

# DG COMP investigation on State aid for biomethane

## Eurogas comment

### Context

On 5 March, the [European Commission published in the Official Journal](#) a request for feedback on its investigation of the compliance of the Swedish State with the Treaty of the Functioning of the European Union. This investigation concerns the Swedish schemes for biogas for motor fuels and the Swedish tax exemption for non-food-based biogas and bio-propane in heat generation.

Following the examination of these schemes, the Commission now seeks clarification and solicitation of comments, notably regarding the proportionality of the aid. In particular, the Commission is investigating potential overcompensation due to the cumulation of the aid of these schemes with aid provided by other Member States schemes.

### **Eurogas supports the Commissions' investigation as a means to guarantee fair competition and trade of renewable gases**

Eurogas believes that it is necessary to avoid undesirable effects on competition and trade of renewable gases that could be caused by State aid. For this purpose, it is essential to avoid any sort of overcompensation due to the cumulation of multiple schemes' aids. This approach is needed to establish a level playing field amongst producers from all EU Member States.

In the [REPowerEU](#) Communication, the European Union has voiced its ambitions to increase the domestic production of biomethane to 35 bcm. For this purpose, it is necessary to establish a liquid EU-wide market with cross-border trading.

Eurogas fully supports Member States' initiatives to incentivise the production and/or consumption of biomethane and more generally renewable and low carbon gases. But such support should not lead to market distortion.

Beyond establishing fair and transparent guidelines at EU level, Eurogas underlines the crucial role of Member States in achieving increased volumes of biomethane production and consumption in the EU. Beyond establishing conducive support at national level to contribute to the EU ambition, it is the responsibility of all Member States to cooperate and share information in the spirit of sincere cooperation aimed by all EU regulations, notably in the Renewable Energy Directive<sup>1</sup>.

The Commission has also an active role in:

- Guiding the Member States reporting and subsequently assessing the information shared.
- Monitoring the compatibility of aid provided by Member States, notably regarding their impact on cross-border trading to ensure that they are not leading to any distortion on the EU-wide market.

**Eurogas considers that these recommendations should be followed at EU level and should be applied in/by all Member States. To that end, Eurogas is supportive of the initiative launched by the European Commission and generally supports the removal of barriers to cross-border trade in biomethane in order to further incentivise its market ramp-up.**

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<sup>1</sup> In particular, Art. 19 (2) around the need to only claim once the same unit of energy once and Art. 28 (1) on the need for Member States & Commission to strengthen cooperation among/between national systems & voluntary schemes/verifiers, notably regarding exchange of data.