

Template reply to the consultation on the draft revised Climate, Energy and Environmental Aid Guidelines (CEEAG) - on hydropower (Deadline: 2 August 2021)

We believe that new hydropower facilities should not be eligible to state aid.

State aid should be limited to the refurbishment or dismantling of existing hydropower facilities which are in line with environmental requirements and have a capacity above 10 MW, when it is demonstrated that the refurbishment or dismantling contributes to the achievement of a good water status.

There should be no feed-in tariffs for existing micro-hydropower plants, as those feed-in tariffs have facilitated the continuous development of many facilities below 0.5 MW, with negligible electricity production but disastrous environmental impacts.

Environmental legislation and nature protection should be more streamlined into the CEEAG. The nature protection dimension should be on the same footing as climate mitigation.

Explanation:

Building new hydropower plants runs directly counter to the commitments expressed in the EU Biodiversity Strategy's proposal to restore at least 25,000 km of free-flowing rivers, and is incompatible with the achievement of a good status of water bodies by 2027 as required under the Water Framework Directive (WFD).

State aid has been one of the drivers of hydropower development in Europe in the past years, especially small hydropower development.

However, the contribution which new hydropower can make to the energy transition in Europe is negligible. 91% of existing and planned hydropower plants in Europe are small (capacity <10 MW). According to the EEB/CAN Europe [Paris Agreement Compatible Energy scenario](#), the share of hydropower in Europe's electricity generation is expected to decrease from the current 10% to 4-6% after 2035, partly as a result of the impacts of climate change, partly because of the obligations imposed by the environmental legislation.

The reference to the Water Framework Directive (WFD) in the 2014-2020 EEAG (paragraph 117) has not been sufficient to ensure that hydropower installations do not induce deterioration of the water status, and do not jeopardise existing river restoration efforts. In many cases efforts of plant operators to comply with the WFD is limited to the installation of basic fish passes that have extremely limited efficiency and do not significantly reduce fish mortality, let alone limit the destruction of habitats, sediment and ecological flows. Cases of hydropower plants receiving tariffs or premiums despite breaching the WFD article 4(7) have been reported in several countries.

Hydropower plants have dramatic impacts on freshwater biodiversity as they hamper fish migration and breeding, disturb ecological flow, damage habitats, and alter sediment transport. Measures to mitigate the negative impacts of hydropower plants on biodiversity only have limited efficiency, so investing in this type of measures can only marginally reduce adverse impacts on ecosystems.

More than 150 NGOs have signed [a manifesto](#) calling on the EU institutions to phase out all public finance for new hydropower development projects.

Signed

A handwritten signature in black ink, appearing to read 'Carlos Garcia de Leaniz', with a stylized flourish at the end.

Professor Carlos Garcia de Leaniz
AMBER Project Coordinator