



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

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.

***The Finnish Biocycle and Biogas Association highlights the following 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.***

### **Article 2(102f) and (102g): definitions of “clean vehicle”**

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.

The Finnish Biocycle and Biogas Association 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). We believe that European legislation should instead be based on a research-based WTW<sup>[1]</sup> – or LCA<sup>[2]</sup> – approach to climate emissions. The outdated tailpipe perspective does not take into account whether electricity is derived from fossil or renewable origin. The TTW-approach 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.

As a consequence, Article 2(102b) ‘refuelling infrastructure’ must be amended too.

*(102b) ‘refuelling infrastructure’ means a fixed or mobile installation supplying vehicles with hydrogen [and other renewable gases] for transport purposes;*

### **Article 2(130): definition of “energy infrastructure” (this relates to Article 48 Investment aid for energy infrastructure)**

This article introduces a new definition of “energy infrastructure” concerning gas, and a new definition of “energy infrastructure” concerning hydrogen.

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<sup>[1]</sup> WTW = Well-to-wheel

<sup>[2]</sup> LCA = Life-cycle analysis



The Finnish Biocycle and Biogas Association's request: "energy infrastructure" for gas and hydrogen should not be limited to pipelines for the distribution and transmission of gas. In Member States that do not have an extensive national gas grid, gas is mainly distributed in liquid form but also compressed in tanks and via infrastructure other than gas networks. Gas pipelines are not only for transporting but also storing the gas, the storage point of view is missing from the definition.

### **Article 36a Investment aid for recharging or refuelling infrastructure**

The changes proposed in Article 36 need to be read alongside the changes proposed in Article 2 (102f-). The changes to Article 36a and the new Article 36b are limited almost exclusively to electrical and hydrogen technologies; this doesn't represent technology-neutral nor low-risk approach of reducing CO<sub>2</sub>-emissions.

Biogas (biomethane) refuelling infrastructure is not included here at all, and in most cases neither are vehicles or ships powered by biogas (biomethane) due to the biased tailpipe approach adopted in Article 2(102f). We are concerned that transport modes using biogas will not be covered by other parts of Article 36, or by other parts of the regulation, as the proposal currently stands.

The regulation should include support for refuelling infrastructure for biogas (biomethane), and for vehicles and ships powered by biogas (bio methane), as is the case for electricity and hydrogen. From technological and technologic-neutrality point of view biogas and biomethane require separate attention, because they differ technically from other energy carriers. Hydrogen and electricity are so-called alternative fuels and have been taken into account in the proposal, and renewable liquid fuels, such as biodiesel, do not need to be considered separately, because they are already in use and do not require special infrastructure. Excluding renewable gases from the scope will create barriers to the circular economy and make it more difficult for gaseous energy to be integrated into the energy system of the future. 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.

### **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.

The Finnish Biocycle and Biogas Association 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.

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 only Part A of Annex IX of 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. The legislation should promote the production and use of processed sustainable biogas (biomethane) to be used in transport and industry use which is also totally in line with the 55 package of the European Commission.

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