



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR COMPETITION

Markets and cases I: Energy and Environment
State aid II

Brussels, 15 March 2024
COMP.B.3/PA/mp/comp(2024)2309329

Permanent Representation of
Estonia to the EU
Rue Guimard/Guimardstraat 11/13
1040 Bruxelles/Brussel

Subject: SA.112221 (2024/N) – Estonia
TCTF: Support for connection to the transmission and distribution networks of renewable electricity generating installations in industrial sites

Dear Sir, Dear Madam,

By electronic notification of 26 January 2024, your authorities notified to the Commission the above-mentioned measure. After an initial examination, the Commission has found the notification to be incomplete in that the following information is missing:

- (1) You indicate in your electronic notification at par. 3.3 that the measure is open to all sectors while Annex 1 states on page 2 that the measure is targeted to the manufacturing sector. Could you please clarify if the measure is open to all sectors or limited to the manufacturing sector?
- (2) You submitted in Annex I p. 5 that 'the objective to help a wider group of enterprises influenced by the crisis is unattainable'. Could you please provide more information on why the measure is limited to the manufacturing sector, rather than open to all undertakings?
- (3) You specify in Annex 1 at p. 8 that the estimated number of beneficiaries is up to 10 entrepreneurs. Could you clarify whether beneficiaries have already been selected? If this is not the case, could you clarify how will the beneficiaries be selected? In particular, please provide additional information as to the assessment methodology that will be used to evaluate the project applications under the scheme.

Please specify the name of the case and the case number in all correspondence.

- (4) You submit that beneficiaries are 'undertakings in difficulty' as defined in the Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty (OJ C 249, 31.7.2014, p. 1). We understand the aid does not qualify as 'solvency support' under point 36 of the TCTF. Please confirm. Please explain how you have determined that the aid is granted to undertakings in difficulty, or if this is simply a possibility based on as of yet unknown beneficiaries.
- (5) Regarding your confirmation in Annex 1 section II point 1, please refer to the maximum aid limit stated in Point 61 a TCTF, which requires that the overall aid does not exceed EUR 2.25 million per undertaking per MS at any given point in time. We understand this leads to a maximum capacity of the supported connection to be approx. 7.4 MW assuming the maximum amount of aid granted per MW. Please confirm or correct.
- (6) Please confirm that the undertakings eligible for aid under this measure did not benefit from any other aid under point 61 d) TCTF.
- (7) We understand you intend to determine that the undertakings selected under the scheme are "affected by the crisis" as required under section 2.1 TCTF by using the criteria stated on page 7 of annex 1.

"In order to define an entrepreneur who is affected by the crisis in Ukraine:

- the prices of applicant's two main raw material prices must have increased at least 50 percent on average in 2022 compared to the average price of 2021,*
- or the unit price of the energy he uses has increased 2022 average at least 50 percent compared to 2021 average unit price. If the entrepreneur meets this condition, it is eligible to apply. The mentioned criteria must be proved by the applicants with documentary evidence.*

The two main raw materials used are considered as two basic raw materials. Together they must make up at least 20 percent of the sales revenue of the year preceding the submission of the application, including one basic raw material can also make up more than 20 percent."

- (8) Please explain how you intend to handle potential applications where the above-mentioned criterion on the raw material prices are fulfilled, but the sales prices and revenues of the undertaking have increased much stronger?
- (9) Please explain whether the investment into the renewable generation assets themselves will be subject to any form of state support.

Without this information, the Commission is unable to define its position on the proposed measure. We would be grateful if your answers to the questions above could reach the Commission within 20 working days from the date of this letter.

In your reply you are kindly requested to inform the Commission services whether or not any of the information is confidential¹. Otherwise, the Commission services will consider that none of the information provided in your reply contains professional or business secrets.

Yours faithfully,

Electronically signed

Jan Papsch
Deputy Head of Unit

Contacts:

PAPSCH, Jan, tel. +32 229-61651, Jan.PAPSCH@ec.europa.eu
AHLHAUS, Philipp, tel. +32 229-55597, Philipp.AHLHAUS@ec.europa.eu
BICHI RUSPOLI FORTEGUERRI, Beatrice, tel. +32 229-99843, Beatrice.BICHI-
RUSPOLI-FORTEGUERRI@ec.europa.eu

¹ Commission communication on Professional secrecy 4582 of 1 December 2003 – Official Journal C 297, 9 December 2003 p. 6-9