**The improvements needed**

* The EEAG currently into force acknowledge electro-intensity and exposure to international trade as key criteria for granting aid. **The reduction of RES surcharges has been vital for preserving competitiveness and preventing carbon leakage in our industries. These provisions as well as the methodology in Section 3.7.2 particularly points 188 and 189 should be maintained**.
* However, access to affordable and clean energy in a cost competitive and fair manner as the EU economy decarbonizes remains a key challenge for our sectors, which faces fierce global competition from producers from other regions enjoying access to cheap electricity largely due to the absence of similar regulatory costs as the ones levied in the EU (indirect carbon costs, RES charges, taxes etc.).
* Against this background, we call upon the Commission to:
  + **Strengthen in the review those provisions on aid to be considered compatible with EU law when targeted at energy-intensive companies** that are exposed to international trade **and are key for preserving jobs, competitiveness and the sustainable growth of our economies**;
  + **Extend the scope of reductions to include future surcharges brought by achievement of 2030 targets and 2050 perspective:** The increasing share of intermittent renewables has caused the need for flexible capacity. Abiding by the recently adopted EMR and the existing Guidelines, Member States may adopt capacity remuneration mechanisms (CRMs) to support such capacity. the viability and competitiveness of highly electro-intensive and significantly trade exposed industries should be efficiently safeguarded through alleviation from surcharged levied for CRMs, similarly to the rules reducing the surcharges paid to finance renewables, as well as all extra costs related to grid development, storage, the promotion of high-efficiency cogeneration (HE-CHP) and public service obligations (PSOs);
  + **Relief given should be proportionate to the need, so the risk of overcompensation/market distortion is minimum**;
  + **The new EEAG should should provide long-time certainty about regulatory costs related to electricity consumption:** Clarifying for example existing legislation across Europe for any legal restrictions related to long-term competitive contracts such as PPAs could be a solution to help the market to take off.