



Mr Joaquín Almunia
Vice-President
European Commission
200 Rue de la Loi
1049 Bruxelles

4 October 2013

Dear Vice-President,

I am writing to you in view of the upcoming orientation debate in the College on the ongoing **revision of the Environment and Energy state aid guidelines**.

Our position paper of 22 May 2013 at annex, adopted in the context of the consultation on the EEAG issues paper last spring – already addressed some crucial points that in our view should be taken into account in order to improve Europe's competitiveness in energy production and supply and facilitate jobs and growth creation.

I would like to reiterate a number of critical points to **ensure that European industry maintains its competitiveness, while minimising distortions within the Union**:

It is crucial to **increase overall efficiency in renewable energies' promotion** through a streamlining and greater coordination of national support schemes. This should be achieved by improving the effectiveness and cost efficiency of aid measures for low-carbon technologies by including clear criteria in the guidelines, so to ensure more technology-neutral and market-oriented measures.

Decarbonisation programmes across the EU are impacting severely on the competitiveness of energy intensive industries by creating costs not borne by competitors. These programmes are creating distortions, especially due to the cumulative impact of various EU and national policy measures adopted in many Member States. **It is crucial that the guidelines permit measures that fully offset the cost impacts of decarbonisation policies** on energy intensive sectors.

In this context, the link between the guidelines and the revision of the Energy Tax Directive needs clarification. Particularly reduction and exemption schemes in line with the **Energy Tax Directive** should be considered compatible under State Aid rules.

Finally, we recommend a simplification of the rules. Extending the scope of the general block exemption regulation (GBER) in this area would be welcome, if rules on eligibility and aid intensity are tightly defined. For example, the rules on competitiveness aid in the EU ETS aid guidelines give are very precise, leaving Member States no flexibility. This type of aid could therefore be included in the GBER with no risk of increased distortions.

We trust you will take our comments into account and remain at your disposal to discuss the above recommendations further.

Yours sincerely,

Markus J. Beyrer