

Review of the Climate, Energy and Environmental Aid Guidelines (CEEAG)

Contribution from Portugal

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General Comments

Portugal welcomes in general terms the Commission's proposal on the review of the Climate, Energy and Environmental Aid Guidelines (CEEAG) considering that Competition Policy, and State aid rules – and particularly those foreseen in this proposal - have an important role to play in enabling and supporting the Union in fulfilling its Green Deal policy objectives but also in the Union's economic recovery in the aftermath of the COVID-19 outbreak.

We have, however, a general remark concerning the need to include measures such as ocean-based forms of renewable energy as a «primary objective» of the new guidelines as well. It is, in our view, important to include reference to the renewable energy generated by seawater as a primary goal in these Guidelines.

Specific Comments

2, subsection 2.4 – Definitions

Definitions, although general and environmentally inclusive, once applied objectively in the text become limited to land-based measures, thus excluding the potential of seawater to attain environmental goals.

3.2, subsection 3.2.1.4, Transparency Threshold

On subsection 3.2.1.4 the transparency threshold should be raised to 500000 euros. This is an horizontal issue that has been raised by a majority of Member States in the undergoing revision of the rules, and we join the other Member States that consider that the transparency threshold should be aligned with the GBER and not with the Temporary Framework.

Section 4.1 (Aid for the reduction and removal of greenhouse gas emissions including through support for renewable energy):

This Section lays down the compatibility rules for aid measures primarily aimed at reducing greenhouse gas emissions, including aid for the production of renewable and low carbon energy, but we note that this «primary aim» criteria does not exist in the 2014-2020 guidelines.

The expression «primarily aimed» should be withdrawn, as it might exclude important investments in the production of renewable energy within the context of existing hydro-agricultural infrastructures (primarily aimed at irrigation). Alternatively, it should be clarified if the expression only applies to the greenhouse gas emission measures, or if

these specific infrastructures are still included in the scope of the measure, despite the «primary aim» criteria, as it seems they do not fall under section 4.9 (Aid for energy infrastructure), due to specifications regarding transmission and distribution systems.

Aid relating to CCS – carbon capture and storage - is mainly directed to the carbon capture, storage, and reuse. In our view, these measures should also explicitly cover blue carbon solutions, marine reforestation, and seagrass meadows, which play a very important role in attaining the environmental goals pursued by these guidelines

Concerning the requisite for technological neutrality regarding support for decarbonization (paragraph 82), an exemption to the obligation to carry out a public consultation foreseen on paragraph 85 should be envisaged regarding temporary support to promising and still non-mature technologies, which will take time to reach their commercial stage.

4.8 Aid for the security of electricity supply

The proposed Guidelines largely preserve the rules from the EEAG 2014, incorporating the main aspects of the sectoral legislation and codifying case practice since 2014 – also clarifying that the Guidelines apply also to network congestion and interruptibility measures.

We consider important that the rules consider as aid measures the capacity mechanisms and the interruptibility schemes for dealing with long and short-term security of supply issues resulting from market failures preventing sufficient investment in electricity generation capacity, storage or demand response, as well as network reserves which aim to treat the insufficiency of electricity transmission and distribution networks.

4.11 Aid in the form of reductions from electricity levies for energy-intensive users

Concerning paragraph 356, in our view, the minimum of cumulative level of levies should not be defined in these guidelines and the Commission's assessment should be done on a case-by-case basis. In fact, each MS has its own energy policy with different types of levies and ways of distribution among the consumers.