

15.05.2019
Vilnius, Lithuania

TO: THE EUROPEAN COMMISSION

RESPONSE TO THE CONSULTATION ON THE PROLONGATION OF THE STATE AID REGULATIONS AND GUIDELINES

Authorizing Associations work in sectors related to renewable energy sources (particularly biofuels) therefore they are concerned about the *Guidelines on State aid for environmental protection and energy*, in particular paragraphs 112, 113, 114 and 121 with regard to investment and operation aids granted to biofuels.

Associations support the extension of the validity period of the Guidelines until 2022, but also believe that it is necessary to extend the deadline until which crop-based biofuels would be eligible for support (The Guidelines provide that operating aid to food-based biofuels can only be granted until 2020 or until the plant is fully depreciated. Extending the validity of the Guidelines until 2022, the deadline for crop-based biofuels should also be extended until 2022).

Such amendments are very important in order to ensure legal certainty and stability – they would ensure that existing national support schemes will not become invalid after 2020. What is also important that extension of support schemes to sustainable crop-based biofuels would ensure further decarbonisation of transport sector, generate revenue to farmers and biofuel producers that directly contribute to maintenance of jobs in rural areas. It would also help to further support food production.

Associations would also like to pay attention to the fact that today there are no legal grounds left to discriminate against crop-based biofuels:

1. Various studies confirmed that European ethanol poses no negative impacts to food security and has low risk of land use change impact. For this reason granting aid to sustainable biofuels should be justified.
2. RED II does not prohibit the production and consumption of sustainable crop-based biofuels. It supports crop-based biofuels and only sets a cap on it (the contribution of crop-based biofuels shall be no more than one percentage point higher than their 2020 share, with a 7% maximum). So it would be irrational to, on the one hand, ban support for crop-based biofuels by Guidelines and to, on the other hand, encourage the support for crop-based biofuels by RED II. **Guidelines should not contradict to EU primary legislation.**

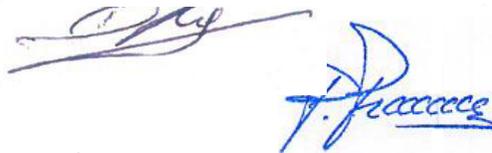
In view of the foregoing the Associations would like to express their opinion that they support the extension of the validity period of the Guidelines until 2022 and encourage the continuation of crop-based biofuel support opportunities until 2022.

Respectfully,

Grain Producers Association

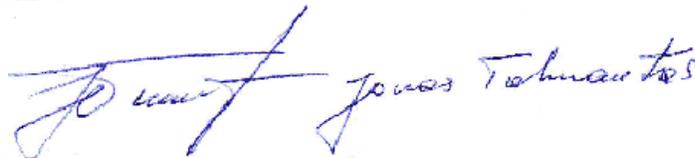


Grain Processors Association



Association of Agricultural Companies

Farmers' Union



Biofuels Association



Renewable Energy Confederation

