

## BIOENERGY EUROPE'S

### **Response to the European Commission DG Competition Public Consultation on the Prolongation of the State aid Regulations and Guidelines reformed under the State aid modernisation (SAM) package and expiring by the end of 2020**

Bioenergy Europe welcomes the opportunity to comment on the European Commission intention to extend the validity of State aid Guidelines reformed under the State aid modernisation (SAM) package and expiring by the end of 2020 until the end of 2022.

Bioenergy Europe supports the two-year prolongation of the *Guidelines on State aid for environmental protection and energy* (EEAG 2014-2020) and look forward to participating in their evaluation to contribute to their optimal design/implementation post 2022.

However, a mere extension of EEAG validity to 2022 granted without consistently extending the time limit for operating aid to “food-based biofuels” could have a negative impact on the market and stakeholders involved.

**Paragraphs 113 and 121 currently limit operating aid and aid schemes to 2020 for “food-based” biofuels.**

Support schemes would therefore cease before of the end of the guidelines' validity and adoption of the rules covering the following period, generating uncertainty among sector's operators. Lack of predictability would cause market disruption for sustainable biofuels restraining choices for low carbon transport options. This would translate into a barrier to the achievement of the target for renewables in transport by 2030 under the Renewable Energy Directive (EU) 2018/2001.

Furthermore, with the introduction of new sustainability requirements on biomass fuels in the Renewable Energy Directive (EU) 2018/2001 the EEAG wording should be updated to be more coherent with legislation. Categories as High vs. Low iLUC should be adopted when deciding on the continuation of the operating aid to biofuels while the wording “food-based biofuels” should be dropped (and substituted by “High-risk iLUC”).

**To improve consistency with the Renewable Energy Directive (EU) 2018/2001 and avoid market disruptions, Bioenergy Europe recommends the Commission to amend the Communication concerning the prolongation of the Guidelines by:**

**1. Extending the time limit for operational support to biofuels until December 2022 under the Energy and Environment Guidelines (paragraphs 113 and 121)**

and

**2. Conforming the categories applied to biofuels to the Renewable Energy Directive (EU) 2018/2001 privileging the distinction between high and low- iLUC risk starting with the entry into force of the Renewable Energy Directive (EU) 2018/2001.**