



Enforcement and Future Development of EU State Aid Policy in the Energy Sector

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Outline

- Role of DG Competition in State aid control
- State aid framework – energy sector
- Clean Industrial Deal and a new State aid framework (CISAF)

Role of DG Competition

- Enforcement of the competition rules in the Treaty on the Functioning of the European Union ('TFEU').
- State aid is generally prohibited, but there are various exceptions.
- DG Competition assesses whether a measure is necessary, appropriate and proportionate, and its impact on competition and trade in the internal market.
- It's the Member State responsibility to ensure compliance with State aid rules and to notify the aid to the Commission on time.
- State aid cannot be granted without the Commission decision (notified aid).

Main State aid rules for energy sector

General Block Exemption Regulation (GBER)	<ul style="list-style-type: none">• Smaller schemes and projects.• State aid would be involved but the aid is exempted from the notification obligation (Commission decision is not required). Expiry: 31.12.2026.
Guidelines on State aid for Climate, Environment and Energy (CEEAG)	<ul style="list-style-type: none">• Main sectoral rules, large schemes• Comprehensive assessment
Temporary Crisis and Transition Framework (TCTF)	<ul style="list-style-type: none">• Temporary, more flexible rules to support the recovery from crisis caused by COVID-19 and the Russian invasion of Ukraine• Expiring soon
DRAFT Clean Industrial Deal State Aid Framework (CISAF)	<ul style="list-style-type: none">• Longer term, more flexible rules to accompany the Clean Industrial Deal.• It will replace TCTF and complement existing toolbox.• Duration until 31.12.2030

Notified aid

Clean Industrial Deal (CID)

The CID is the EU's 'business plan'

- To support the competitiveness and resilience of Europe's industry.
- by accelerating decarbonization.
- while supporting manufacturing in Europe.

Becoming climate neutral by 2050

- Give certainty and predictability to companies and investors.

Scope:

- **Energy-intensive industries:** safeguard competitiveness from high energy costs and unfair global competition.
- **Clean-tech:** allow it to expand in the EU as it is a key enabler of competitiveness and decarbonisation.

Clean Industrial Deal State Aid Framework (CISAF)

- scope of support

- ✓ Aid to accelerate the rollout of renewable energy (section 4)
- ✓ Aid to deploy industrial decarbonization (section 5)
- ✓ Aid to clean tech manufacturing capacity (section 6)
- ✓ Aid to reduce risks of private investments (section 7)

Examples of simplification

- Use of **schemes** to facilitate aid granting and reduce red tape
- Main **facilitations** compared to CEEAG:
 - no public consultation required
 - exceptions from mandatory bidding processes
 - administratively set aid amounts (aid intensities)



New State aid Framework, CISAF

Section 4: Acceleration of roll-out of renewables

Roll-out of renewables

Based on TCTF rules on simplified RES support:

- Allow for **technology-specific aid schemes**, such as wind or solar (as compared to the standard rules which requires technology neutral schemes).
- Keep choice between investment support and direct price support.
- **Specific electricity storage** capex support schemes possible.
- **Maintain project implementation deadlines** to accelerate rollout (with flexibility for some technologies).

Flexibility schemes and capacity mechanism

Simplify implementation of sectorial energy regulation and approval:

- **Non-fossil flexibility support schemes** based on design principles from Article 19h of the Electricity Regulation.
- Implementation of **capacity mechanisms** in line with Articles 20 to 26 of the Electricity Regulation based on a simple check-list approach provided in Annex.



New State aid Framework, CISAF

Section 5: Industrial Decarbonisation

Industrial
Decarbonisation
and
energy
efficiency

- Broad scope to support **all industry**, including energy intensive industries, but excluding services.
- ‘**Broad technology focus** (CCUS, RFNBO, renewable and low-carbon hydrogen, electrification, etc.) plus natural gas subject to conditions.
- **Transitional technologies**: allow more flexibility on use of natural gas subject to conditions for generation of industrial heat.
- In general, measure/project that delivers **significant GHG reductions or energy savings** in industrial installations, regardless of the technology, might qualify.
- Special **simplification for Innovation Fund projects**.



New State aid Framework, CISAF

Section 6: Clean tech manufacturing

Support for
clean tech
manufacturing

- **Scope for clean tech in line with TCTF** (batteries, solar panels, wind turbines, heat-pumps, electrolysers, CCU/CCS) + key components and related critical raw materials
- Allow **support for manufacturing** also **outside assisted areas**: major departure from standard manufacturing aid rules which allow such aid only subject to strict cohesion safeguards.
- **Aid schemes** (*no need for MS to notify individual cases*) plus ad hoc aid for individual projects, as in the TCTF.

Demand side
measures

- Stimulate **demand for clean tech equipment** - use **accelerated tax depreciation** to incentivise firms to acquire clean tech equipment.

New State aid Framework, CISAF

Section 7

De-risking tool

- Member States can set up funds with **public support** to **reduce the risks for private investors** willing to invest in **renewables, decarbonisation and clean tech manufacturing**, under certain conditions (equity, loans and/or guarantees)
- => leverage private funds, also from institutional investors (pension funds, etc.).



CISAF – next steps

- Public consultation was open until 25 April 2025.
- Adoption of new rules planned for 25 June 2025.
- TCTF will be repealed - existing TCTF schemes remain in place until expiry at the end of 2025.
- Duration of the CISAF framework: until 31 December 2030.

<https://competition-policy.ec.europa.eu/>



Thank you!



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