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

VafabMiljö Kommunalförbund (VafabMiljö) is a Swedish municipal association formed by the municipalities of Västmanland County (Arboga, Fagersta, Hallstahammar, Kungsör, Köping, Norberg, Sala, Skinnskatteberg, Surahammar and Västerås municipality) as well as the nearby municipalities in Uppsala County (Heby and Enköping).

On behalf of the member municipalities, we handle the household waste generated in the region in an environmentally sound and sustainable way. The assignment includes waste prevention, reuse and recycling as well as final disposal of the waste generated.

Since 2005, separately collected food waste from households, grocery stores and the food industry is digested in a biogas plant for the production of biogas and biofertilizers. These activities supply a large number of passenger cars, light distribution trucks, garbage trucks and virtually all bus services (a total of about 170 buses) in the region with a clean and climate-smart fuel and also supply the local farmers with a high-quality fertilizer and soil improver for their cultivation of cereals.

To ensure the access to biogas as vehicle fuel throughout the region, we own and operate distribution facilities consisting of a gas grid and several refuelling stations for both light and heavy vehicles.

After more than 15 successful years, the production facilities have now undergone a comprehensive rebuilding, extension and modernization process in order to meet society's future needs for sustainable waste management, fossil-free fuels and organic fertilizers. With planned start of operations in the beginning of 2022 a plant for the liquefaction of a partial flow of produced biogas is also being built.

VafabMiljö has taken part in the proposal mentioned above. We thank you for the opportunity to contribute comments, and hereby present our opinion in accordance with the consultation about the targeted review of the General Block Exemption Regulation (State aid): revised rules for State aid promoting the green and digital transition, published the 06.10.21.

VafabMiljö wish to particular emphasise that the proposed Article 43 must be amended to permit support for the production, upgrading (biomethane) and liquefaction of biogas and other renewable gases without limitation to small production plants. More detailed comments on Article 43 can be found below.

Article 2(102f-g)

This article proposes definitions of “clean vehicle and “zero-emission vehicle”. The requirements for maximum CO₂ emissions are made according to CO₂ emissions in vehicles’ exhaust gases (tailpipe emissions of CO₂), even in those cases where the proposal refers to definitions in other regulations.

VafabMiljö opposes the proposal to formulate maximum CO₂ emissions purely on the basis of local emissions from vehicles and ships (that is, tailpipe emissions). VafabMiljö believes that both European and Swedish legislation should instead be based on a research-based WTW¹ – or LCA² – approach to climate emissions. The outdated tailpipe perspective does not take into account whether electricity is derived from fossil or renewable origin. It is not technology neutral and it hinders the use of biogas and other sustainable renewable biofuels. The tailpipe perspective in EU regulations makes the task of mitigating climate change more difficult.

Article 36

The changes proposed in Article 36 need to be read alongside the changes proposed in Article 2, (102f-g) (see our comments above). The changes to Article 36a and the new Article 36b are limited almost exclusively to electrical and hydrogen technologies. Biogas (bio methane) refuelling infrastructure is not included here at all, and in most cases neither are vehicles or ships powered by biogas (bio methane) (due to the unfortunate tailpipe perspective adopted in Article 2(102 f-g)). We are concerned that these biogas technologies will not be covered by other parts of Article 36, or by other parts of the regulation, as the proposal currently stands.

VafabMiljö believes that the regulation should include support for refuelling infrastructure for biogas (bio methane), and for vehicles and ships powered by biogas (bio methane), as is the case for electricity and hydrogen. Biogas generally provides as great climate benefit as renewable electricity and renewable hydrogen, as well as delivering several other societal benefits such as the recycling of plant nutrients, reduced eutrophication and improved biodiversity and soil quality. The production of biogas and biofertilizer also provides increased security of supply, rural development, jobs, regional business development and innovation, and new export opportunities.

We are very concerned that the proposal presented in Article 36, in combination with the proposed changes in Article 2(102f-g), could hinder Sweden’s ability to support biogas investments through different investment support programmes. If this is indeed the consequence of the Commission’s proposed changes to Article 36, we oppose the proposed changes.

Article 43

This article concerns operating aid for the promotion of energy from renewable sources and renewable hydrogen in small scale installations, and for the promotion of renewable energy communities.

VafabMiljö opposes the proposal 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 Regulation³ (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.

Furthermore, VafabMiljö believes that the proposed paragraph 2b should be changed so that operating aid for the low-carbon hydrogen is exempted from the notification requirement, rather than exclusively renewable hydrogen as stated in the current proposal.

¹ WTW = Well-to-wheel

² LCA = Life-cycle analysis

³ COMMISSION REGULATION (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty



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.

With best regards

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