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Directorate-General for Competition, State Aid Registry – Units B2, B3, H2  
Ref: HT.5371

Brussels, 27 July 2021

**EPF Feedback on the public consultation on the revised Climate, Energy and Environmental Aid Guidelines (CEEAG)**

The European Panel Federation (EPF) warmly welcomes the possibility to provide a feedback on the draft revised guidelines on state aid for environmental protection and energy to respond to the objectives of the Green Deal, the twin transitions, the new climate ambition and a resilient recovery. To achieve these challenges, there is indeed a need to revise the scope of the guidelines and establish clear safeguards to ensure that the aid is effectively directed where it is necessary to improve environmental protection, mitigate climate change and foster the deployment of a sustainable and circular economy throughout the Union while avoiding any market distortions.

In this respect, EPF calls on the European Commission to consider the following points in the framework of the finalisation of its Communication on the revised Climate, Energy and Environmental Aid Guidelines:

- While extending the scope of the proposed guidelines to all technologies that reduce greenhouse gases and improve energy efficiency is fundamental to reaching the climate neutrality target, it is of the utmost importance that **sound implementation of public consultations on the main features of the envisaged scheme is secured to ensure that market price formation of raw materials is not unduly distorted due to subsidies**. This is especially the case for forest biomass used for early energy recovery when material use is still possible ensuring better resource efficiency and longer carbon storage lifespan in line with the principles of the waste hierarchy.
- To ensure the transition to a circular economy, state aid for resource efficiency could play a major role fostering **cascade use, re-use or recycling of waste, products and materials**. The maximum aid intensity is required to develop industrial symbiosis, establish well-functioning markets for secondary raw materials, reduce pressure on natural capital, maintain the material life cycle and reduce greenhouse gas emissions.
- State aid for the improvement of the energy and environmental performance of buildings should **enhance and reward the use of sustainable nature-based materials such as wood that hold the double benefit of storing carbon and substituting energy intensive and fossil-based materials**. Indeed, both embodied and operational carbon should be taken into account when assessing the energy performance of the new and existing built environment.

*EPF represents the manufacturers of wood-based panels being particleboard, dry process fibreboard (MDF), oriented strand board (OSB), hardboard, softboard and plywood. EPF has members in 32 European countries. The EU wood panel industry has a turnover of about 26 billion euro every year, creates over 100,000 jobs directly and counts more than 5,000 enterprises in Europe. The production of wood-based panels in the EU-27 (+EFTA) in 2020 was an estimated 58 million m<sup>3</sup>. [www.europanel.org](http://www.europanel.org)*

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