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**CONFIDENTIAL**

**COMP-CEEAG-CONSULTATION@ec.europa.eu**

**Contribution of Veolia Deutschland GmbH**

Dear all,

Please find attached the contribution of Veolia Deutschland GmbH re: the Guidelines for state aids for energy.

We would be happy to answer any questions that might occur.

Best regards

A handwritten signature in black ink, appearing to read 'M. Harms'.

Matthias HARMS  
CEO Veolia Deutschland GmbH

**Veolia Deutschland GmbH**

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## **Contribution of Multiport and MultiPet GmbH in the consultation of the draft of the revised guidelines for state aids**

Multiport and MultiPet GmbH as well as Veolia PET Germany GmbH would like to contribute in the consultation.

### **1. Introduction**

Multiport and MultiPet GmbH and Veolia PET Germany engage in PET-Recycling and production of recyclate compounds. Based in Bernburg, Sachsen-Anhalt, the Multiport and MultiPet site forms one of the largest plastic recycling facilities in Europe with an amount of 70,000t/y and more than 150 employees.

Veolia PET Germany GmbH, situated in Rostock, is specialized in bottle-to-bottle recycling and the products fulfill all food safety standards. Input capacity is 32.000t/y securing jobs for 55 employees.

Since 2014, all companies were able to profit from the exemption of the EEG- levy, thus cutting the costs for plastic recycling and increasing the amount of recycled plastic.

### **2. Proposed changes in the Guidelines**

The NACE 38.32 is proposed not longer to profit from a state aid for energy.. This NACE especially comprises recycling activities based on plastic.

We suggest including it again for the following reasons.

In the Action Plan of the European Commission for a circular economy an increase in recycling activities was defined as one of the main goals. Recycling lessens the use of fossil products, it prolongs the life cycle of material already produced thus reducing the use of raw materials and natural resources as well as emissions.

To remove recycling activities from the list of industrial activities eligible for state aids in the form of exemption from energy costs will actively hinder the further development and fulfillment of the action plan. Energy costs are one of the main costs drivers in the recycling process. By increasing the costs recycling will be made a less appealing solution and will encourage incineration or exports of plastics waste. None of the aforementioned measures will contribute to a circular and sustainable economy in Europe.

In the European Strategy for Plastic in the Circular Economy recycling is also called for as one solution for the problem of an ever growing amount of plastic garbage. The same is to be noted here, to make it more expansive is not an encouragement for more activities. It will also hinder the progress in the green procurement strategy where the public hand shall in tenders pay more heed to recycled materials. If these are too expensive, the award in the tender will go to less expensively produced materials, like primary plastic.

### 3. Possible changes

We suggest including the recycling activities again in the list of eligible activities for state aids. Also we share the basic idea that energy efficiency has to be the leading principle to achieve the goals of the green deal.

Our amendments are:

- NACE 38.32 is put in Annex 1
- The trading intensity for this activities will not be demanded to be eligible for an exemption

According to the guideline's draft the trading intensity will be introduced in order to identify sectors which carry the danger of relocation outside the EU, if certain reliefs and exemptions are withdrawn. The NACE 38.32 was wrongly not included in the assessment of relocation danger.

The recycling companies compete internationally. But the called for trading intensity is not a criterion to be employed here. The trading intensity within recycling cannot be measured and calculated as with activities that produce goods from raw materials and export them to consumers. The materials are mostly sourced within Germany the recyclates are sold to So, to demand a certain trade intensity will bar the recycling companies from profiting from the exemption from the EEG levy.

- Duty to introduce energy efficiency measures

Of course, to lead Europe to climate neutrality in 2050 the efficient use of energy is one of the core measures. So, this prerequisite is important, but it should be limited to state of technology measures.

- 30% of the electricity shall be of renewable origin, here certificates of origin can be used (EU-wide)

The use of renewables has to be encouraged. Also this measure is necessary and will contribute to achieve the European goals.

- No other requirements for the exemption from energy levies

Energy efficiency measures and the purchase of renewable energy will contribute to making recycling sustainable and efficient. Costs will still be under control and the recycling industry will keep and ameliorate its competitiveness compared to other less sustainable solutions.

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