



1. New hydropower plants IN NATURAL WATERCOURSES should not be eligible for state aid.
2. NO FEED-IN TARIFF for hydropower.
3. Compliance with environmental laws must be ensured.
4. Reinsert and STRENGTHEN into 2022 CEEAG Article 117 of 2014-2020 EEAG
5. CEEAG must fully align with the Green Deal

**New hydropower facilities IN NATURAL WATERCOURSES should not be eligible to state aid.**

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

- State aid should be limited to the refurbishment or dismantling of existing hydropower facilities which are in line with environmental requirements.
- There should be no feed-in tariffs for NEW hydropower plants, as those feed-in tariffs have facilitated the continuous development of many facilities below 0.5 MW (Actually Italy provides feed in tariff to new HPP of  $P < 1$  MW and provides auctions for HPP of  $P > 1$  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.

## FOCUS ON ITALY

An overview of state aid and hydropower in Italy is reported in this document:

[http://www.freeriversitalia.eu/news/201001\\_ITALY%20HYDROPOWER.pdf](http://www.freeriversitalia.eu/news/201001_ITALY%20HYDROPOWER.pdf)

Many EU countries are in similar situations.

## **ART 117 2014-2020 EEAG**

The reference to the Water Framework Directive (WFD) in the 2014-2020 EEAG (paragraph 117: *With regard to aid for the production of hydropower, its impact can be twofold: on the one hand, such aid has a positive impact in terms of low GHG emissions, on the other hand, it might also have a negative impact on water systems and biodiversity. Therefore, when granting aid for the production of hydropower, Member States must respect Directive 2000/60/EC and in particular Article 4(7) thereof, which lays down criteria in relation to allowing new modifications of bodies of water.*) 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. Cases of hydropower plants receiving tariffs or premiums despite breaching the WFD article 4(7) have been reported in several countries.

## **FOCUS ON ITALY**

On March 31, 2021, a group of Italian environmental associations lodged a complaint with the European Commission's DG Competition and DG Environment for violating in Italy of **the State aid rules in relation to subsidies to hydroelectric plants that do not comply with the Water Framework Directive**.

On May 3, 2021, DG Competition responded that the environmental associations were not entitled to file a complaint under Regulation (EU) 2015/1589. (COMP.B.3/FT/ajn – oggetto Sua lettera del 31 Marzo 2021 su presunta violazione della Direttiva Quadro Acque 2000/60/CE, del Decreto M.I.S.E. 4 luglio 2019 e dell'art.107 del Trattato sul funzionamento dell'Unione europea) DG ENV has not responded yet.

**We ask to reinsert and STRENGTHEN into 2022 CEEAG Article 117 of 2014-2020 EEAG and clarify to whom citizens and environmental associations should address themselves in case of a violation:**

- Of art 107 of the Treaty on the Functioning of the European Union in relation to the conditions of compatibility for the recognition of State aid to energy and the environment;
- Article 117 of the Communication "Guidelines on State aid for environmental protection and energy 2014-2020". (2014/C 200/01) "It is therefore necessary that, when granting aid for hydropower production, Member States comply with Directive 2000/60/EC, in particular Article 4(7), which defines the criteria for the eligibility of new modifications related to water bodies."

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).

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.

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