

Targeted Consultation for the Evaluation of the Guidelines on State aid for Environmental protection and Energy 2014-2020 (EEAG)

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.

[1] For details and state-of-play see the relevant initiatives on the Better Regulation Portal: [State aid – 2-year extension for general block exemption regulation](#); [State aid – 2-year extension for de minimis regulation](#); [Prolongation of state aid rules reformed under the state aid modernisation package expiring end of 2020](#).

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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.

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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.

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- German
- Greek
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- Latvian
- Lithuanian
- Maltese
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- Portuguese
- Romanian
- Slovak
- Slovenian
- Spanish
- Swedish

* **First name**

Joshua

* **Surname**

Roberts

* 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

REScoop.eu

* 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

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

983954218683-60

* Please describe the main activities of your company/organisation/association, if applicable.

1000 character(s) maximum

REScoop.eu is the European federation for citizen energy cooperatives. We are a growing network of 1,500 European REScoops and their 1,000,000 citizens.

Through REScoop.eu, we wish to make our voices heard in the European energy debate. Citizens after all are the ones who will be paying for the transition to a more sustainable energy system. REScoop.eu empowers them and wants to achieve energy democracy. Our federation has four well-defined objectives:

- 1) We represent the voice of citizens and renewable energy cooperatives to European policy makers;
- 2) We support the start-up of new REScoops and provide them with useful tools and contacts;
- 3) We provide services for the European REScoops and are currently working on a financial tool; and
- 4) We promote the REScoop business model throughout Europe.

*** Please describe the relevance of State aid rules for you.**

1000 character(s) maximum

The EEAG directly impact our members' activities relating to the production of renewable energy. As cooperatives, our members are now acknowledged under the Clean Energy for All Europeans Legislative Package (CEP) as 'renewable energy communities' and 'citizen energy communities'.

While we do not have an exact figure, a majority of our members focus on the production of renewable energy for export to the grid and the market. Most – if not all – of our members also benefit from a national support scheme for renewables. Therefore, the EEAG provisions on aid to energy from renewable sources have a direct impact on our members' activities. Specifically, the paragraphs on operating aid granted to energy from renewable sources are most relevant. Some of our members are also concerned with the paragraphs on aid granted by way of certificates.

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

1000 character(s) maximum

We provided input into the 2014 revisions of the EEAG. We support our members so they can engage in national discussions relating to the development and amendment of renewable energy support schemes. We closely follow any Member State notifications and/or decisions by DG Competition relating to the granting of operational aid to renewables, notably small-scale installations. Specifically, we look at these decisions so we can provide our national members with support. As small start-up enterprises, our members are aware of the impact of the EEAG on their activities but they have little working understanding of the EEAG.

Finally, we currently support our members in the transposition of the CEP, notably Directive (EU) 2018/2001 (the Renewable Energy Directive). Therefore, we are concerned with how the existing EEAG interact with the CEP and, more importantly, how they evolve so that they support new CEP provisions on energy communities.

*** 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
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- 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
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- Peru
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- Poland
- Portugal
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- Slovakia
- Slovenia
- Solomon Islands
- Somalia
- South Africa
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- Tajikistan
- Tanzania
- Thailand
- Timor-Leste
- Togo
- Tonga
- Trinidad and Tobago
- Tunisia
- Turkey
- Turkmenistan
- Tuvalu
- Uganda
- Ukraine
- United Arab Emirates
- United Kingdom
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- Uruguay
- Uzbekistan
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- Viet Nam
- Yemen
- Zambia
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* Email (this won't be published)

josh.roberts@rescoop.eu

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EEAG Targeted Questionnaire

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:

	To a large extent	To some extent	Not at all	I don't know
- enabling the deployment of renewables while lowering societal costs and reducing the amount of aid needed?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
- facilitating the integration of renewable energy into the electricity market?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
- ensuring financing of support schemes to renewable energy sources, while limiting negative impacts on the competitiveness of EU firms?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
- ensuring that capacity mechanisms were necessary and cost-effective in providing security of supply and least-distortive to competition and intra-EU trade?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

- ensuring that capacity mechanisms did not negatively impact the objective of phasing out environmentally harmful subsidies including for fossil fuels?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
- ensuring that in cogeneration and district heating the most cost-efficient projects could be realised?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please explain:

5000 character(s) maximum

The EEAG, particularly the provisions on tenders, have contributed towards integrating renewables (RES) into the market. However, these efforts have not been successful in lowering societal costs. As confirmed by CEER's 2018 Status Report on Renewable Support Schemes in Europe for 2016 and 2017, average support levels are still high and have only decreased slightly for new installations. Furthermore, many Member States still exempt industry from having to pay levies or taxes associated with national renewable support schemes (12 out of 28 Member States).

Where tenders have resulted in lower costs, for example in Germany, these lower levels of support have come at a significant societal cost, in particular the ability of citizen energy projects to develop renewable energy projects. In the short-term, tenders have led to a significant decrease in the amount of participation by bottom-up citizen energy projects. In the long-term, this could have a negative impact on public acceptance of new renewable energy production installations, particularly wind.

The necessity for maintaining public support for RES is supported by the Commission's Impact Assessment for its Recast Renewable Energy Directive, which cited that allowing local citizens to invest can reduce negative attitudes on new projects from 60 to 12%. It is also borne out by the results of the latest onshore wind tender, the results of which were released in May 2019. Specifically, the tender was undersubscribed and of the 700 MW capacity tendered, total bids only amounted to 499 MW. According to the German Wind Energy Association (BWE), this undersubscription was due to the uncertainty in the industry due to regulatory changes, licensing procedures, and growing local resistance.

Moving forward, the EEAG need to acknowledge that market integration, and tenders in particular, are not appropriate for non-commercial market actors, in particular renewable energy communities (RECs), which are now officially acknowledged in the CEP. In particular, the EEAG should support Member States in taking citizen and community participation into account in the design of their RES support schemes, to ensure they are not excluded from the market. It may very well be appropriate to maintain specific support mechanisms for RECs such as FiTs or exclusion from tenders. The EEAG should create sufficient space for Member States to make such determinations.

Please continue if necessary:

5000 character(s) maximum

The main distinguishing aspect between community ownership and other citizen and community energy initiatives organized or owned by traditional commercial energy companies is how they are organized. In particular, community ownership organises citizens in a legal entity and most often incorporate a particular set of principles around participation, ownership and governance principles, namely:

1) Non-commercial purpose: The energy community exists primarily to provide services or other benefits to the members, or to the broader local community. In this sense, revenues or profits from economic activities are reinvested in the activities of the energy community, go towards providing services to members, or go towards socio-economic initiatives that benefit members of the local community, such as education, investment in local/public infrastructure, addressing energy poverty, etc.

2) Ownership and control: Participation focuses on economic participation, providing members with ownership of project and/or services provided by the community. In exchange the members are entitled to receive services from the community and/or a return on investment. This also allows local citizens, small businesses, or local authorities that participate in the community to exercise strategic control and direction over the community.

3) Open and voluntary participation: Membership in an energy community is open to anyone that is willing to undertake the responsibility of becoming a member. Therefore, energy communities should not discriminate against anyone that wants to join the community. Likewise, members should be able to leave if they choose, subject of course to do

4) Governance/decision making: Internal decisions are based on democratic governance based on equal decision making rights for all members, regardless of the amount of investment. Furthermore, there is an emphasis on ensuring decision-making 'autonomy', so that that the collective will of the members is not compromised due to the investment or decision making by one or a small group of individual members, or outside business partners.

Cooperatives in particular embody these characteristics, which have a deep foundation in the seven International Cooperative Alliance (ICA) principles, or Rochdale Principles. These principles can be integrated into any legal form, not just into the legal form of a cooperative.

Due to their unique characteristics, RECs can be considered to be a separate class of market actor from traditional market actors. In other words, their unique characteristics place them in a different legal and factual situation, in particular regarding the equality principle. For more, please see our input into the final comments section of this consultation.

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

not applicable.

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

not applicable.

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

not applicable.

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

With competitive bidding for RES support, the EEAG has precipitated a move by Member States away from fixed feed-in tariffs (FiTs), which have provided the most investor certainty to smaller non-traditional market actors, towards market-based forms of support. This has made it harder for community projects to obtain finance. Second, the move to tenders has pushed energy communities out of the market. There is also evidence that the level of new installations coming on line has decreased since the introduction of tenders. This is evidenced in Germany through the latest onshore wind tender, which was undersubscribed.

At the same time, the EEAG, and DG Competition's decisions on capacity remuneration mechanisms, have contributed towards distortion of the market. This is evident in the Court of Justice of the EU's recent decision to annul DG Competition's decision to approve the UK Capacity Mechanism, which favoured fossil fuels. This further distorts the market for RES and flexibility.

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
- Partially
- I don't know

Please explain:

1000 character(s) maximum

The EEAG have made community renewable projects harder to achieve. On the other hand, it allows capacity mechanisms that favour large companies focused on keeping dirty fossil fuels in the energy system, at a high cost to consumers and at the expense of a properly functioning energy market capable of valuing flexibility.

Citizen and community participation is crucial for a successful transition to a clean, decarbonized energy system. Such participation has benefits such as investment, citizen empowerment, and public acceptance. The EU's Energy Union Strategy, and the CEP, in particular Directive (EU) 2018/2001 (the recast Renewable Energy Directive), both acknowledge this. Furthermore, Regulation (EU) 2019/943 (the Electricity Regulation) establishes empowerment of consumers to act as market participants in the energy market and the energy transition as a principle of the internal energy market. The EEAG will need to be reformed so that it is aligned with this principle.

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:

1000 character(s) maximum

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

[2] NACE is derived from the French "Nomenclature statistique des Activités économiques dans la Communauté Européenne" (Statistical classification of economic activities in the European Community). It designates the various statistical classifications of economic activities developed since 1970 by the European Union. According to NACE rev.1.1: http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_CLS_DLD&StrNom=NACE_1_1&StrLanguageCode=EN&StrLayoutCode=HIERARCHIC

[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

[4] According to NACE rev.1.1: http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_CLS_DLD&StrNom=NACE_1_1&StrLanguageCode=EN&StrLayoutCode=HIERARCHIC

[5] Production Communautaire list, available at: https://ec.europa.eu/eurostat/statistics-explained/index.php/Industrial_production_statistics_introduced_-_PRODCOM

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?

	Too high	Too low	Adequate	I don't know
15% of the full renewable surcharge	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

4% of the Gross Value Added	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
0.5% of the Gross Value Added	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please substantiate your answer:

1000 character(s) maximum

not applicable.

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

- Yes
- No
- I don't know

Please substantiate your answer:

3000 character(s) maximum

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

Due to the fact that almost all of our members are SMEs, the higher aid intensities allowed under the EEAG are helpful in facilitating development of their activities. The existing thresholds should therefore be maintained.

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:

	Yes	No	I don't know
- in general terms?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
- 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?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
- as regards the criteria for limiting bidding processes for renewables to specific technologies (see EEAG point 126 and GBER Article 42.3)?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
- as regards the methodology for calculating eligible costs for investment aid to renewables and co-generation (CHP) projects?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
- 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)?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
- 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)?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
- as regards the methodology to assess eligible costs for energy-efficiency investment aid under Article 38 of the GBER?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
- 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)?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
- 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)?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

- 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?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
- 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?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
- Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please explain:

5000 character(s) maximum

not applicable.

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):

	Very low (less than 1%)	Low (between 1% and 5%)	Intermediate (between 5% and 10%)	High (between 10% and 20%)	Very high (more than 20%)	I don't know
Proportion of administrative costs in total actual amount of compensation received	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Please explain:

1000 character(s) maximum

not applicable.

Relevance:

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

	Yes	No	Partially	I don't know
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Storage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Zero subsidy bids	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Repowering	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Renewable energy power purchase agreements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Renewable self consumption and/or active consumers	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Citizens energy communities and/or renewable energy communities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hydrogen, synthetic fuels and low carbon gas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Alternative fuel infrastructure (publicly accessible or dedicated infrastructure)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Low or zero emission vehicles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Carbon Capture, Storage and/or Utilisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Nearly-zero-energy buildings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Smart energy technologies (e.g. in buildings)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Energy services (e.g. energy performance contracting)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advanced technology for water reuse (e.g. membranes and UV)	<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 checked="" type="radio"/>

Please explain:

5000 character(s) maximum

For the purpose of our response, we only focus on citizen energy communities (CECs) and RECs, in particular the latter. In short, the EEAG do not adequately address this class of non-commercial market actor. While the existing EEAG make special provisions for small renewable energy projects, the thresholds allowing for direct support (i.e. FiTs) and exemption from participating in tenders place artificial limitations on the size of projects, regardless of the project's ownership or objectives.

RECs experience significant, distinct difficulties raising finance for projects and participating in tenders due to other unique characteristics, not just size. Young RECs cannot spread higher risk across multiple projects, because they have a small or non-existent portfolio of projects to hedge risk against. Furthermore, due to their local nature RECs rely largely on finance from local members who are mostly households and small businesses. Many citizens are unable or unwilling to take on the risk of financing sunk costs for feasibility studies, permits and other administrative procedures without certainty of success, or to meet high tender participation criteria. Many RECs also lack decision-making efficiency due to their democratic decision-making structures. In addition, their reliance on volunteers or part-time staff prevents them from operating as efficiently as other project developers.

The existing EEAG has prevented Member States from expanding schemes providing direct support (i.e. FiTs) to medium-sized projects, creating a financing gap. For example, the UK government declined to expand FiTs for community projects from 5 MW to 10 MW due to potential issues related to the EEAG.

The EEAG's tender requirements have also pushed citizen-owned projects out of the market. While several

national support schemes have made special provisions for citizen energy projects using the EEAG, none have actually succeeded in ensuring RECs have a level playing field. In France, successful bids in onshore wind/solar and rooftop solar tenders that provide for citizen ownership or investment are eligible for a 'bonus' (bonus participative) in addition to a market premium. However, in order to receive the bonus, the project must be successful and there are no tools in place to address challenges local citizens face in trying to participate in the tenders. Therefore, while 36% of successful participants in tenders claim the bonus, a significant majority are crowdfunded projects that remain fully controlled by the developer and do not afford any ownership or decision-making rights to citizens. Financial participation is also generally limited to a small period of time (3 years, compared with the full lifetime of the project, which is normally 20 years).

As mentioned above, in Germany the 2017 EEG established a definition and special rules for citizens' energy companies for onshore wind tenders. In the first three rounds of bids, 97% of successful bids came from eligible citizens energy companies. However, after assessing the individual projects in detail, it was shown that nearly all of these projects were established by bigger market players, and only 8 projects could be considered a real citizen energy project.

On the other hand, for solar PV there were no preferential conditions for community projects. In the first four rounds, cooperatives submitted 11 bids, of which only two were successful – both occurring in the third round. Co-operatives have declined to participate in subsequent rounds because they have concluded it is not possible to compete in the bidding process. They have therefore been excluded.

In sum, the mechanisms that have been designed to integrate RECs into tenders show what to avoid - not best practice. A number of State aid decisions pertaining to citizen energy have been approved under the EEAG provisions exempting small installations from participating in competitive bidding. However, those decisions, and the schemes involved, have not properly addressed the particular situation of energy communities.

Moving forward, the EEAG need to have a better basis to properly assess schemes for citizen-owned renewable energy projects. RECs need to be explicitly recognised (consistent with the new definitions of RECs and their acknowledgment as distinct, non-commercial market actors, in the recast Renewable Energy Directive) and supported in the revised EEAG. Correspondingly, the EEAG should allow Member States to set proportionately higher thresholds allowing RECs to receive fixed FiTs and to be exempted from competitive bidding.

At the very least, the EEAG should better account not only for small projects but also small-to-medium-sized projects, raising the existing thresholds pertaining to the ability to receive fixed FiTs and to be exempted from participating in competitive bidding.

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)?

	To a large extent	To some extent	Not at all	I don't know
Falling costs of renewable energy producers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Changes to the trade intensity of the sectors listed in Annex 3 and 5 of the EEAG	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Changes to the electro intensity of the sectors listed in Annex 3 of the EEAG	<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 checked="" type="radio"/>

Please explain:

3000 character(s) maximum

not applicable.

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:

	Yes	No	Partially	I don't know
Renewable Energy Directive	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Electricity Directive [6]	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Electricity Market Regulation [7]	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Risk-preparedness Regulation [8]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
EU ETS Directive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Industrial Emissions Directive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Alternative Fuels Directive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Energy Efficiency Directive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Energy Performance of Buildings Directive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
EU Waste legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Water Framework Directive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Air Quality Directive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Birds Directive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Habitats Directive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
ERDF Regulation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Other (please specify)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain:

5000 character(s) maximum

We checked 'other', as a reference to the EU's Energy Union Strategy.

The EEAG need to support delivery of the EU's climate and energy objectives. In its original Communication on a Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy, the Commission stated unequivocally that citizens should be at its core, "where citizens take ownership of the energy transition, benefit from new technologies to reduce their bills, participate actively in the market, and where vulnerable consumers are protected."

Based on its vision for an Energy Union, the Commission made giving a fair deal to consumers one of the goals of its proposed CEP. To achieve this goal, the Commission proposed a broad, overarching legal framework to support citizens to get involved across the energy market – both individually and collectively. Specifically, the CEP acknowledges and defines 'active customers', 'renewables self-consumers', 'renewable energy communities', and 'citizens energy communities'. Based on these definitions, the CEP establishes a set of clear rights and responsibilities, as well as requiring Member States to set up enabling national frameworks to promote their development through a level playing field. For RECs in particular, the Recast Renewable Energy Directive aims to provide special support to promote their development at national level.

The existing EEAG will need to be amended to fit the new context of the CEP, including its intent to ensure citizens can participate both individually and collectively through energy communities across the energy market. Specifically, the EEAG should include a new chapter on energy communities, particularly RECs.

A new chapter on energy communities is needed in order to fully support coherence between the EEAG and the CEP's provisions on energy communities. In particular, it will need to ensure Member States can develop tailored measures so RECs have a level playing field in accessing national renewable support schemes.

Furthermore, the revisions of the EEAG will need to support and reinforce the national enabling frameworks that Member States will be required to put in place for RECs. In particular, these enabling frameworks need to include, inter alia, measures to ensure the participation in the renewable energy communities is accessible to all consumers, including those in low-income or vulnerable households, and tools to facilitate access to finance and information are available. Such measures are likely to implicate some form of support that may qualify as State aid. Therefore, the EEAG need to be revised to permit the granting of aid for such measures.

Specifically, this new chapter of the EEAG should permit Member States to put in place other supportive measures (e.g. providing information, providing technical and financial support, reducing administrative requirements, including community-focused bidding criteria, creating tailored bidding windows for RECs) or RECs regardless of their size.

[6] This directive is under review. The latest text can be consulted on: [https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2016/0380\(COD\)&l=en](https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2016/0380(COD)&l=en)

[7] This regulation is under review. The latest text can be consulted on: [https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2016/0379\(COD\)&l=en](https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2016/0379(COD)&l=en)

[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](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?

	Yes	No	Partially	I don't know
Energy Taxation Directive	<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 checked="" type="radio"/>

Please explain:

1000 character(s) maximum

not applicable

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

Under the principle of 'equal treatment', EU law prohibits "treating similar situations differently and treating different situations in the same way unless there are objective reasons to do so." (VEMW & Others (Case C-17/03); Citiworks AG (Case C-439/06); & Paint Graphos Soc. coop. arl. (Joined Cases C-78/08 to C-80/08). If a particular market actor or class of market actor is in a sufficiently different factual and legal situation from other market participants, they should be subject to different rules unless justified by an overriding objective. Likewise, where actors are in sufficiently different positions or situations, different treatment is not considered discriminatory.

If one accepts that RECs, which take on a non-commercial purpose and integrate unique ownership and governance principles, are different from other traditional commercial energy companies, then legislation and regulation must take into account these differences to ensure equality in the IEM.

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

150243cb-922e-4014-9ec5-646216cb00d6/REScoop.eu_response_-_DG_Comp_Roadmaps.pdf

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 \(http://ec.europa.eu/competition/state_aid/modernisation/fitness_check_en.html\)](http://ec.europa.eu/competition/state_aid/modernisation/fitness_check_en.html)

[Guidelines on State aid for environmental protection and energy 2014-2020 \(https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A52014XC0628%2801%29\)](https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A52014XC0628%2801%29)

[General Block Exemption Regulation \(GBER\) \(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02014R0651-20170710\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02014R0651-20170710)

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