

## **Answer to the review of the General Block Exemption Regulation (State aid): revised rules for State aid promoting the green and digital transition**

Perstorp Group hereby present our opinion regarding the targeted review of the General Block Exemption Regulation (State aid): revised rules for State aid promoting the green and digital transition. We welcome this opportunity and hope to bring an industrial user's perspective to the issue.

We would in particular raise our concerns regarding the regulation in Article 43. Instead of making it possible for further use of renewable streams in industrial production this new regulation will distort the market and hinder efficient and rational production of biogas.

The Perstorp Group is a world leader in several sectors of the specialty chemicals market for a variety of industries and applications. Our products are added to a wide range of products used every day at home, work or leisure. We are headquartered in Sweden, with operations in a number of European countries and with global reach for our products. Being a leader in the transitions towards sustainable and green solutions in our industry we need to tap into renewable streams like biogas.

The Swedish government is now introducing policies that aim to radically increase the production of this renewable, but by limiting the level for operating aid for renewable gas production to projects below 400 kW the opportunities for industrial use of biogas is at risk. The measure and levels seem arbitrary and will lead to fragmented production of biogas – probably not above the level of individual farms – and hence hindering production on a substantial scale.

Perstorp Group opposes that operating aid for renewable gas production is to be limited to projects below 400 kW installed capacity. The current version of the General Block Exemption Regulation (GBER) permits operating aid for biofuel production plants with an installed capacity of less than 50,000 tonnes per year. This provision should remain in place for the production of biogas and other renewable gases, and be extended to apply to all its uses, rather than exclusively to fuel. This measure is very important to the introduction of a production support scheme to biogas, as proposed in the Swedish budget bill to be introduced in Sweden in 2022.

Finally, point 3 should be changed so that the opportunity to provide operating aid is not limited to installations that use fuel derived from the feedstock listed in Part A of Annex IX to the Renewable Energy Directive, but instead extended to the entirety of Annex IX to the same directive.

Yours sincerely



Håkan Kihlberg  
Vice President Strategic Projects and Processes  
Perstorp AB