



Comments

Guidelines on State aid for climate, environmental protection, and energy 2022 (CEEAG)

1. VDB as representative of the biofuel producers in Germany

The Association of the German Biofuel Industry (Verband der Deutschen Biokraftstoffindustrie e. V. - VDB) represents the interests of 15 biofuel producers in Germany with a production capacity of 2.4 million tons of biodiesel (and 900 GWh of biomethane). This equals approximately 60% of the total biodiesel capacity in Germany in the transport sector.

2. General remarks on the initiative

VDB welcomes the Commission's initiative to revise the Guidelines on State aid for climate, environmental protection, and energy.

With an increasing use of sustainable crop-based biofuels, agriculture and forestry would make a growing contribution to climate protection and to the production and use of sustainable protein feed. Biofuels such as biodiesel, vegetable oil and biomethane are technological options that promote the circular economy and are in line with the farm-to-fork strategy in the context of implementing the European Green Deal.

3. Remarks in detail

Number 96

As the planned assessment of overcompensation for biofuels is not envisaged for other subsidy categories such as BEVs or hydrogen, it clearly puts biofuels at disadvantage. In the sense of equal treatment, a unique feature discriminating biofuels shall be avoided. Therefore, number 96 must be discarded.

Annex

The CEEAG draft proposes a significant curtailment of the list of sectors eligible for aid in its annex. This directly affects the economic activities of several Ger-

**Association of the German
Biofuel Industry**

**Verband der Deutschen
Biokraftstoffindustrie e.V.**

Tel. +49 (0)30 – 72 62 59 11
Fax +49 (0)30 – 72 62 59 19
info@biokraftstoffverband.de

Am Weidendamm 1A
10117 Berlin

President
Stefan Schreiber

Managing Director
Elmar Baumann

www.biokraftstoffverband.de

man sites of our member companies. According to the draft, the reduction of levies for companies with high electricity costs (Aid category "Aid in the form of a reductions of electricity levies for energy-intensive users", section 4.11) will continue to be possible in individual cases, which is decisive for limiting the German EEG allocation (EEG-Umlage) via the special equalization scheme (Besondere Ausgleichsregelung - BesAR). However, the "manufacture of other chemical products" (NACE code 2059), among them biodiesel, is no longer listed in the draft as eligible for aid.

Taking into account the significance of the current regulation for the business activity of our member companies and their contribution to climate-friendly mobility, we ask for maintaining the current classification of NACE code 2059 as an industry eligible for state aid.

4. Concluding remarks

As the European Green Deal sets up the target to achieve a reduction of 90% in transport-related GHG emissions by 2050, investments in clean technologies and sustainable alternative fuels are essential to reach the transition that is needed. Therefore, it is necessary to define the regulatory framework for the use of climate-friendly energy sources. Biofuels, electromobility, electricity-based fuels and enhanced energy efficiency together make climate protection in transport possible. Without renewable fuels the necessary GHG reductions cannot be achieved in road transport and the GHG budget will be exhausted prematurely.

Biofuels such as biodiesel, bioethanol and biomethane have saved around 9.7 million tonnes of greenhouse gases in 2019 in Germany alone. It is evident that the GHG balance of the transport sector would be even more devastating if biofuels did not make a substantial contribution to climate protection. Compared to fossil fuels, biofuels reduce greenhouse gases by up to 90 percent. The entire production process is considered here, starting with the emissions from the agricultural cultivation, transport, and the industrial processing of the feedstock.