



July 2021

Dear Vice-President Timmermans and Commissioner Vestager.

We are writing in relation to the **latest draft State Aid Guidelines on Climate, Energy and Environment (CEEAG)** that were published on the 7th of June. We want to express our concern as a [coalition of 40 diverse organisations working together](#) to speed up the development of community owned renewables across Europe. We do not assess these draft guidelines to be in line with the objectives of the European Green Deal. This is primarily due to the omission of any mention of Renewable Energy Communities (RECs) in this draft.

The European Green Deal promises a new direction for European policy making. In recent months the level of ambition of climate and energy policies is rightly increasing. Even the IEA in its Net Zero Scenario says we need to be at carbon neutral electricity by 2035. To achieve these ever more ambitious targets we need citizen and community engagement which is vital to ensure the acceptance of the energy transition. That is why we are deeply disappointed that in these draft guidelines any mention of RECs has been omitted.

The proposed CEEAG draft not only fails to include any reference to RECs, but it also makes it more difficult for them to access support schemes. Both the multi-technology approach and the ever more restrictive criteria for bidding exemptions create barriers for energy communities to access public funds. This creates additional challenges for RECs to be able to participate on a level playing field with energy incumbents.

This leaves these draft guidelines out of line with the Renewable Energy Directive (REDII) and with the aims of the European Green Deal. RECs are a key tool for Member States to achieve a swift and popular energy transition. Without the engagement of communities, citizens and local governments in the energy transition there is a risk of backlash and anti-renewables sentiment taking hold.

Article 22 (7) of the REDII mandates Member States to take into account the specificities of RECs when designing their support schemes. When this important requirement is not referenced and built-in to the CEEAG, it leaves Member States with an unclear message.

We draw attention to the [good practice example of a support scheme from Ireland](#) that includes specific forms of support for projects developed by RECs. This project was approved by DG Competition and welcomed by you, Commissioner Vestager. Thanks to the approved support scheme, projects developed by RECs will benefit from grants and loans to sustain the development of their projects, and will participate in auctions in a special category in order to ensure that a certain number of these initiatives are successful. These are the kinds of schemes that need to be mainstreamed across the European Union. However, without clear guidance in that direction, Member State governments remain convinced that EU competition law is a barrier to their ability to implement support schemes.

These draft guidelines need to be rectified and brought in line with the letter of the law of the REDII and the spirit of the European Green Deal, specifically, they should include provisions and references to RECs so to make competition law a tool in support of a climate safe future, not a barrier to it.

**Yours Sincerely,**

Molly Walsh

On behalf of the European Community Power Coalition