

**Date**

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European Commission

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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**

Uppsala Vatten, utility company of the municipality of Uppsala, Sweden – 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.

***Uppsala Vatten highlights several important points in our response below, but 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 41**

This article concerns investment aid for the promotion of energy from renewable sources, renewable hydrogen and high-efficiency cogeneration.

Uppsala Vatten believes that the condition which states that investment aid for the production of biofuels, bioliquids, biogas and biomass fuels should be exempted from the notification requirement if the fuel derives from the feedstock listed in Part A of Annex IX to the Renewable Energy Directive<sup>1</sup> should be changed, so that the condition refers instead to the entirety of Annex IX to that directive. There are demarcation problems between Part A and B, in that Part B includes certain waste products that could be advantageously co-processed into biogas with other waste products mentioned in Part A. Excluding Part B from the proposed amendment would lead to unnecessary administrative costs and inhibit, among other things, biogas production from waste. We also see a clear risk that the Commission's ongoing revision of Annex IX (done through the delegated act detailed in the Renewable Energy Directive) could alter the negotiated distribution between Parts A and B, and thus damaging the conditions for biogas

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<sup>1</sup> DIRECTIVE (EU) 2018/2001 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2018 on the promotion of the use of energy from renewable sources.

production in general and from certain residues and waste products in particular. Therefore, the condition should refer to the whole of Annex IX.

Furthermore, the Uppsala Vatten believes that the conditions outlined in the proposed Article 41(3) should apply to low-carbon hydrogen rather than exclusively to renewable hydrogen.

#### **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.

Uppsala Vatten 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<sup>2</sup> (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, Uppsala Vatten 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.

Best regards

Uppsala Vatten och Avfall AB

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Head of Waste Management

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<sup>2</sup> 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

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