**Attachment 1 EEAG consultation – additional comments**

**Additional comments - question 16**

*Citizens' energy communities and/or renewable energy communities*

In our view, microgrids are local, small scale, decentralized electricity networks, that handle multiple loads of energy derived from distributed energy sources, and as such, microgrids have the possibility to operate parallel with the main utility grid (at transmission or distribution level), or independently (small island or rural district operation). We are of the opinion that investments in smart microgrids are necessary for the promotion of renewable energy communities, and do not seem to fall within the scope of investment aid for energy infrastructure of art. 48 GBER, because investment in smart grids under art. 48 GBER refer to utility electricity networks under (centralized) TSO or DSO control (see also definition of energy infrastructure paragraph (130) (a) (v)).

Consequently, it is also unclear if investments in flexibility enabling control systems within an energy community (such as Demand Response control systems) are addressed under the current State aid framework, either falling within the scope of art. 48 GBER, or whether they potentially fall within the scope of art. 38 GBER, as measures promoting energy system efficiency within a renewable energy community.

*Low or zero emission vehicles*

We were recently informed that a dedicated, exclusive and privately-owned charger for electric vehicles cannot be supported under art. 36 GBER. However, we are of the opinion that the charger as a component, is a necessary part of the investment, in order to achieve the objective of environmental protection via the promotion of acquisition of such vehicles. Compared to regular vehicles running on fossil fuel, electric vehicles have a disadvantage when it comes to fuelling. First of all, an electric vehicle cannot hold a great amount of fuel/energy due to the size and weight of the battery. Further, it would take substantially longer time to fuel/charge an electric vehicle compared to a regular vehicle running on diesel or petrol. A possibility to outweigh this disadvantage is to charge the electric vehicle when it is not in use, for example overnight or during the day when the vehicle is not in use. Under most circumstances, a dedicated and exclusive charger is needed to make such charging possible and safe and should therefore, be considered a part of the necessary investment to obtain the environmental benefit from electric vehicles compared to vehicles running on fossil fuels.

For the users of small commercial electric vans/delivery trucks, the need for dedicated chargers that can charge the vehicle during the night is even greater as the use of public charging stations typically requires the driver to wait for the vehicle to charge. For such commercial users, the cost of labour associated with charging during working hours would be inconvenient, as it takes at least 20-30 minutes to charge the vehicles, even on the most powerful charging stations (the charging time depends on the vehicle and its ability to use high power charging, the temperature, the capacity of the battery, and so on).

From a socio-economic point of view, charging vehicles with low power at night is highly recommended. It would save labour costs, as charging at a time of the day with low usage of the energy infrastructure would put less of a strain on the power grid, compared to high power charging during the day when the power outtake is at its highest.

Another issue concerning aid to incentivize the market for zero emission vehicles is that the common way of financing is leasing. The GBER regulations are very restrictive when it comes to accepting the cost of leasing as investment cost and this is a hurdle considering that we primarily want to support the end user of the vehicles.

*Energy services*

It is unclear how the current State aid Framework promotes the trend of energy services, e.g. within the scope of energy service aggregation, EPC, financial or operating leasing of energy efficient industrial equipment directly by the technology provider etc. It is further questionable whether such measures could be supported under investment aid for energy efficiency, because of the requirement that the beneficiary of the aid should be able to prove final energy savings. That requirement cannot be fulfilled when the beneficiary is the energy service provider/a third party.

*Transport infrastructure*

EEAG and the GBER are not applicable for support to transport infrastructure. This is challenging since there is potential for both energy efficiency and reduced CO2 emissions within this sector. We acknowledge that there are other guidelines that regulate this sector, but our opinion is that some measures with clear energy or environmental protection objectives could fall under GBER section 7, for instance energy efficiency measures in terminal buildings.

The amendment of the GBER – art. 56 a) and b) did simplify and increase the possibilities to support important projects in this sector, such as alternative fuel infrastructure in ports. We believe It should also be possible to support superstructure, such as low/zero emission cranes, that could make use of the charging infrastructure and energy efficiency measures in terminal buildings.

**Final comments:**

According  to GBER Article 3, aid schemes etc. shall be compatible with the internal market and shall be exempted from the notification requirement provided that the aid fulfils the general conditions laid down I Chapter I of the Regulation and the specific conditions in Chapter III. Aid in the form of reduction in environmental taxes are compatible with the internal market and exempted from the notification requirement provided the conditions laid down in Article 44 and Chapter I are fulfilled.

In Norway, environmental taxes are usually framed as excise duties levied on certain goods and services and are to be paid by the importer/producer of the taxed product. Excise duties are levied according to the principle of self-declaration which means that the tax subject shall on his or her own calculate and pay the tax monthly to the tax authorities, i.e. without any further claim from the tax authorities. The tax authorities can in the future control whether the calculation is correct or not. Such controls may be executed by random or because of suspicion of incorrect calculations.

Tax exemptions may be implemented either as a direct exemption or thorough refund. Direct exemption means that the producer/importer may deliver the taxed product without tax. Refund implies that the user entitled to the exemption must buy the goods including tax and later apply the tax authorities for refund. Refund  implies an explicit control mechanism for the tax authorities while direct exemption is given according to the principle of self declaration, i.e. that the tax authorities in the future may control that the producer/importer has applied the exemption correctly.

As a summary – excise duties and exemption from excise duties may be implemented without any direct involvement by the tax authorities. The conditions for  exemptions in GBER Chapter 1 (particularly Articles 3-8) seems to be based on that aid given directly from the State, not indirectly from the tax subjects (importers, producers). Hence it´s complicated to apply the conditions in GBER Chapter 1 on exemptions from excise duties.