

**PUBLIC CONSULTATION ON THE REVISED CLIMATE, ENERGY & ENVIRONMENTAL  
AID GUIDELINES  
BPIFRANCE COMMENTS**

As the climate Bank for French entrepreneurs, Bpifrance very much welcomes the possibility to give feedback to the revised Climate, Energy and Environmental Aid Guidelines. They will be a strong tool in the coming years to deliver on our common ambition to foster a fair ecological and energy transition.

We would like to take this opportunity to bring your attention to the following points:

- One can notice that definitions are still based on the emission level at the tailpipe. This approach is not consistent enough with the ambition to consider the life-cycle analysis, for instance when it comes to batteries. Moreover, such tailpipe measure excludes cleaner transitional solutions such as biofuels and biogas.
- It should also be highlighted that some definitions are common with the criteria of the EU Taxonomy, demonstrating the substantial contribution from transportation activities to climate change mitigation. In that respect, Bpifrance would like to raise concerns about the usability of some definitions, for instance:
  - The definition of “clean transport vehicle” (20b):
    - Bpifrance understands that “low-emission-heavy-duty vehicles” are included in the scope until 31 December 2025;
    - To be considered as a “low-emission-heavy-duty vehicles”, a vehicle must meet the following requirement: its emissions are less than half of the reference CO2 emissions of the vehicle sub-group it belongs to;
    - Where is it possible to find this reference? After careful looking and contacting several French key actors (French Agency for Ecological Transition, French national federation of road transport), no one knows about the value of this reference.
  - The definition of hybrid and dual vessels (20d): it is required to demonstrate that vessels use at least 50% (or 25%) of their energy from zero direct (tailpipe) CO2 emission fuels of plus-in normal in their normal operation, how would it be possible to do so? Which kind of evidence could Bpifrance ask for?
- To meet the objectives and maximize the impact of the Green Deal, any state aid measures targeting green investments and notified to the European Commission based on these Guidelines could usefully be excluded from the scope of cumulation (3.2.1.3.1) with a separate maximum amount in relation to the same eligible costs. Any common ceiling in this field would hinder the public support to green investments.

- With the same objective to ensure that green investments can be supported with the most relevant tools, it would be useful to foresee that the type of funding does not modify the scope of eligible costs. It should be allowed to take 100% of the acquisition price as a reference for an aid taking the form of a leasing, as it is the case for loans.
- A market failure is not the only case where an aid should be deemed as necessary (3.2.1.1). A new aid can be set-up in a context where multiple funding solutions are provided both by private and public stakeholders but where the objective is rather to speed up market transformation, for instance the development/generalization of clean and energy-efficient vehicles. Furthermore, it is not clear how any residual market failures (§35) could be demonstrated in practice in such a situation.
- The necessity of the aid criterion (§37) should be met where the project would have been implemented anyway, but at a later stage/not to the same extent and/or with a negative impact on the company's financial health. The definition of an incentive effect (3.1.2, §25/26) should be clarified accordingly to include the latter situation where the company is forced to implement the project (with or without the aid), for instance due to a pressure from competitors or new regulatory requirements, but by putting its financial health at risk.
- Questions in relation to aid for clean mobility (4.3):
  - What are the targets of such aid (SMEs, mid-caps, large enterprises)?
  - §141: there is no definition of the retrofitting of transport vehicles, does it include all costs incurred for engines, pneumatics, and pollution reduction equipment? Is there any constraint?
  - §143: will a counterfactual scenario need to be provided for each aid granted?
  - §150: the form of aids could usefully be extended to interest and rent subsidies.
  - §162: the emphasis should be put on the acquisition cost (which can be 3 times higher than the cost of a combustion engine) rather than availability.