

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

Agenda

******Speakers being confirmed******

Date: May 7, 2019

Time: 10:00 -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. As it is a revision, the current guidelines could be changed significantly.

The revision process kicked off at the end of December 2018 and will gather pace in the coming months, with answers to the targeted consultation for interested sectoral stakeholders due by April 9th and answers to the public consultation due by May 16th.

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.

This meeting will focus on the feedback from various stakeholders to the public consultation and the consultation for interested industries.

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. After this meeting 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.

9:30 **Coffee and registration**

10:00 **Welcome**

- A. Marcu, Director of ERCST

10:00 – 10:30 **Presentation by the European Commission on general feedback received through the targeted consultation of interested sectors**

10:30 – 12:20

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

- Level playing field and distortions to the internal market
- Sector eligibility
- Interactions with renewable energy
- Aid intensity
- Degressivity of aid
- CO2 emission factors
- Other key variables (Benchmarks, output levels, EUA prices)

This short presentation will be followed by feedback from various stakeholders to either the targeted consultation to industry or the upcoming public consultation.

- N. Rega, CEPI
- C. O’Donoghue, Eurometaux
- Ø. Vessie, Orsted
- T. Buckley, Sandbag
- T. Wyns, VUB
- T. Lemoyne, Arkema

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

12:30 **End of the meeting**