

Consultation on the draft new State aid Framework to support the Clean Industrial Deal (Clean Industrial Deal State Aid Framework – CISAF)

Fields marked with * are mandatory.

Introduction

Following the adoption of the [Clean Industrial Deal](#) Communication on 26 February 2025, the Commission is consulting the general public on a [draft new State aid framework](#).

The Commission invites you to provide your views on the draft Clean Industrial Deal State Aid Framework via the form below. The Commission is particularly interested in views on those parts marked in []. In case you consider any such parts not appropriate in their current form and want to propose alternatives, please ensure to submit relevant data and evidence to substantiate your view.

Thank you for your collaboration!

About you

Please specify the language of your contribution

English

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- ☐ EU Citizen
- ☐ Commercial company / business
- ☐ Consumer organisation / NGO
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- ☒ Public authority
- ☐ Other

* Please specify the Member State for which you provide your your comment.

NL - Netherlands

* Please provide your full name

NL-EZ-Interdepartementaal Staatssteun Overleg

* Please provide your e-mail address (this will not be published)

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Please provide the name of the organisation or company you represent (if any)

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Please indicate the size of your organisation

- ☐ Micro (1 to 9 employees)
- ☐ Small (10 to 49 employees)
- ☐ Medium (50 to 249 employees)
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If your organisation is registered, please provide your transparency register number

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/

Please specify your country of residence or the location of the headquarter of the organisation / company you represent

NL - Netherlands

The Commission will publish all contributions to this consultation. Please do not include any confidential information in your reply.

You can choose whether you would prefer to have your personal details published or to remain anonymous when your contribution is published. For the purpose of transparency, the type of respondent (e.g., 'EU citizen', 'commercial company' or 'consumer organisation'), country of origin, organisation name and size, and its transparency register number, are always published. Your e-mail address will never be published. Please opt in to select the privacy option that best suits you.

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General comments

Please provide any comments you may wish to bring to the Commission's attention in relation to the draft proposal for a new Clean Industrial Deal State aid Framework.

5000 character(s) maximum

The NL welcomes the opportunity to comment on the draft CISAF and would like to make the following more general remarks.

The NL recognises that the EU faces challenges to its competitiveness due to high energy prices and the actions of third countries. However, challenges to EU competitiveness do not imply that a complete overhaul of competition rules is necessary. In our view, it is important that competitiveness is supported by an integrated, proactive EU response using the full range of policy instruments, rather than relying solely on State aid. As a part of an attractive business climate, it is important to ensure a level playing field and to further strengthen the internal market. It is important to note that the EU economy is based on competitiveness and innovation, not on subsidies. Competition stimulates productivity, investment and innovation.

At the same time, State aid rules should be fit for purpose regarding national and EU climate objectives and open strategic autonomy, while stimulating the green and digital transition. The NL recognizes the importance of revising the current State aid rules to accelerate the rollout of renewable energy (covered by Section 4) and of the State aid rules for industrial decarbonization (covered by Section 5). According to the NL it is important to carry out a proper problem analysis and impact assessment before introducing any new or revised State aid frameworks. This is particularly the case for the enactment of a temporary crisis (and transition) framework on a more permanent basis. Caution is needed regarding forms of State aid that are generally highly market distortive, such as manufacturing aid and the possibility to match aid from other jurisdictions (covered by Section 6). In this respect a mid-term review with impact assessment is needed, as it is not available at the moment. The NL is in general positive about the possibilities to de-risk private investment (covered by Section 7), as it is important to mobilise private capital. This should be preferred to manufacturing aid and the possibility to match aid from other jurisdictions.

Moreover, given the subject matter, the NL would prefer to first examine to what extent these enhanced aid possibilities should or should not be integrated into the existing State aid frameworks covering these issues, such as the CEEAG and the GBER. It appears that these frameworks are not fit for purpose and revising these frameworks, instead of setting up a new framework, will avoid difficult issues of demarcation between various aid frameworks in the future.

The NL is committed to phasing out fossil fuel subsidies in the EU, where this contributes to the sustainability, resilience and EU competitiveness, and considers pricing of climate damage costs related to the use of fossil fuels as an important policy instrument to incentivise decarbonisation and align market signals accordingly. Reducing dependence on fossil fuel imports is of strategic importance. In this context, the NL welcomes relevant elements of the CISAF, such as the exploration of targeted revisions of the State aid rules to accelerate the rollout of renewable energy, the non-fossil flexibilities (such as electricity storage) needed for this and targeted support for industrial decarbonization.

The NL welcomes the COM's statement in para 8 that it will conduct a timely assessment of State aid for nuclear supply chains and technologies, including small modular reactors.

An issue of particular concern to the NL is the definition of undertaking in difficulty (referred to in para 20). Problems arise particularly in strategic sectors for the green transition which is hugely problematic with regard to open strategic autonomy. We call on the COM take up this issue as a matter of urgency.

With regard to scope, NL has two general comments.

The NL welcomes para 16 which refers to the importance of circularity for decarbonization, reducing dependencies and enhancing competitiveness. However, the CID goes beyond circularity in the energy transition and also focuses on a more sustainable use of resources. In our view, compared to the CID, this draft CISAF does not take sufficient account of the transition to a circular economy and should have extended options for the circular economy compared to existing State aid frameworks.

Finally, the CID proposes to prolong the gas storage Regulation with two years. The NL calls on the COM to reintroduce an aid category for specific gas storage measures in the CISAF (Regulation (EU) 2017/1938, Art. 6b, (1)(f)). This aid category should respect the aim of a climate-neutral Europe by 2050 and not result in a fossil lock-in. This implies that any costs incurred through State aid for this purpose shall be covered by the end users. An aid category for support measures that temporarily stimulate the voluntary reduction of gas consumption during a gas crisis should also be included in the CISAF with sufficient safeguards.

Aid to accelerate the rollout of renewable energy

Please provide any comments specific to section 4.1 of the draft framework (“Aid schemes to accelerate the rollout of renewable energy”).

5000 character(s) maximum

An important issue with regard to this Section is, however, that it is necessary to take sufficient account of the transition period to a net-zero economy, in particular with regard to the possibilities for aid measures for the roll-out of hydrogen and direct electrification. The NL believes that as long as renewable alternatives are not yet affordable and available at the required scale, low carbon energy, such as blue hydrogen, should not be limited by stringent percentages regarding the composition of the mix used in projects (para 82 and 107). Among others, State aid for investments that are necessary to produce electricity from RFNBOs or low carbon hydrogen should be allowed (prohibited in para 32).

Furthermore, the use of renewable electricity produced by partially subsidized assets should be possible to a certain extent. Moreover, we believe that transitional deviations from ideal system functioning, e.g. with regards to additionality requirements for RFNBOs, should be accommodated with more flexibility, as they hamper faster progress to emission reductions in the transition to a fully decarbonized energy system.

The NL welcomes the possibilities in CISAF in para 32. The same applies to aid measures to support electricity storage and thermal storage, which, in combination with power-to-heat, can be an important way to integrate renewables and decarbonize industry. With regard to para 36 (81 and 106) on aid for biofuel production, the NL would welcome the possibility for aid for projects that apply cascading of biomass flows, to ensure high-value application and ensure that material applications are facilitated next to energy/decarbonisation purposes.

the NL welcomes Section 4.2 and the announced guidance on two-way CfDs and would be happy to contribute to this guidance, given its experience with the SDE++ and the design of a new two-way CfD instrument. In our view it is important that the implementation of these instruments should not complicate or hinders support for the techniques/solutions needed to integrate the renewables into the broader energy system. For example, the use of partly subsidized assets for the production of RFNBOs should not be unnecessarily complicated. The NL therefore urges the COM to be more lenient in defining additionality criteria for RFNBOs and CfD carve-outs in the CISAF and/or the forthcoming guidance. The need for State aid and/or guarantees for wind and solar power through the use of CfDs is increasing due to rising costs and supply chain risks, and with the transition to CfDs, the case for PPAs and RFNBO production is becoming increasingly difficult.

Another important issue is network tariffs. To stimulate electrification, the COM will provide guidance on how Member States can use their public budgets to reduce high network charges and cover the costs of measures to accelerate decarbonization and market integration, in particular for interconnectors, major network upgrades, or offshore grid connection infrastructure. In our view the CISAF and the guidance should, with sufficient safeguards to avoid unnecessary and untargeted State aid, include the possibility of compensating energy-intensive industries facing high network tariffs during the transition period, to enable them to electrify while remaining internationally competitive. If it is necessary to address high net tariffs with State aid, the NL would like to propose the following measure, taking into account the need for a level playing field. Such a targeted form of compensation could be based on the carbon leakage list in combination with the Indirect Cost Compensation framework. This would mean the (sub)sectors on the list could benefit from a mechanism similar to the indirect cost compensation mechanism, which would be introduced to offset high network costs. Under this scheme, companies in sectors listed on the current

carbon leakage list could apply for compensation of up to [X]% of their actual network tariff costs. This would help to level the playing field while stimulating investment in electrification, providing a targeted approach during the transition. At the same time, we would like to address the importance of a harmonized EU approach for Member States to this matter to prevent disproportionate and unequal use of public funding.

Finally, accelerating the rollout of renewable energy is particularly important for sectors that are difficult to decarbonize, including aviation. There should be sufficient possibilities for aid for the production of RFNBOs and for innovation in aviation fuels, such as alternative feedstocks (e.g. intermediate crops) and production pathways (e.g. Alcohol-to-jet). The NL would welcome clarification that aid measures to support the use of semi-finished products for fuel production fall within the scope of para 35 and 36, as long as the final product meets the sustainability criteria set out in Directive (EU) 2018/2001.

If you consider the proposed completion deadlines or exemptions therefrom (see point (37)) are not appropriate, please provide concrete justification for any alternative timeline or other exemptions you would consider more appropriate.

The NL supports a more general extension of the 36-month deadline. The deadline should be extended by at least a further 12 months to allow EU Member States and partners to deal with unforeseen difficulties in permitting, actual construction and installation availability of grid capacity, delays in infrastructure development and/or administrative review and appeals of the permit. Based on the experiences of the NL, being held to such a strict deadline would result in a large share of non-realisation for projects for, for example, onshore wind and large-scale solar PV, geothermal energy and gasification and fermentation. For very large investments (> EUR 500 million CAPEX), a period of at least 5 years should be considered. The NL considers that the risk of distorting the level playing field within the EU by such an extension is limited, given the duration of such projects (3 to 5 years) and the general need to ensure sufficient investment in renewable energy production. With regard to Aid to deploy industrial decarbonization (Section 5), the NL is also in favour of more general extension of the 36-month deadline (para 79).

Please provide any comments specific to section 4.2 of the draft framework ("Aid for non-fossil flexibility support schemes").

5000 character(s) maximum

The NL welcomes these rules on national support schemes for new investment in non-fossil flexibility. The roll-out of variable renewable energy production can only be achieved with the appropriate amount of flexible capacity in the energy system. Support schemes for non-fossil flexibility should avoid undue distortions to the efficient functioning of electricity markets. The NL agrees that aid should be open to non-fossil technologies capable of providing the flexibility services, and at least to electricity storage and demand response. However, the NL has doubts that the State aid measure should be approved for a period of no longer than 5 years, as the mitigation measures identified in the Flexibility Needs Assessment are based on the report of the estimated flexibility needs for a period of 5 to 10 years, according to Article 19e paragraph 1 of the Regulation (EU) 2019/943 on the internal market for electricity.

In addition, the NL notes an important gap regarding the possibility of innovative forms of non-fossil flexible capacity. This Section refers to the support of flexible capacity through a competitive bidding procedure. This gives priority to flexible capacity that is already commercially available. On the other hand, the GBER allows for innovation projects up to pilot level (experimental development, Article 25 of the GBER). As a result, a gap exists for technologies around TRL 6-9, in particular for flexibility measures aiming at first demonstration. With the exception of energy storage directly coupled to renewable production installations, the other articles of the GBER are not sufficient in this respect. According to the NL, this gap includes key technologies that are essential for future flexibility needs, such as various demand response applications, innovative energy storage, or advanced energy concepts such as (multi-commodity) energy hubs. Therefore, the NL invites the COM to explore the possibility of including in the CISAF limited investment aid for first-of-a-kind demonstration projects for non-fossil flexibility (inspired by point 43 of the CISAF, although non-fossil flexibility that is directly coupled to renewable generation is considered insufficient by the NL). The NL also believes that such short-term innovations can make an important contribution to the CID through the smart electrification of industry.

Lastly, the NL wants to highlight the fact that at higher penetration levels of renewables, the combination of renewable roll-out with system integration/flexibility techniques is essential to enable sustained renewables roll-out. At the moment, the restriction that support can only be given to renewable production or flexibility techniques (additionality criteria) does not recognize that both solutions can have a non-profitable part in the business case and therefore both require subsidies

Please provide any comments specific to section 4.3 and Annex I of the draft framework (“Aid for capacity mechanisms following a target model”).

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Although the NL does not currently intend to implement a capacity mechanism, the NL continues to explore measures to ensure the future resource adequacy, including capacity mechanisms. Therefore, the NL welcomes the COM's proposal for aid for capacity mechanisms according to a target model. With regard to Annex 1, we have the following comments and requests for clarification.

The NL is interested in the COM's view on Requirement 1 of the Annex, which states that the latest available European Resource Adequacy Assessment (ERAA) central reference scenarios [...] must be the sole basis for identifying the need for a capacity mechanism, in relation to Article 21 (paragraph 4) of Regulation (EU) 2019/943 on the internal market for electricity. This Article identifies the national Resource Adequacy Assessment as an equally valid basis for identifying the need for a capacity mechanism. Although the NL supports harmonization at EU level, it recognizes the need to update and streamline the ERAA methodology before identifying the ERAA as the sole basis for identifying the need for a Capacity Mechanism. In addition, Requirement 1 states that the reliability standard must not be met in the Member State concerned at least from the first delivery window within the approval period. The NL is concerned that this condition limits the possibility to anticipate on a possible exceedance of the reliability standard in the period between two target years in the adequacy assessment(s). The NL therefore requests the COM to take these years into account.

Furthermore, the NL has doubts about the feasibility of Requirements 5, which states that the minimum size for participation in a capacity mechanism must not be above 1 MW and must allow aggregation. Although the NL supports that capacity mechanisms must be open to all technologies, beneficiaries and projects, the NL has concerns about the potentially very high number of participants. Therefore, the NL suggests that a higher minimum size (e.g. 100 MW) should be considered to reduce the administrative burden. In addition, a clarification would be welcomed on whether the 1 MW limit applies before or after the application of the de-rating factors.

Another point of attention for the NL is Requirement 11, which states that the competitive bidding processes of a strategic reserve should take place no more than one year ahead of the delivery window. The NL proposes to extend the period prior to the delivery window to more years (e.g. 3 to 5). This could be beneficial if resources are expected to be available for a longer period (e.g. due to recent maintenance), especially since the resources in the strategic reserve are to be held outside the market for at least the duration of the contractual period. Following this suggestion, the NL also argues to include the option to extend the duration of capacity agreements to more than one year with regards to Requirement 15. Requirement 16 mentions that capacity agreements can have a duration of up to [15] years for capacity with CAPEX ≥ 500.000 EUR/de-rated MW]. The NL urges the COM to include capacity with lower CAPEX, which could have additional value in extreme weather scenarios.

With regard to Requirement 24, which states that at least 90% of any capacity mechanism costs not recovered through imbalance charges allocated in accordance with Article 22(2) of the Electricity Regulation must be allocated to consumers based on their consumption during the [1] – [5]% highest price periods each year, the NL argues that it would improve the practical feasibility if the regulatory authority were to include the capacity mechanism costs (not recovered through imbalance) in the network tariffs, on cost-reflective basis rather than the only option based on consumption during high price periods.

Aid to deploy industrial decarbonisation

Please provide any comments specific to section 5 of the draft framework ("Aid to deploy industrial decarbonisation").

5000 character(s) maximum

The NL sees the added value of revision of the State aid rules for industrial decarbonization. The NL considers it important that the objectives of the circular economy are integrated in Section 5 with sufficient possibilities for aid for projects for the treatment of secondary raw materials, recycling and the development of new circular flows. Investments in recycling and other circular economy technologies should be explicitly mentioned in para 90 and be able to receive higher aid percentages than the current 20%.

An important issue for the NL is para 76 (aid based on a scheme). There should also be possibilities for ad hoc aid to enable targeted decarbonization deals, while maintaining strict safeguards for the integrity of the internal market. Aid schemes are not always sufficiently targeted and therefore ineffective for unique complex projects of large emitters, while these projects are very necessary to realize ambitious national and European climate objectives.

Furthermore, the NL considers it a missed opportunity that according to para 76 direct price support schemes are not possible, as these have the potential to play an important role in industrial decarbonization

The rapid expansion of renewable energy supply without commensurate electrification demand is leading to market inefficiencies and potential distortion of the level playing field. Moreover, the current State aid rules, by focusing on short-term lowest-cost CO₂ reductions instead of a more system-oriented perspective, exacerbate these inefficiencies and hinder long-term, optimal decarbonization strategies. It would be worthwhile to explore the possibilities for decarbonisation in line with similar rules as maintained for the production of RFNBOs in related Delegated Acts, i.e. that PPAs and associated certification schemes can be used to recognise the contemporaneity and additionality of renewable inputs for industrial heat.

Another important aspect concerns the technology neutrality requirement, which leads to fragmentation of investments. In the current context of scarcity of (critical) raw materials and the importance of comparative advantages, this is an undesirable development. The exemptions in para 77 are too strict (even more restrictive than CEEAG) and we would favour a less restrictive approach, which leaves more discretion to the Member States. Therefore, we would recommend deleting para 77 (iii).

Para 86 (b) (ii): The NL would welcome a common methodology for calculating greenhouse gas emission savings for activities not covered by the ETS to avoid differences between Member States.

Para 90 (c): The NL favours aligning the aid intensity of 35% with the percentage mentioned in para 42 (45%).

Para 91: The NL favours aligning the bonus for SMEs and medium-sized enterprises with other parts of the CISAF, (plus 20 % and plus 10 %).

Para 92: The NL would welcome a uniform template for calculating the funding gap set up by the COM in order to avoid differences between Member States.

Para 94 is unclear, as it appears to be relevant to sections 5.3.1 and 5.3.2, but is only included in 5.3.2. Furthermore, it would be more appropriate for the individual notification requirement for aid amounts above 10 % of the budget to be optional for the COM to include as a condition, based on the COM's assessment of the nature of and risks of market distortion of the aid. For Section 6 schemes, such an individual notification is currently not foreseen, while this type of aid is likely more market distortive.

Para 100: The NL agrees that it is important to ensure that aid does not displace investments into cleaner alternatives, or lock in certain technologies. At the same time, low-carbon hydrogen and CCS are critical for a fast and cost-effective decarbonization and to maintain the competitiveness of the EU industry. CCS is needed to address unavoidable process emissions;.. It is important to verify that the conditions promote

electrification where it is possible (even if the parameters are sub-optimal compared to CCS) yet allow for CCS where electrification is not a viable solution for the EU industry.

Para 107, the NL believes that requirement that the use of low-carbon hydrogen may only be supported if it is consumed together with RFNBO creates an unnecessary and impractical burden. Such a provision risks hindering industrial adoption and slowing the large-scale deployment of clean hydrogen, especially given the geographical disparities in renewable energy availability. If the COM remains cautious about allowing for supporting low-carbon hydrogen, a more workable approach should be found, that does not require mixing at the project level within specific support schemes.

The NL welcomes Section 5.5. on Innovation Fund projects. It is important that the assessment of the projects was done by the COM and, according to the raking, the projects can be supported without additional national assessments.

If you consider that the prioritisation of technologies for decarbonisation of industrial heat in this section on decarbonisation and energy efficiency is not appropriate (see point (73)), please explain and provide evidence for other criteria you would consider more appropriate.

Prioritising electrification for industrial heat below 400°C, while requiring other options to be 'duly justified', limits flexibility. Industrial actors are best placed to determine the most suitable decarbonisation pathway, which may include hydrogen. In addition, grid limitations, as observed in the Netherlands, mean that electrification is not feasible for many installations before 2040–2050. Other viable solutions should remain fully eligible.

For aid schemes covering investments relying wholly or partly on the use of hydrogen, section 5, point (82), the new framework takes into account the fact that Article 22a of [Directive \(EU\) 2018/2001](#) on the promotion of the use of energy from renewable sources (RED) establishes targets for renewable fuels of non-biological origin (RFNBO) for hydrogen in industry. The draft framework does so by laying down a minimum share of renewable hydrogen calculated by reference to the average share of electricity from renewable sources in the Member State concerned, as such project-level contribution to meeting national targets established by EU law is considered a positive effect in the balancing exercise under Article 107(3) (c) TFEU. If you consider that the scope for aid for investments for industrial use of hydrogen should be defined differently, please provide justification and any available evidence for the scope of projects for which you consider that State aid for other types or combinations of hydrogen is required.

Section 5, para 82 of the CISAF focuses exclusively on investment, despite the necessity of operational aid on the demand side to achieve the targets for RFNBOs in Article 22a of Directive (EU) 2018/2001. The NL is of the opinion that the scope for aid for the industrial use of hydrogen should be defined in a different manner, i.e. that State aid is not only necessary to stimulate investment, but also to stimulate the use of renewable hydrogen by the industrial users themselves through operational aid. It is imperative to acknowledge the significance of the demand side for renewable hydrogen in order to effectively promote the use of RFNBOs in the industrial sector.

Moreover, low-carbon hydrogen is critical for a rapid and cost-effective decarbonization of the European industry, as renewable hydrogen and derivatives are still prohibitively expensive and/or not yet available at the scale required to meet our short-term decarbonization targets. Furthermore, the implementation of low-carbon hydrogen leaves sufficient scope for renewable hydrogen to be deployed on a large scale.

If you consider that the zero indirect emissions presumption for electrification projects in this section on decarbonisation and energy efficiency is not appropriate (see point (98)), please explain and provide evidence for an alternative presumption you would consider more appropriate.

The NL considers it positive that, under certain circumstances, indirect emissions from the electricity used in decarbonisation projects receiving aid under the scheme will be considered negligible and will therefore do not need to be taken into account when verifying that the projects achieve overall greenhouse gas emission reductions. The NL particularly welcomes option B (fully renewable electricity), as it offers more possibilities for flexible industrial electrification, such as electric boilers, than is currently possible under the CEEAG.

Option C offers the possibility to cover the expected increase in demand from the instrument with an increase in supply as expected in the NECP, but this increase in demand should not lead to higher peak demand or more fossil generation. Requiring any increase in fossil generation to be taken into account across national borders hampers electrification in EU Member States surrounded by EU Member States with lower shares of renewable electricity. By abandoning this requirement and only considering the impact on fossil generation within national borders, electrification is more effectively encouraged and an additional impetus is given to new renewable electricity generation.

If you consider that the safe harbour for natural gas based projects in this section on decarbonisation and energy efficiency is not appropriate (see point (101)), please explain and provide evidence for an alternative presumption you would consider more appropriate.

Not applicable.

The draft framework allows to provide support for investment costs related directly to the achievement of the greenhouse gas emission savings or energy efficiency. Such support for these investment costs does not cover production capacity increases, but it also does not prevent companies from proceeding at the same time with capacity increases insofar as the increases are not financed by State aid under the decarbonisation section. This is without prejudice to the compatibility of aid for such capacity increases under other sections of the framework, other frameworks or the Treaty. For simplification reasons, the draft framework nevertheless allows increases of capacity up to 5% without having to differentiate between costs for decarbonisation and those related to capacity increases (see point (103)). Do you think the 5% flexibility margin proposed to be appropriate? If not, please substantiate your view with concrete evidence and data.

The NL welcomes the flexibility margin. The buffer of 5% appears to be a reasonable constraint from an internal market perspective. At the same time, decarbonization combined with capacity increase can be very efficient. One option could be to allow such projects with a lower aid amount and/or aid intensity, to ensure no aid is granted for the capacity increase.

Aid to ensure sufficient manufacturing capacity in clean technologies

Please provide any comments specific to section 6 of the draft framework ("Aid to ensure sufficient manufacturing capacity in clean technologies").

5000 character(s) maximum

Caution is needed regarding forms of State aid that are generally highly market distortive, such as manufacturing aid (Section 6.1) and the possibility to match aid from other jurisdictions (Section 6.2). In this respect a mid-term review with impact assessment is needed, as it is not available at the moment.

With regard to Section 6.1: State aid for open strategic autonomy, if proven necessary, should be only allowed under strict conditions. It is important to set clear conditions to ensure that this type of State aid is necessary in the context of open strategic autonomy and no-less distortive instruments are available. Positive effects of the aid should outweigh the negative effects on trade and competition, based on market analysis and competition assessments. Given the fast changing geo-political and market developments general presumptions on balancing are in our view not legally sustainable. The following scope and conditions, which are not yet sufficiently taken into account, should be included, to decide whether aid is necessary in the context of open strategic autonomy:

- Strategic projects coordinated at EU level taking into account: (1) the impact on the EU's geo-economic security; 2) the contribution to the EU's economy and growth potential; 3) the contribution to pressing societal challenges; and 4) the EU's current position (such as market share and Technology Readiness Level).
- Advanced and cutting edge technology.
- Critical raw materials, including circular economy projects such as treatment of secondary raw materials.
- Long-term viability of projects/sectors.

In our view, a strict and thorough assessment by COM is needed, as required by Article 107 (3)(c) TFEU, of the necessity, proportionality and avoidance of undue negative effects on competition and trade as well as the balancing of negative and positive aspects of aid measures. Para 18, 25 and 28 are not sufficiently substantiated and therefore not in line with the TFEU.

On the basis of para 124 the aid beneficiaries must provide the EU Member State with the information listed in Annex II of the CISAF. According to para 131, the granting authority must assess the concrete risks of the investment not taking place within the EEA. In our view, this is not in line with the COM's responsibility to analyse and balance the aid. This is particularly important for this type of aid, which is highly distortive.

A particular concern in this respect is the risk of relocation of production activities within the EEA, as mentioned in para 132. The NL urges the COM to closely monitor the effects of this type of aid because of the risk of relocation.

In any case the NL considers it important that these possibilities are limited to what is strictly necessary. In such a case, and contrary to para 126, the exact location in the EU should be irrelevant. What is important is a coordinated approach at EU level, where it is important that the activity takes place in the best place, taking into account excellence.

With regard to Section 6.2: A major concern is this section on Ad hoc matching aid. We agree that we must protect our attractive investment climate. This is currently under pressure from high energy prices and actions of third countries. However, broadening the State aid rules, in particular with the possibility of matching third country subsidies, does not seem to be the silver bullet to address these issues as it is a reactive and not a proactive solution. So far, the NL has not seen any evidence of the need for the proposed Section 6.2, while it has potentially very strong distortive effects.

In any case the NL considers it important that these possibilities are limited to what is strictly necessary. In such a case, and contrary to para 135, the exact location in the EU should be irrelevant. What is important is a coordinated approach at EU level, where it is important that the activity takes place in the best place, taking into account excellence.

With regard to Section 6.3: The NL welcomes Section 6.3 on aid to support demand for clean technology equipment in form of accelerated depreciation. This is a type of aid which seems less market distortive and

can stimulate manufacturing capacity in clean technologies. The NL would welcome a clarification regarding para 145. Should the references to para 22 and 29(b) not be deleted?

The list of clean technologies in point (122) eligible for manufacturing aid should be defined by reference to identifiable market failures in ensuring resilient supply of such technologies. Please indicate whether you consider that the scope for aid for clean tech manufacturing equipment and components activities under section 6 should be aligned with the scope of the corresponding section of the [Temporary Crisis and Transition Framework](#) (as set out in the draft for consultation of stakeholder views), with the scope of the Annex of the [Net Zero Industry Act](#), or with some other sub-set of such technologies. Please provide justification and any available evidence for the scope of projects for which you consider that State aid for additional manufacturing capacity is required.

The NL would prefer a reference to the NZIA, without providing a list, to include all relevant technologies included in the NZIA. Please see also our response to question 12 on scope and conditions. For this highly distortive type of aid, it is important to assess, under strict conditions, what is necessary in the context of open strategic autonomy. Over time, this could lead to a more dynamic, targeted list of clean technologies eligible for manufacturing aid. On the list itself, the NL welcomes the explicit reference in para 122 (a) and (b) to “including with secondary raw materials” and sub (c) to “new or recovered related critical raw materials”, given the importance of the circular economy in the context of open strategic autonomy. With regard to hydrogen, the CISAF only refers only refers to electrolyzers and their components. Other technologies in the hydrogen value chain, such as fuel cells, compressors and storage systems are not mentioned and should be considered if deemed necessary in the context of open strategic autonomy.

Aid to reduce risks of private investments

Please provide any comments specific to section 7 of the draft framework ("Aid to reduce risks of private investments in renewable energy, industrial decarbonisation, clean technology manufacturing and energy infrastructure").

5000 character(s) maximum

The NL is in general positive about the aim to de-risk private investment in Section 7, as it is important to mobilise private capital. Aid to reduce the risks of private investment could help and provide certainty to support investment decisions. We are receiving various signals from sectors that uncertainty about investment in long-term projects is the main reason for postponing investment decisions. This type of measure can provide the necessary certainty to make certain investments.

The NL would welcome a broader scope to include green chemistry, the feedstock transition and the circular economy.

Specific attention is called for aid needed in the ‘Valley of Death’ phase after TRL 9 when companies enter the market with new products or production modes, especially in clean tech manufacturing.

In this context, we would also reiterate the importance of revising the definition of undertaking in difficulty (referred to in para 20), which is not fit for purpose and causes significant problems for start- and scale ups. Problems arise particularly in strategic sectors for the green transition which is hugely problematic with regard to open strategic autonomy. Possible solutions could be an extension of the SME age limit, longer age limits for certain types of aid and/ or other financial assessment criteria in the definition. We call on the COM to take up this issue as a matter of urgency.

Do you agree that the inclusion of aid to investors in energy infrastructure projects as foreseen in point (146) is necessary?

- ☒ Yes
- ☐ No
- ☐ I don't know

Thank you!

Your contribution is highly welcome. Thank you very much for sharing your views!

If you want to provide additional evidence to support your replies above, please upload here.

Contact

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