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Consultation on Community Guidelines on State Aid for Environmental Protection

Dear Ladies and Gentlemen,

The Umweltdachverband (UWD) would like to thank for the opportunity, to communicate in accordance with the EEB our position referring to the Community Guidelines State aids Energy and Environment paper. From our point of view the exit from fossil-fuel energy as well as the reduction of greenhouse gases, are significantly related to state aids and programmes. Therefore the Umweltdachverband takes the liberty to response to some points of the Community Guidelines State aids Energy and Environment paper.

- For the Umweltdachverband, the Community Guidelines State aids Energy and Environment paper conflicts definitely with the directive 2009/28/EC on the promotion of the use of renewable energy. This directive contains ambitious and binding minimum objectives for member states and leaves the strategy to achieve these to them. Also the directive allows the member states a free hand to select a suitable portfolio of technologies and aid models; there are no aid preferences in the directive. The Community Guidelines State aids Energy and Environment paper contradicts the directive 2009/28/EC clearly, also the Art 194 Treaty on the function of the European

Union, which secures the member states the right to choose the energy sources and supply, which are best suited to them.

- Damage to biodiversity and the natural environment must be recognized in definitions of 'environmental protection' 'eco-innovation' and 'negative externalities'
- To get state aids, minimum efficiency standards should be required for all applications using biomass in order to be compatible with the guidelines. Efficiency requirements proposed in other EU legislation can be referred to (RED, CHP Directive, EE Directive). State aid for biomass co-firing should only be allowed if it meets minimum efficiency standards, plants capture useful heat and if it can be shown that aid doesn't contradict the aim to phase out fossil fuel subsidies.
- Feed-in-tariffs are the basis for the successful extension of the Austrian green electricity feed-in. The tariffs offer security to investors and allow long-term planning which is highly appreciated by the market. A new system would unsettle the market and would hinder the development of renewable energies. Bidding processes would primarily favor large enterprises as small ones would not be able to afford the high administrative costs. Therefore feed-in-premiums would often not be allowed for small installations owned by citizens, farmers, municipalities or cooperatives, which would also conflict the directive 2009/28/EC (para 4). For smaller scale technologies floating feed-in-premiums should rather be acceptable as fixed premiums offer no security to investors, and should not be eligible.
- UWD doesn't consider the suggested criteria for maturity or more deployed suitable technologies under the proposed criteria as rather unhelpful and would rather distinguish between intermittent renewable energy like solar or wind and non-intermittent renewables such as biomass co-firing. For intermittent renewables this would establish a major barrier to market access and could alienate investors.
- If subsidies for generation adequacy will be allowed, strict conditions should apply in order to make sure the aim of phasing out subsidies for fossil fuels and nuclear energy is not contradicted.
- Technological neutrality is not a useful concept when supporting renewable energy, and will tend to raise costs and reduce competition among technologies. Member States should be free, to support a portfolio of technologies that they consider suitable for their national conditions, as in directive 2009/28/EG is laid out.
- Long-term binding renewable energy deployment targets should be established to allow investors to foresee the market development.

Summing up, we can state that the Community Guidelines State aids Energy and Environment paper will degrade to a debasement of the development of renewable energies, especially at a local and regional level. The Umweltdachverband, in consensus with the Austrian Minister for the Environment, request the European Commission to develop a new proposal, in which the aim of phasing out subsidies for fossil and nuclear energy is an essential aspect.