



State aid considerations in the Modernisation Fund

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I. Notion of aid

- ✓ Economic activity
- ✓ Imputability and State resources
- ✓ Selective advantage
- ✓ Distortions of competition
 - Analytical grid for energy infrastructure:
https://ec.europa.eu/competition/state_aid/modernisation/grid_energy_en.pdf
 - De minimis Regulation - '*non-priority small-scale project*'
 - €200,000 over 3 years /per 'single undertaking'/ per MS

II. Compatibility rules: State aid Guidelines

- Common principles of compatibility:
 - Objective of common interest
 - Necessity
 - Proportionality
 - Incentive effect
 - Avoid excessive distortions
 - Transparency

Additional rules depending on the type of aid measures. For example:

- Energy and Environmental Guidelines (EEAG)
- Regional Aid Guidelines (RAG)

- No aid to firms in difficulty except R&R aid
- Deggendorf: no new aid where earlier unlawful and incompatible aid has not yet been repaid

II. Compatibility rules: examples under the EEAG

RES support:

- Market integration
- Competitive bidding process (with exceptions)



Cogeneration support

- Only for high efficient Combined Heat and Power (CHP)
- Basically same rules as for RES
- Flexibility for small installations

Clarifications in the Communication on the Sustainable Investment Plan (SEIP)

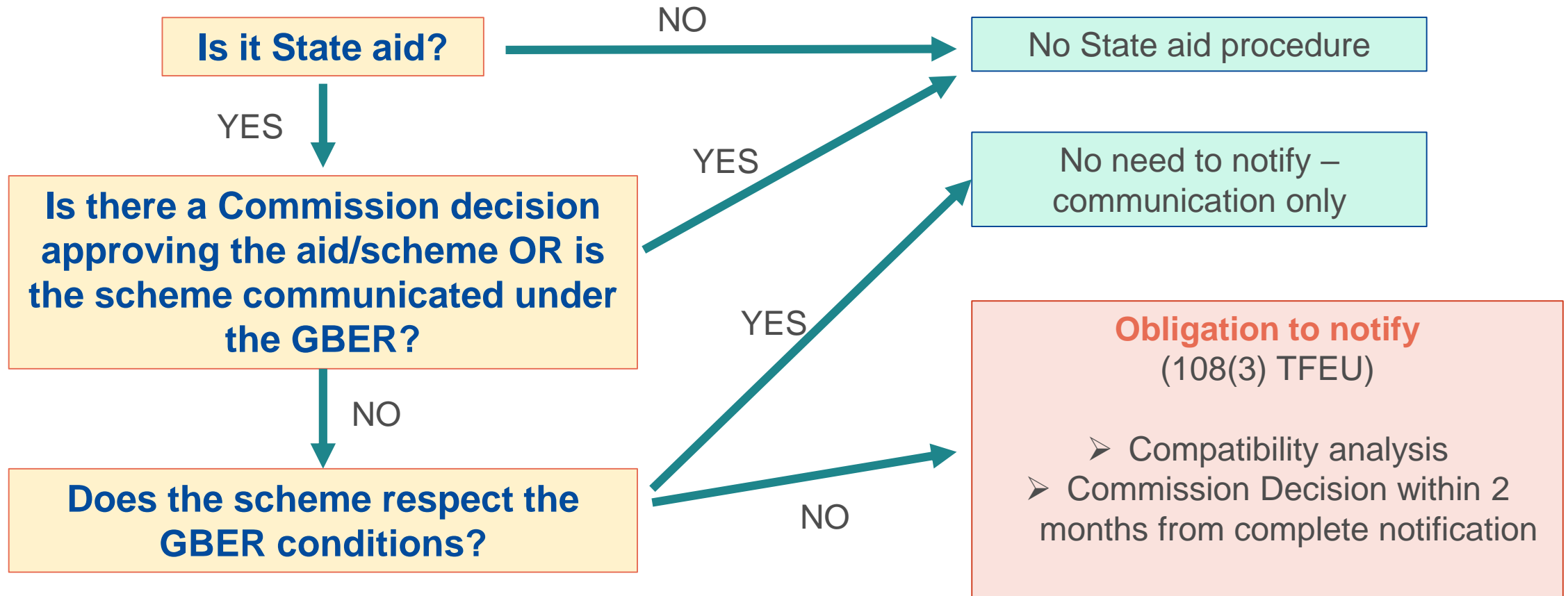
District heating

- district heating installations
- construction or upgrades of the distribution network

III. General Block Exemption Regulation

- **Notification thresholds:** GBER does not cover aid above the levels set out in Article 4: such measures must be notified
- **Aid intensities:** percentage of eligible costs
- Some examples:
 - Regional aid
 - Aid to SMEs
 - Aid for research and development and innovation
 - Training aid
 - Aid for disadvantaged workers and for workers with disabilities
 - Aid for environmental protection
 - Aid for local infrastructures

IV. Practical Guidance



Thank you



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