

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

Tekniska verken i Linköping AB (Tekniska verken), a regional multiutility company owned by the City of Linköping, has taken part in the above proposal. 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.

Tekniska verken highlights several important points in our response below. However, we 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 CO<sub>2</sub> emissions are made according to CO<sub>2</sub> emissions in vehicles’ exhaust gases (tailpipe emissions of CO<sub>2</sub>), even in those cases where the proposal refers to definitions in other regulations.

Tekniska verken opposes the proposal to formulate maximum CO<sub>2</sub> emissions purely on the basis of local emissions from vehicles and ships (that is, tailpipe emissions). Tekniska verken believes that both European and Swedish legislation should instead be based on a research-based WTW – or LCA – 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 The outdated tailpipe perspective does not take into account whether electricity is derived from fossil or renewable origin.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 Tekniska verken’s 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.

Tekniska verken 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.

Tekniska verken 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 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.

Furthermore, Tekniska verken 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.

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. The reasons for this are outlined in the comments on Article 41, above.

Yours faithfully



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Vice CEO