details&id=4271427696-87)