

## Consultation on state aid: EURELECTRIC calls for speedy implementation of more market-based rules

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EURELECTRIC today voiced its support for the main objectives of the EU's state aid modernisation in the field of energy, calling on the European Commission to proceed without delay. *'National policies need to be compatible with the European internal energy market. We need a level playing field: there can be no compromise on this,'* commented EURELECTRIC Secretary General Hans ten Berge.

The electricity industry was responding to the public consultation on the draft Guidelines on Environmental and Energy State Aid for 2014-2020.

*'EURELECTRIC supports the main objectives of the state aid modernisation: to foster growth in a competitive internal market, focus enforcement of state aid rules on cases with the biggest impact on the internal market and streamline rules and facilitate faster decisions. Support in the field of energy has increased and led to major market distortions that hamper the functioning of the internal electricity market. The new rules should apply to new support, while existing commitments should be respected, thus ensuring a stable investment climate,'* Hans ten Berge continued.

In particular, EURELECTRIC welcomed the proposed move towards a more market-based and cost-efficient design of support for renewables generation and integration of this generation into the market.

The European Commission has proposed a distinction between 'deployed' and 'less deployed' RES technologies. Future public support for RES technologies would be differentiated according to this distinction. EURELECTRIC supports this proposal, but calls on the Commission to publish a list of technologies clearly stating to which categories they belong. Technologies contributing more than 1.5% of EU power generation should be considered deployed.

State aid control should also contribute to identifying non market-based capacity remuneration mechanisms (CRM) that involve state aid. However, market-based CRM should be seen as an element of a new market design and not as state aid. In order to avoid market distortions, the Guidelines should ensure convergence of market-based CRMs at regional level underpinned by a regional adequacy assessment. CRMs should be technology-neutral and non-discriminatory: they should be open for existing and future generation, demand response, storage and cross-border participation. CRMs should not interfere with energy markets.

The EU's state aid framework for the energy sector comprises the Energy and Environment Guidelines (EEAG), the General Block Exemption Regulation (GBER) and RDI Guidelines. The European Commission is currently reviewing all three sets of rules, within a broader process of state aid modernisation. EURELECTRIC has responded to all three consultations - see [here](#) (EEAG), [here](#) (GBER) and [here](#) (RDI) - and has urged the Commission to ensure a coherent framework for innovation across the guidelines.

*This article is also available on our [Website](#)*