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That in response to the public consultation process on the **Revised Aid Guidelines for Climate, Energy and the Environment (CEEAG)** within the time limit granted, I step to carry out the following

## CONSIDERATIONS

### 1.- Introduction

The European Commission has submitted to public consultation the revised Climate, Energy and Environmental Aid Guidelines (CEEAG).

Paragraph 107 of the document states that “to avoid undermining the objective of the measure or other

Union environmental protection objectives, incentives must not be provided for the generation of energy that would displace the less polluting forms of energy. For example, where cogeneration based on non-renewable sources is supported, or where biomass is supported, they must not receive incentives to generate electricity or heat at times when this would mean zero air pollution renewable energy sources would be curtailed”.

### 2.- Need for the amendment of paragraph 107

As stated in para 76 of the CCEAG: “Support for [...] biomass fuels can only be approved to the extent that the aided fuels are compliant with the sustainability and greenhouse gases emissions saving criteria in Directive (EU) 2018/2001 and its implementing or delegated acts”.

It must be noted that electricity generation plants from biomass are already subject to very stringent criteria under Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (“REDII”) currently in force, which are expected to be reinforced with the revision thereof.

Also, aid to electricity generation plants from biomass that complies with the harmonized sustainability, energy efficiency and greenhouse gas emissions saving criteria set out in the REDII, is beneficial not only because these installations contribute to reducing GHG<sup>1</sup> and, consequently, to the transition towards a zero-carbon energy model but, more importantly, **these plants contribute to an environmental objective (protection of forests)**, which is a crucial factor very frequently forgotten when talking about this RES-E generation technology.

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<sup>1</sup> [...] burning fossil fuels releases carbon that has been locked up in the ground for millions of years, while burning biomass emits carbon that is part of the biogenic carbon cycle. In other words, fossil fuel use increases the total amount of carbon in the biosphere-atmosphere system while bioenergy systems operates within this system; biomass combustion simply returns to the atmosphere the carbon that was absorbed as the plants grew – Source: IEA: [https://www.ieabioenergy.com/wp-content/uploads/2018/01/FAQ\\_WoodyBiomass-Climate\\_final-1.pdf](https://www.ieabioenergy.com/wp-content/uploads/2018/01/FAQ_WoodyBiomass-Climate_final-1.pdf)

Additionally, the impact of the aid to these installations on the electricity market is small (due to the limited installed capacity derived from their dependence on the availability of biomass), so the Commission should consider that the aid to biomass plants does not lead to undue negative effects on competition and trade between the Member States.

In addition, it can be almost impossible to determine which kWh of electricity produced by a biomass generation plant is being produced at times when another RES-E generation plant is being curtailed. The vague wording of the last part of paragraph 107 may induce confusion and, hence, it should be deleted in order to avoid potential wrongful interpretation and application thereof.

Therefore, our suggestion is to amend paragraph 107 of the CEEAG as follows:

“To avoid undermining the objective of the measure or other Union environmental protection objectives, investment incentives must not be provided for new installations for the generation of energy that would displace less polluting forms of energy.”



Madrid, 30th July 2021

Directorate-General for Competition of the European Commission State aid registry