

## UFE's complementary answers to the questionnaire

### Q31

When it comes to the electricity markets, some operating aids – depending on their design – might affect the dispatch of power generation units and impact significantly the merit order and the inframarginal level of units benefiting from operating aid when they are not part of a full regulation. Therefore, contract for difference should generally be preferred to feed-in tariff (except for small projects).

### Q32

Subsidy schemes should be designed in a way that does not incentivize inefficient dispatch decisions. No additional safeguards are overall required. Existing EEAG guidelines have already significantly improved the situation by triggering the switch from FIT to market-based schemes and by establishing balancing responsibility and rules to avoid injection of renewable electricity in the grid when prices are negative. The electricity market regulation should lead to further improvements (see removal of priority dispatch, introduction of balancing responsibility and of market-based redispatch, facilitation of market access for RES).

### Q37

37 If you believe that carbon contracts for difference should be allowed, do you consider that:

	Yes	No	I don't know
They should only be awarded via competitive bidding procedures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
They should be technology neutral and eligibility should apply to a wide range of sectors.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
They should be sector specific provided sufficient competition is possible to have a competitive bidding procedure	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
They should apply only to investments that have a high emissions reduction potential, but not to incremental carbon reductions	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
They should be available only for long-term investments (life time > 15 years)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
They should be available to all economic sectors, whether in ETS or not	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
They should be available only to sectors subject to the ETS	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
They should be available only to sectors that are facing particular technological challenges to decarbonise.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

### Q81

Cross-border support schemes should remain optional, limited and based on reciprocity. One must keep in mind the new EU financing mechanism to support renewable energy projects, which seems to pursue the same objective. Cross-border support mechanisms should be carefully designed in particular with regard to the following points:

- RES projects financed via a cross-border scheme should be subject to the same deployment procedures as RES projects participating in tenders at national level (e.g. environmental standards, construction permits);
- Technology specific tenders should be favored, as a better way to select technologies in light of their specificities and scalability;
- Some clarifications are needed to address properly the way these cross-border participations in RES projects are taken into account in the achievement of Member States' national objectives (NECPs).

UFE stresses that cross-border renewable support schemes covering more than one country must remain optional.

**Q85**

It should be possible to limit the amount of available support in a proportionate manner, depending on the project and its expected contribution to the achievement of the Member States' objectives. It seems quite risky to set an a priori rate since their impact is evolutive.

**Q118**

UFE stresses that shortening RES permitting (as provided by RED II) should be a priority for Member States, and is worried that a mandatory public consultation would create an important permitting delay. Therefore, UFE does not support the inclusion of such a requirement within the EEAG. However, informing and consulting stakeholders on future support mechanisms at a national level remains necessary.