EUROPEAN COMMISSION

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PUBLIC VERSION

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**Subject:** **State aid SA.49751 (2017/N) — Spain**
**Compensation for indirect EU ETS costs in Spain – Budget increase**

Sir,

## 1. PROCEDURE

(1) By electronic notification dated 5 December 2017, 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. The Commission approved it by decision of 14 November 2013 ("the 2013 approval decision").[1] Spain notified a prolongation and budget increase on 18 April 2016, which the Commission approved on 14 June 2016 ("the 2016 approval decision").[2] The present notification concerns a further budget increase until the expiry of the scheme in 2020.

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[1] State Aid decision SA.36650 (2013/N) dated 14.11.2013 (OJ C 17, 21.1.2014, p. 8).
[2] State Aid decision SA.45164 (2016/N) dated 14.6.2016 (OJ C 36, 3.2.2017, p. 1).

Excmo. Sr. D. Alfonso Dastis
Ministro de Asuntos Exteriores y de Cooperación
Plaza de la Provincia 1
E – 28012 MADRID

## 2. DESCRIPTION OF THE MEASURE

(3) The Commission makes reference to recitals (2) to (11) of the 2013 approval decision for a detailed description of the aid measure. Through the 2016 approval decision, the measure has been approved by the Commission until 31 December 2020.

(4) The Spanish authorities intend to extend the budget of the scheme to EUR 84 million for 2017, i.e. for the compensation of the costs incurred in 2016, and to EUR 90 million for the compensation of the costs incurred in 2017, 2018, 2019 and 2020.

(5) All remaining conditions of the measure approved by the 2013 approval decision, as amended by the 2016 approval decision, will remain unchanged[3]. With regard to reporting, transparency and monitoring of the scheme, the Spanish authorities will follow the requirements set out in points 48 to 54 of the Guidelines on certain State aid measures in the context of the greenhouse gas emission allowance trading scheme post-2012[4] ("ETS Guidelines"), in line with the commitment made at the time of 2013 approval decision.

## 3. ASSESSMENT OF THE AID

(6) The maximum aid intensities to be granted are in line with point 26 of the ETS Guidelines.

(7) The Commission's conclusion in recital (13) of the 2013 approval 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.

(8) The Commission's compatibility assessment set out in recitals (16) to (27) of the 2013 approval decision is also 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. CONCLUSION

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) TFEU.

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[3] In particular the maximum aid intensities will remain at 80% of the eligible costs incurred in 2016, 2017 and 2018, and 75% of the eligible costs incurred in the years 2019 and 2020.

[4] OJ C 158, 5.6.2014, p. 4.

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
Membre de la Commission