

State aid: Commission approves German support scheme for electricity self-suppliers using efficient cogeneration

Today's Commission decision follows an agreement in principle reached on 7 May 2018 between Commissioner for Competition, Margrethe Vestager, and the German Minister for Economic Affairs and Energy, Peter Altmaier.

The German Renewable Energy Act ("Erneuerbare Energien Gesetz" – EEG) provides support for the production of renewable electricity. This support is financed through a surcharge, the 'EEG-surcharge', imposed since August 2014 on all electricity users, including users producing their own electricity (self-suppliers). Germany grants reductions to users generating their own electricity by using cogeneration, i.e. combined heat and power (CHP).

The Commission has assessed this support measure under EU State aid rules, in particular the [2014 Guidelines on State aid for environmental protection and energy](#). These rules allow support to cogeneration installations on condition that the support is necessary to trigger the investment and does not lead to overcompensation.

The German support scheme takes account of several criteria, which influence the self-supplier's profitability: the electro-intensity of the sector in which they are active (in line with the [Guidelines](#)), the installed electrical capacity and the number of running hours of the installation. Based on these criteria, the scheme defines several categories of installations and grants an appropriate level of reduction in EEG surcharge.

For installations that entered into operation between August 2014 and December 2017, the Commission in 2014 approved an adjustment plan notified by Germany, ensuring an annual increase of the EEG surcharge until 2017. Under the measure approved today a transitional regime will apply for an additional year 2018, before the same surcharge mechanism applies as for all other installations, in line with the [Guidelines](#).

On this basis, the Commission concluded that the German support scheme is designed to prevent overcompensation of self-suppliers using highly efficient cogeneration and is in line with EU State aid rules, while any distortion of competition caused by the public support is minimised.

Background

[In 2014](#) the Commission approved under EU State aid rules the reductions for cogeneration installations used for self-supply of electricity for a transitory period (until 31 December 2017), based on Germany's commitment to re-notify the reductions for the period after 2018 and ensure their compliance with State aid rules.

The non-confidential version of the decision will be made available under the case number [SA.49522](#) in the [State Aid Register](#) on the [DG Competition](#) website once any confidentiality issues have been resolved. New publications of state aid decisions on the internet and in the Official Journal are listed in the [State Aid Weekly e-News](#).