

**Contribution of APPA Biofuels to the European Commission consultation on the prolongation of the State Aid Regulations and Guidelines expiring by the end of 2020**

APPA Biofuels is registered under the European Commission transparency register with the identification number 82064144358-30.

The European Commission has launched a consultation on the prolongation of the State Aid Regulations and Guidelines reformed under the State Aid Modernisation Package and expiring by the end of 2020, which closes on 16<sup>th</sup> May 2019.

APPA Biofuels, representing the biodiesel and bioethanol industries in Spain, supports the two-year prolongation until the end of 2022 of the Guidelines on State Aid for Environmental Protection and Energy.

However, extending the validity of these guidelines until 2022 without also extending the time limit for operating aid to “food-based biofuels” would in practice exclude, as of 2020, food based biofuels from any support, and would have a negative impact on the market and the involved stakeholders.

Therefore, APPA Biofuels asks for the extension of the validity of these guidelines in all their terms, including an extension of the support for food-based biofuels (paragraphs 113 and 121) until, at least, 2022.

This way, operating aid for crop-based biofuels could be granted until 2022 or until the plant is fully depreciated.

This change would ensure legal certainty and stability for the involved stakeholders regarding the applicable rules. It would also ensure that existing national support schemes, for instance in the form of excise duty reductions for higher biofuel blends (e.g. B100, E85) do not become invalid post-2020 in the absence of revised and updated Guidelines. It would avoid uncertainty among sector operators, lack of predictability and market disruptions for sustainable biofuels restraining choices for low carbon transport options.

Moreover, crop-based biofuels are expected to bring a significant contribution to GHG reduction in transport in the next decade and, therefore, the recently adopted post-2020 Renewable Energy Directive 2018/2001 (RED 2021-2030) did not end the eligibility of crop-based biofuels. This Directive only capped the maximum contribution of crop-based biofuels to the EU renewables targets and therefore maintaining their eligibility for operating aid would be consistent with the RED 2021-2030.

16<sup>th</sup> May 2019