



State aid: Commission approves additional German measures to support electricity production from renewable energy sources

Brussels, 27 September 2022

The European Commission has approved, under EU State aid rules, three additional measures to support electricity production from renewable energy sources in Germany. The additional measures supplement the German Renewable Energy Act ("Erneuerbare Energien Gesetz" – 'EEG 2021'), and will further contribute to achieving Germany's environmental targets and the [EU's strategic objectives relating to the EU Green Deal](#).

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: "*The measures approved today will supplement the German Renewable Energy Act scheme which was designed to support environmentally-friendly electricity production, in line with EU rules. The new measures will prevent overcompensating producers in times of high electricity prices and help increase grid stability by, for example, maximising the contribution from small rooftop solar panels. These additional measures will further strengthen the objectives of the Renewable Energy Act scheme, while contributing to the reduction of greenhouse gas emissions and supporting the EU Green Deal objectives.*"

The German measures

Germany notified the Commission of its plans to adopt three additional measures in the context of its EEG 2021 support scheme approved by the Commission in [April 2021 \(SA.57779\)](#). The EEG 2021 scheme aims at increasing climate protection and expanding renewable energies. With the three additional measures, Germany committed to more market-oriented mechanisms for supporting green electricity production, offering tailored measures for different renewable energy sources.

The three additional measures are:

- i. A change from a fixed to a sliding market premium in the payment structure for innovation tenders. This change aims to ensure that electricity producers are not overcompensated in times of high electricity prices. Producers receive the market premium for the electricity they produce on top of the market price of this electricity. A fixed market premium means that the premium remains at a constant level, even if energy prices rise or fall, which can lead to overcompensation of producers. A sliding market premium on the contrary varies depending on the evolution of market prices and only covers the gap between the cost of energy production and its market price.
- ii. The introduction of financial incentives for consumers to invest in small rooftop solar photovoltaic installations, with a view to feeding more electricity into the grid instead of only using it for self-consumption.
- iii. One additional round of ground-based and rooftop solar photovoltaic tenders in 2022. As the two rounds of tenders for ground-based and rooftop solar photovoltaic already organised in 2022 were undersubscribed, Germany will introduce a revised mechanism. The new measure improves the competitiveness of the tenders by adjusting the volume of electricity tendered for the additional round (i.e. if there is more volume tendered than bid, all bids can be awarded at the price offered).

The Commission's assessment

The Commission assessed the additional measures under EU State aid rules, in particular the [Guidelines on State aid for climate, environmental protection and energy](#) ('CEEAG').

The Commission found that, with respect to all the measures, the aid is necessary and appropriate to promote the use of renewable energy sources and to reduce greenhouse gas emissions, in particular related to solar photovoltaic, in line with the EU Green Deal and Germany's environmental goals. The measure also follows the objectives of the [EU Solar Energy Strategy](#) and contributes to better grid stability. Furthermore, the Commission found that the aid is proportionate, as it is limited to the minimum necessary, and that the positive effects of the measures, in particular the positive

environmental effects, outweigh their negative effects in terms of distortions to competition.

In line with the evaluation requirement envisaged by the CEEAG, Germany has developed a detailed plan for the independent economic evaluation of the EEG 2021, and has committed to improve the data gathering and the use of empirical methodologies in this respect.

On this basis, the Commission approved the German measures under EU State aid rules.

Background

The Commission's [2022 Guidelines on State aid for climate, environmental protection and energy](#) ('CEEAG') provide guidance on how the Commission assesses the compatibility of environmental protection, including climate protection, and energy aid measures which are subject to the notification requirement under Article 107(3)(c) TFEU.

The new guidelines, applicable as from January 2022, create a flexible, fit-for-purpose enabling framework to help Member States provide the necessary support to reach the Green Deal objectives in a targeted and cost-effective manner. The rules involve an alignment with the important EU's objectives and targets set out in the European Green Deal and with other recent regulatory changes in the energy and environmental areas and will cater for the increased importance of climate protection. They include sections on energy efficiency measures, aid for clean mobility, infrastructure, circular economy, pollution reduction, protection and restoration of biodiversity, as well as measures to ensure security of energy supply, subject to certain conditions.

The 2022 CEEAG allow Member States to support the production of electricity from renewable energy sources, subject to certain conditions. These rules aim to help Member States meet the EU's ambitious energy and climate targets at the least possible cost for taxpayers and without undue distortions of competition in the Single Market.

The [Renewable Energy Directive](#) of 2018 established an EU-wide binding renewable energy target of at least 32% by 2030. With the [European Green Deal Communication](#) in 2019, the Commission reinforced its climate ambitions, setting an objective of no net emissions of greenhouse gases in 2050. The [European Climate Law](#) adopted in June 2019, which enshrines the 2050 climate neutrality objective and introduces the intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030, sets the ground for the 'Fit for 55' legislative proposals adopted by the Commission on 14 July 2021. Among these proposals, the Commission has presented an amendment of the [Energy Efficiency Directive](#) to develop a more ambitious binding annual target for reducing energy use at EU level.

The non-confidential versions of today's decisions will be made available under the case numbers SA.102303 and SA.103086 in the [State Aid Register](#) on the [DG Competition website](#). New publications of State aid decisions on the internet and in the Official Journal are listed in the [Competition Weekly e-News](#).

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