EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR COMPETITION

The Director-General

Brussels, 22 January 2025
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Subject: HT.100398 – Survey concerning the Guidelines on certain State aid measures in the context of the system for greenhouse gas emission allowance trading post-2021

In September 2020, the European Commission adopted the State aid Guidelines on certain State aid measures in the context of the system for greenhouse gas emission allowance trading post-2021 (the 'Guidelines'), supplemented in 2021 ([1]). The Guidelines enable Member States to compensate companies in at-risk sectors for part of the higher electricity prices resulting from the carbon price signals created by the EU ETS (so-called 'indirect emission costs'). They aim at reducing the risk of carbon leakage, while avoiding overcompensation of companies that would risk running counter to the price signals created by the EU ETS to promote a cost-effective decarbonisation of the economy and create undue distortions of competition in the Single Market. The Guidelines apply from 1

([1]) OJ C 317, 25.9.2020, p. 5 and OJ C 528, 30.12.2021, p. 1.

January 2021 until 31 December 2030 and foresee targeted updates of certain technical parameters in 2025.

The Political Guidelines for the new Commission announce the Clean Industrial Deal for competitive industries and quality jobs in the first 100 days of the mandate. The Clean Industrial Deal as presented in the Political Guidelines encompasses *inter alia* the objectives to bring down energy bills for companies and to implement the existing legal framework for 2030 in the simplest, fairest, and most cost-efficient way. Against this background, DG COMP seeks the views of Member States on a potential update of the Guidelines.

Please submit your reply to the questions in the Annex via e-mail to **COMP-B2-B3@ec.europa.eu**, with **Stateaidgreffe@ec.europa.eu** in copy, mentioning in the subject line 'HT.100398 – Reply to survey'. The deadline to submit replies to this survey is **5 February 2025**.

We would like to thank you for your feedback, and we look forward to a continuing cooperation with you on this matter. Member States will be consulted on a potential draft proposal concerning amendments of the Guidelines at a later stage.

Yours sincerely,

e-signed

Olivier GUERSENT

Enclosure: Survey questions

Annex – Survey questions

Please provide your position, assessment and any further relevant input or considerations (calculations as Excel file, studies, etc.) in response to the following questions:

1. As regards the electricity consumption efficiency benchmarks:

   a. The benchmarks were set taking into account the input from a dedicated study. To your knowledge, have there been significant technological developments in the past few years that would substantiate a revision of the benchmarks? (If yes, please provide details and evidence.)

   b. Do you consider that for a given technological process (please refer to the specific NACE/PRODCOM code) a certain benchmark would benefit from a targeted adjustment or clarification? (If yes, please provide details and evidence.)

2. As regards geographic areas, do you consider that electricity price convergence has significantly changed between or within the geographic areas defined in the Guidelines? (If yes, please provide details and evidence.)

3. As regards CO_2 emission factors, do you consider that an update of the CO_2 emission factors for any of the geographic areas listed in Annex III of the Guidelines would be warranted at this stage? (If yes, please provide details and evidence.)

4. As regards the list of eligible sectors, do you consider that the risk of carbon leakage compared to the situation underpinning the 2020 impact assessment has significantly changed for sectors not eligible? (If yes, please provide details based on which developments and substantiate them with data or indicators at EU and sector-specific level.)

5. As regards the interplay between the Guidelines and the EU ETS, Delegated Regulation (EU) 2024/873 sets the rules for free allocation of CO_2 allowances between 2026 and 2030 and, *inter alia*, extends the free allocation methodology to indirect emissions for certain products, the so-called fuel exchangeability (e.g. steel production in electric arc furnaces or hydrogen production). Please comment on how in your view overcompensation can be best avoided when the same product is eligible product under the Guidelines for indirect cost compensation.