

Revision of the state aid guidelines in the context of the EU ETS: issues and options

Agenda

Date: March 29, 2019

Time: 09:30-12:30

Location: University Foundation, rue d'Egmont 11, Brussels

The 'guidelines on certain State aid measures in the context of the greenhouse gas emission allowance trading scheme post-2012' are up for revision as new guidelines are necessary before the start of Phase 4. The revision process kicked off at the end of December 2018 and will gather pace in the coming months, with answers to the public consultation due by April 9th. As it is a revision, the current guidelines could be changed significantly.

The new state aid guidelines will need to balance a number of issues, including risks related to carbon leakage, overcompensation and potential windfall profits, and internal market distortion. In addition, its role with regards to incentivizing cost efficient decarbonization in light of the climate and energy framework is up for discussion.

The discussion will focus on discussing issues and options related to the revision of the state aid guidelines, some of which will be highlighted in an ERCST presentation that will be sent to participants prior to the meeting. Issues will be presented in two sets, which each set followed by short reactions from panelists and a discussion between participants.

This meeting is the next step in the ERCST process on the revision of the state aid guidelines, with three more steps foreseen in 2019. **May 8th** ERCST will host a second meeting to discuss the submissions from stakeholders, after which ERCST will publish our thoughts and analysis in a paper. On **September 19th** a third meeting will analyse the draft guidelines if they have been made public by the European Commission by then.

9:00 **Coffee and registration**

9:30 **Welcome**

- A. Marcu, Director of ERCST

09:30 – 10:55 **Presentation of first set of ERCST issues and options related to the revision of the state aid guidelines**

ERCST will presents its view on several key elements of the revision:

- Level playing field and distortions to the internal market
- Interactions with renewable energy supply
- Interaction with Member State politics and priorities
- Adaptability to changes and shocks

This short presentation will be followed by short reactions from the panel, after which the discussion is opened up to all participants

- A. Bolle (Statkraft)
- G. Dickson (WindEurope)
- T. Buckley (Sandbag)
- C. O’Donoghue (Eurometaux)

Invitation to the European Commission to comment.

10:55 – 12:20 **Presentation of second set of ERCST issues and options related to the revision of the state aid guidelines**

ERCST will presents its view on several key elements of the revision:

- Eligibility criteria
- Proportionality of aid
- Setting of key variables

This short presentation will be followed by short reactions from the panel, after which the discussion is opened up to all participants

- F. Branger (France)
- I. Sardone (Hydro)
- R. van der Meer (Heidelberg Cement)
- J. Hein (BDI)

Invitation to the European Commission to comment.

12:20 – 12:30 **Concluding remarks and next steps**

12:30 **End of the meeting**