

Eurogas feedback on Targeted Consultation for the Evaluation of the Guidelines on State aid for Environmental protection and Energy 2014-2020 (EEAG)

Eurogas wishes to welcome the exercise currently underway within DG COMP, aimed at reviewing the EEAG rules embedded in state aid legislation.

Eurogas would like to underline several key elements related to state aid, particularly when considering the objectives of the European Union going forward:

- Eurogas supports carbon neutrality towards 2050, as such we believe that the gradual increase in renewable and decarbonised sources in the energy mix going towards 2050 is central in the potential adaptations of state aid rules going forward.
- Eurogas wishes to recall the central role that gas will play in the decarbonisation effort, moving away from carbon-intensive energy sources, particularly in certain countries relying on the latter in their current energy mix, to an energy mix based on renewables, both electric and gaseous, underpinning the overall energy system.
- Eurogas has always supported a market first approach, building on a well-functioning gas market granting access to diverse sources of gas supplies, both natural, renewable and decarbonised¹. These vectors can then, through cost-efficient solutions, facilitate the roll-out of a just and affordable transition for final customers.
- Eurogas believes in a technology neutral approach pursuing the objective of climate change mitigation at least-cost. Exceptions to this could be supported in case of a proven market failure due, for example, to externalities which cannot be internalised or if the technology has a proven overall value for the energy system which is not currently accounted for.
- The support given to evolving types of renewable and decarbonised energy should pursue the objective of facilitating the development of certain technologies and energy sources, with a view to improving the Technology Readiness Level and market readiness. Only through this process will these technologies then be able to truly help the energy transition at least cost in a coupled perspective.
- Through the decentralisation of the energy system, we also foresee changes in the energy production dynamics with imports being supplemented by local production. Member States may wish to support projects to strengthen security of supply and promote domestic production to increase energy independence.
- Considering recent evolutions in the way EU legislation sees certain schemes, such as the evolutions in the way Capacity Remuneration Mechanisms are to be considered, we would welcome clarifications over how state aid rules will take these evolutions into account in providing for exemptions.
- Finally, we recall that member states have control over their energy mix which is a national prerogative. This prerogative does not preclude them respecting state aid legislation; it should however be taken into account with regards to decisions to support certain vectors.

We wish to underline that Eurogas and its experts remain available for any further questions or clarification and that we look forward to providing feedback to the final report.

¹ Renewable, decarbonised and low-carbon gases as defined in the terminology exercise undertaken by the gas industry to clarify the development of future vectors during the 32nd edition of the Madrid Forum