

GIE reaction on Draft Guidelines on environmental and energy State aid for 2014-2020

Well-designed public support measures can make a key contribution to achieving the EU's energy and climate objectives for 2020 and strengthening cross-border energy flows, thus ensuring that European companies and consumers have access to more affordable energy. A properly designed new EU framework for state aid can support the Member States' efforts towards these goals while avoiding any waste of taxpayers' money and distortions of competition in the EU internal market.

GIE welcomes the opportunity to respond on the draft rules for state support in energy and environmental field. GIE wishes to further outline the following aspects:

- GIE is of the opinion that a market-based approach should be the cornerstone of investments in gas infrastructure. However, GIE acknowledges that some infrastructure investments which are not based on market demand might need financial support to ensure implementation. In any case, aids should remain an exceptional option and should not be detrimental to existing gas infrastructures and market based projects.
- GIE would like to underline that energy infrastructure can already obtain support through the TEN-E guidelines and through the Connecting Europe Facility Regulation, a financial support of €5.85 billion which could be awarded to cross border projects having been granted the label "Projects of Common Interest (PCI)". GIE considers that it is important to avoid the stacking of European and national aids schemes.
- The scope of the guidelines includes CCS. GIE is of the opinion that it should be extended to other technologies for CO₂ abatement, such as Carbon Capture and Usage (CCU), which could play a significant role in demonstrating the benefits of carbon capture technology. Power to Gas or other innovative technologies which can make optimal use of existing cross-border energy infrastructure should be eligible for state-aid.
- Capacity Remuneration Mechanisms (CRM) for electricity should not distort the proper functioning of the internal market. If such mechanisms are further developed the applicability for gas infrastructure should be considered. Gas infrastructure is an important contributor to renewable power generation and is currently affected by regulatory failures and market distortions.
- State aids granted to gas infrastructures should not be detrimental to existing or planned market based investments and should be carefully reviewed by the Commission before they are validated. They should be awarded on a case by case basis, and specifically targeted to innovative projects.