



EUROPEAN COMMISSION

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PUBLIC VERSION

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**Subject: State aid SA.45164 (2016/N) — Spain
Compensation for indirect EU ETS costs in Spain – Modification**

Sir,

1. PROCEDURE

- (1) By electronic notification dated 18 April 2016, the Spanish authorities notified to the Commission, in accordance with Article 108(3) of the Treaty on the Functioning of the European Union (TFEU), a modification of the scheme to compensate undertakings for a part of their indirect emission costs, that is to say the costs resulting from the EU Emission Trading System ("ETS") passed on through the electricity prices.
- (2) Spain initially notified the measure to the Commission on 30 September 2013 pursuant to Article 108 (3) of the Treaty on the Functioning of the European Union (TFEU). The Commission approved the measure by decision of 14.11.2013 ("the 2013 authorisation decision").¹

2. DESCRIPTION OF THE MEASURE

- (3) The Commission makes reference to recitals (2) to (11) of the 2013 authorisation decision for a detailed description of the aid measure.

¹ State Aid decision SA.36650 (2013/N) dated 14.11.2013 (OJ C 17, 21.1.2014, p. 8).

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- (4) As stated in recital (4) thereof the scheme approved by the 2013 authorisation decision covered eligible costs from 1 January 2013 to 31 December 2015.
- (5) The Spanish authorities intend to extend the duration and budget of the scheme.
- (6) Following to the notified modification, the measure will also cover eligible costs from 1 January 2016 to 31 December 2020.
- (7) The notified amendment increases the budget of the original scheme by EUR 106 million. The indicative annual budget provided by Spain will be EUR 6 million in 2016 and EUR 25 million in 2017, 2018, 2019 and 2020.
- (8) The Spanish authorities have indicated that the maximum aid intensity will be 80% of the eligible costs incurred in the years 2016, 2017 and 2018 and 75% of the eligible costs incurred in the years 2019 and 2020.
- (9) All remaining conditions of the measure approved by the 2013 authorisation decision will remain unchanged.

3. ASSESSMENT OF THE AID

- (10) The maximum aid intensity to be granted is in line with point 26 of the Commission's Guidelines on certain State aid measures in the context of the greenhouse gas emission allowance trading scheme post-2012 ("ETS Guidelines").²
- (11) The Commission's conclusion in recital (13) of the 2013 authorisation decision, that the notified aid measure constitutes state aid within the meaning of Article 107(1) TFEU is not affected by the notified modification to the approved measure. The considerations set out in that decision therefore continue to apply.
- (12) The Commission's conclusion in the 2013 authorisation decision that the measure notified by Spain is considered compatible with the internal market in application of the ETS Guidelines, pursuant to Article 107 (3) c) of the TFEU, is not affected by the notified modification. On the basis of the considerations set out in that decision, the Commission finds that the notified measure is compatible with the internal market pursuant to Article 107 (3) c) TFEU.

4. DECISION

The Commission has accordingly decided to consider the aid to be compatible with the internal market in application of the Commission's Guidelines on certain State aid measures in the context of the greenhouse gas emission allowance trading scheme post-2012, pursuant to Article 107 (3) c) of the Treaty on the Functioning of the European Union.

If this letter contains confidential information which should not be disclosed to third parties, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be

² OJ C 158, 05.06.2012, p. 4.

deemed to agree to the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site:

<http://ec.europa.eu/competition/elojade/isef/index.cfm>

Your request should be sent by registered letter or fax to:

European Commission
Directorate-General for Competition
State Aid Registry
B-1049 Brussels
Fax (32-2) 296 12 42
Stateaidgreffe@ec.europa.eu

Yours faithfully,

For the Commission

Margrethe VESTAGER
Member of the Commission