

Finnish Energy on State subsidies – exemptions to approval requirement for the Green Deal and EU industrial and digital Strategies

Finnish Energy strongly supports the EU target of carbon neutrality by 2050 and the Commission's proposal for the climate target for 2030. To reach the objectives of the European Green Deal, it is important that all industries will participate. The energy sector especially plays an important role in this challenge.

At the same time, Finnish Energy strongly supports the development of internal market for energy. An EU emission trading scheme together with open and well-functioning energy market should drive carbon neutral investments and phase out emitting technologies. This should be priority in the revision of State aid guidelines and general block exemption rules.

By nature, State aid schemes have almost always some impacts to the functioning of market. Therefore, we consider that exemptions from the notification/approval process should be rather limited instead of loosening the existing rules.

While we acknowledge that reaching such an ambitious target requires also governmental guidance, the revisal of the General Block Exemption Regulation (GBER) raises concerns. It is mentioned that some changes to these exemptions are needed to reflect EU priorities, specifically the Green Deal. Even though it is necessary to promote the targets of the Green Deal, the end should not justify the means. Therefore, the State aid should not be allowed to cause market distortion even if the result would be favorable for the Green Deal.

There are sectors with no technologies currently available for needed emission reductions. Developing new technologies, such as different carbon capture, storage and utilization technologies, hydrogen etc., is essential for reaching the Green Deal targets. State aid is integral for R&D and demonstration of new technologies. The State aid policy should not rule out any technologies which contribute Green Deal targets.

To reach carbon neutrality by 2050 requires that all technologies contributing to the target shall be included. On the other hand, there should be a level playing field and no technology should be preferred over another.

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