

## EBB response to European Commission consultation on the prolongation of the State Aid Regulations expiring by the end of 2020



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The European Commission recently 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 May 16<sup>th</sup> 2019.

### ***EBB response to the consultation:***

The EBB welcomes the opportunity to respond to the Commission's intention to extend the validity of State Aid Guidelines reformed under the State Aid Modernisation Package (currently expiring by the end of 2020) until the end of 2022.

**The EBB supports the two-year prolongation of the Guidelines on State Aid for Environmental Protection and Energy** and look forward to participating in their evaluation and contribute to their revision for the period post-2022.

Nevertheless, extending the validity of the Guidelines on State Aid for Environmental Protection and Energy to 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 stakeholders involved.

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

In 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 stakeholders as regards the applicable rules. It would also ensure that existing national support schemes, for instance in the form of excise duty reductions for biofuel blends (e.g. B100, HVO100, E85, ED95) do not become invalid post-2020 in the absence of revised and updated Guidelines. It would avoid uncertainty among sector's 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 EU Renewable Energy Directive (RED II) did not end the eligibility of crop-based biofuels. The RED II only capped the contribution of crop-based biofuels to the EU renewables targets, so it would be consistent with the RED II to keep their eligibility for operating aid.

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The **European Biodiesel Board (EBB)** is a non-profit organisation established in January 1997. Today, the EBB gathers 65 members across 21 Member-States, which represents 75% of the European output. Biodiesel is the main European solution to reduce emissions from transport and dependence on imported oil. EBB aims to promote the use of biodiesel in the European Union and is committed to fulfil International standards for sustainability in GHG emissions and sustainable feedstock. The EBB is constantly working towards the development of improved and greener technologies.