

Targeted revision of the GBER

Contribution from Portugal

Portugal welcomes the Commission's proposal on the revision of the GBER which aligns this Regulation with the objectives of the "twin transition" and with the revised horizontal and sectoral state aid guidelines.

We support the proposal in general terms, highlighting the extension of the scope of the GBER and the increase in notification thresholds, concerning the provisions on environment and energy, in line with the objectives of the Green Deal.

However, as a general comment, we wish to point out the increased administrative and interpretative complexity introduced in the Regulation, as a result of this and previous revisions.

Concerning the transparency threshold that is proposed to be set at 100 000 euros, we oppose this change that, in our opinion, will increase substantially the administrative burden of complying with the transparency obligations, and support that the current threshold of 500 000 euros is maintained.

We have also some specific comments, as follows:

Specific comments:

I . Definitions

Definition 130 a, v) this definition does not consider the reality of Outermost Regions since they have isolated electrical systems and are in areas with a lack of electrical interconnections.

Therefore, we propose the following wording:

(v) off-shore electricity grids, that is to say any equipment or installation of the systems referred to in point (i), having dual functionality: interconnection and transmission or distribution of offshore renewable electricity from the offshore generation sites to two or more countries, as well as any offshore adjacent equipment or installation essential to operate safely, securely and efficiently, including protection, monitoring and control systems, and necessary substations if they also ensure technology interoperability inter alia interface compatibility between different technologies. In Outermost Regions as referred to in Article 349 of the Treaty, the general rule of two or more countries does not apply.

II. Article 21 , Risk Finance Aid

We agree with the criteria introduced for the start of the eligibility period for innovative SMEs (first commercial sale), but the duration of the eligibility of 7 years is too short to ensure the commercial viability of these companies. Innovative companies may face similar difficulties

to those faced by SMEs and be affected by the same market failures (also in later stages of growth), as recognized in the EU Risk Finance Guidelines (RFG) under review. Age can be a problematic criterion to determine the eligibility of innovative companies with long investment cycles and can be substituted, in the specific case of these companies, by the size of the company or by the year in which the company had a turnover greater than a certain number.

In this sense, we prefer to raise the eligibility period to 10 years.

III. Article 22, 6,c), Start up aid in the form of a transfer of Intellectual Property Rights (IPR)

We agree with the Commission's assessment that the transfer of IPR and related access rights is a way to prevent competition distortion. However, we have doubts about the existence of a functioning market on IPR in the context of research and development and consider that the calculation of a market price could then be quite challenging.

IV. Article 25, 3,e), Simplified approach for R&D indirect project costs

A flat rate of 15% on direct costs to support all indirect costs (administrative costs, rent, overheads) seems rather low for most of the enterprises, namely SMEs, considering the challenges of mobilizing resources and expertise to calculate and prove all single categories of indirect costs. This could undermine the benefits of applying simplified cost rates to R&D projects. We would suggest a higher rate (25%), which would be in accordance with the rate in force across all the European programs and Structural Funds.

V. Article 36, Investment aid for environmental protection, including climate protection

We agree with the exception applicable to natural gas, which is expected to be used in the next 15 to 20 years, in the generation of electricity in combined cycle thermoelectric power plants, as well as with the inclusion of renewable hydrogen and low carbon hydrogen.