

Monday, 11 April 2022

Fast-tracking DG COMP procedures to support EU energy transition against the background of Russian energy imports

Dear Commission President von der Leyen,
Dear Commission Vice President Timmermans,
Dear Commissioner Vestager,
Dear Commissioner Simson,

The energy price crisis and especially the criminal invasion of Ukraine by Russian President Vladimir Putin shows our urgent need to scale up efforts for a more resilient and energy sovereign European Union. Since the announcement of the Green Deal, Europe laid important steps for measures that both serve the climate and the people. In the Fit for 55 package following the adoption of the Climate Law, important targets for expanding renewable energies and scaling up energy efficiency were put forward and are currently negotiated by EU lawmakers.

But apart from the ongoing political discussions on the details of the legislative packages, we are increasingly confronted with unnecessary hurdles that slow down the energy transition, endangering the fulfilment of our climate targets. Many urgently needed projects in the field of renewable energy and energy efficiency are on hold due to ongoing checks in the European Commission regarding their compatibility with EU competition law, namely on their compatibility with exemptions from the prohibition of state aid (Article 107 TFEU).

We are fully aware that these checks are fundamental to avoid distortion of the internal market and important and we fully support their strict implementation. However, we consider the process needs to be speeded up significantly, especially in the current situation.

We receive more and more complaints from constituents, local administrations and national parliaments. For example, municipal energy utilities in Germany cannot proceed with energy projects, because the Federal German funding programme intended for these has been stuck in DG COMP since more than one year. Similarly, it has been brought to our knowledge that DG Competition's assessment of the new German Renewable Energy Law will not be completed before December 2022.

In the Important Project of Common European Interest (IPCEI) funding line for hydrogen, 62 projects are to be funded jointly with up to 22 European partner countries. More than eight billion euros in complementary funding is available from the federal budget and the German state budgets concerned. In total, investments of 33 billion euros are to be triggered, of which more than 20 billion will come from private investors. These investments are currently blocked due to the long processing time in the European Commission.

For example, thyssenkruppSteel submitted its application for funding to build a direct reduction plant as an IPCEI to the German Federal Ministry of Economics (BMWi) in February 2021. By mid-May 2021, the BMWi had selected 62 hydrogen projects and submitted them to the European Commission. To date there has been no approval from the European Commission, instead in December 2021 and March 2022 thyssenkruppSteel received several queries from the EU Commission which were answered. Accordingly, there is still no decision at thyssenkruppSteel for this urgently needed, innovative investment which would mark the start of green steel production.

We would like to bring this to your attention, especially against the background of the currently ongoing discussions and initiatives to phase out Russian energy imports and scale up energy sovereignty as fast as possible. Are you aware of these difficulties in the process of state aid checks? Are you planning to introduce measures to speed up the procedures? Is there any way we could support you in this process, for example by reaching out to national governments, urging them to send seconded national experts?

We believe that the current urgency caused by the war in Ukraine and the climate crisis require a comprehensive scaling up of measures, not only legislative, but also administrative. The best EU policies cannot unfold their full potential if there is a lack of supporting and implementing resources.

Please, don't hesitate to get in touch in case of any questions. We are looking forward to you reply and remain at your disposal.

Sincerely yours,

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