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SUEZ's contribution to the European Commission's consultation on the reform of the Energy and Environmental State Aid Guidelines (EEAG)

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The European Commission has presented a draft revision of the Energy and Environmental State Aid Guidelines ("EEAG" 2014-2020). These new guidelines on state aid for climate, environmental protection and energy ("CEEAG") are meant to come into force at the beginning of 2022.

The revision of the state aid guidelines is part of the implementation of the ambitious objectives of the Green Deal, which is the guiding principle of the current Commission.

In this context, competition policy, which is itself one of the central pillars of the policies conducted by the European Union, and for which it has exclusive competence, is bound to play an important role in the field of environmental protection.

SUEZ Group, which is at the forefront of environmental protection through its water and waste activities, has fully backed the Green Deal from its inception. It has supported, and will continue to support, the regulatory changes brought about by the Commission (revision of European Directives on Urban Wastewater Treatment, on Ambient Air Quality, on Industrial Emissions, etc.).

SUEZ Group believes that, in addition to the significant funding that the EU is providing under the Green Deal, it is essential that the state aid framework which sets limits on the efforts made by public authorities at the service of the environment be modified to take full account of the significant investment needs that the energy transition requires.

Regarding more specifically the guidelines on state aid for climate, environmental protection, and energy ("CEEAG"), the SUEZ Group wishes to draw the Commission's attention to 4 essential priorities:

- 1- Investment in the modernisation of energy recovery plants for the treatment of solid residual waste (post-sorting). Thanks to the CCS/CCU (carbon capture and reuse) technology, the emissions balance of incinerators can be significantly improved. This represents an essential tool for the decarbonisation of waste management, especially in countries such as France.
- 2- Investment in new sorting and recycling capacities for solid waste, particularly plastics, cardboard, packaging and paper, to create a circular recycling loop in Europe. The investment estimates of the European Commission for waste management in its Recovery document reflect the correct needs for this challenge and should be turned into effective EU financing, i.e **€25bn of annual investment needs by 2030¹**.

¹ [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0098\(01\)&qid=1591607109918&from=IT](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0098(01)&qid=1591607109918&from=IT)

- 3- Investment in the recycling of electric batteries. While there is now a consensus on developing battery production capacity in Europe, the issue of battery recycling is just as important. In addition to the Important Project of Common European Interest (IPCEI) concluded for batteries, the question of an IPCEI on their recycling should be explored.
- 4- Investment in the renewal of drinking water and sanitation networks. These networks are in such a state of neglect that they result in losses. **The mean values for non-revenue water are 25% and 2,696m³/km/y in EurEau member countries²**. The losses cover in non-revenue water may include network leakage, water used for maintenance, street cleaning, public buildings, firefighting, etc. The fight against water wastage to the detriment of the environment and new forms of pollution (microplastics, heavy metals, endocrine disruptors, pesticides), as well as the maintenance of a high level of security of supply, to which the populations are legitimately attached, all require that significant investments be made.

² Europe's Water in figures – 2021 edition – EurEau - <https://www.eureau.org/resources/publications/eureau-publications/5824-europe-s-water-in-figures-2021/file>