



# Recent Trends and Key Issues for State Aid in Energy Markets

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\* All views expressed are personal and do not  
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# Challenges for the energy market

## Intertwined energy and climate policies

- An on-going liberalisation process
- An active climate change policy

## Energy markets in crisis?

- High energy prices
- Concerns in relation to security of supply
- Decarbonisation at risk

# Priorities of State aid control in energy markets



Make the Green transition work



Ensure security of supply preserving competition and cross border trade



Ensure transparency for all nuclear costs

# Make the Green Transition Work

## Costs

- Increasing costs for all energy consumers
- Risk for the acceptance of the climate policy

## Market distortion

- Are renewable operators competitors on the electricity market?
- Negative prices and hidden balancing costs

## Market integration

- National schemes
- Impact on networks

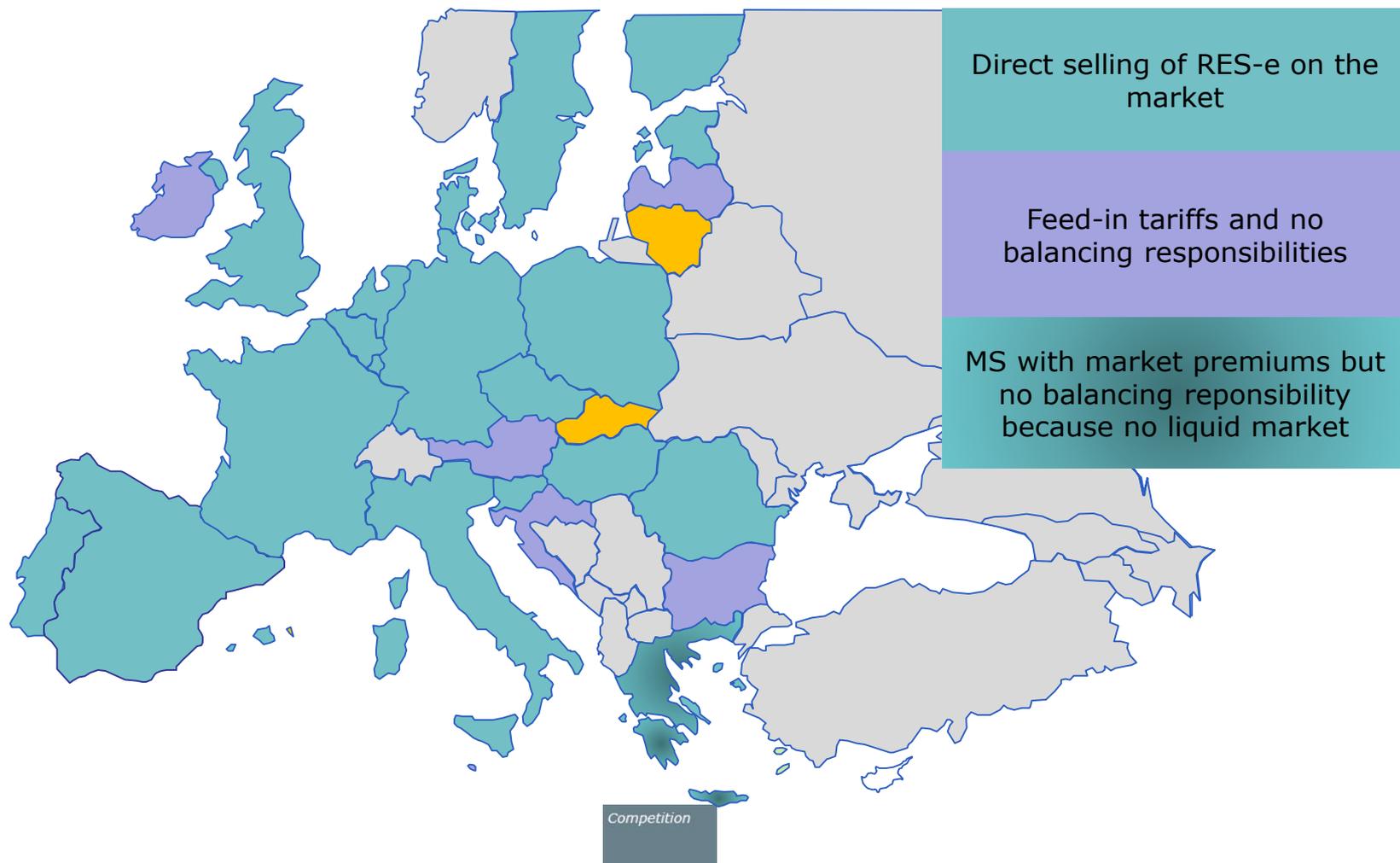


# Make the green transition work

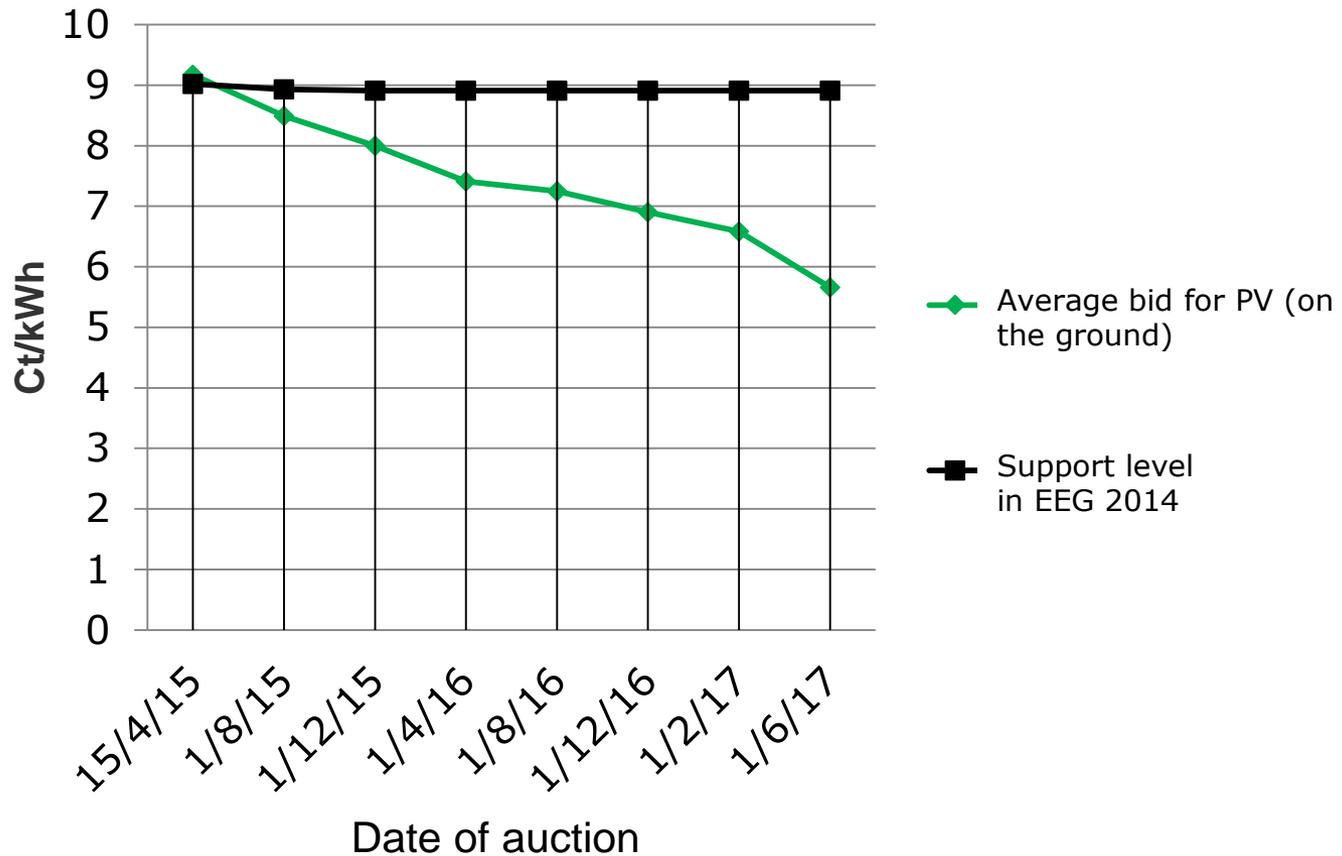
## Make it less distortive and more affordable:

- No feed-in tariffs anymore (except installations < 500 kW)
- Direct marketing (premium, balancing responsibility and no support at negative prices)
  - RES becoming a market actor
  - New services, devices (technologies increasing the predictability of production, etc.) and new market operators appearing (aggregators) facilitating market integration.
- Tenders (except installations <1MW)

# Integrate renewables in the market



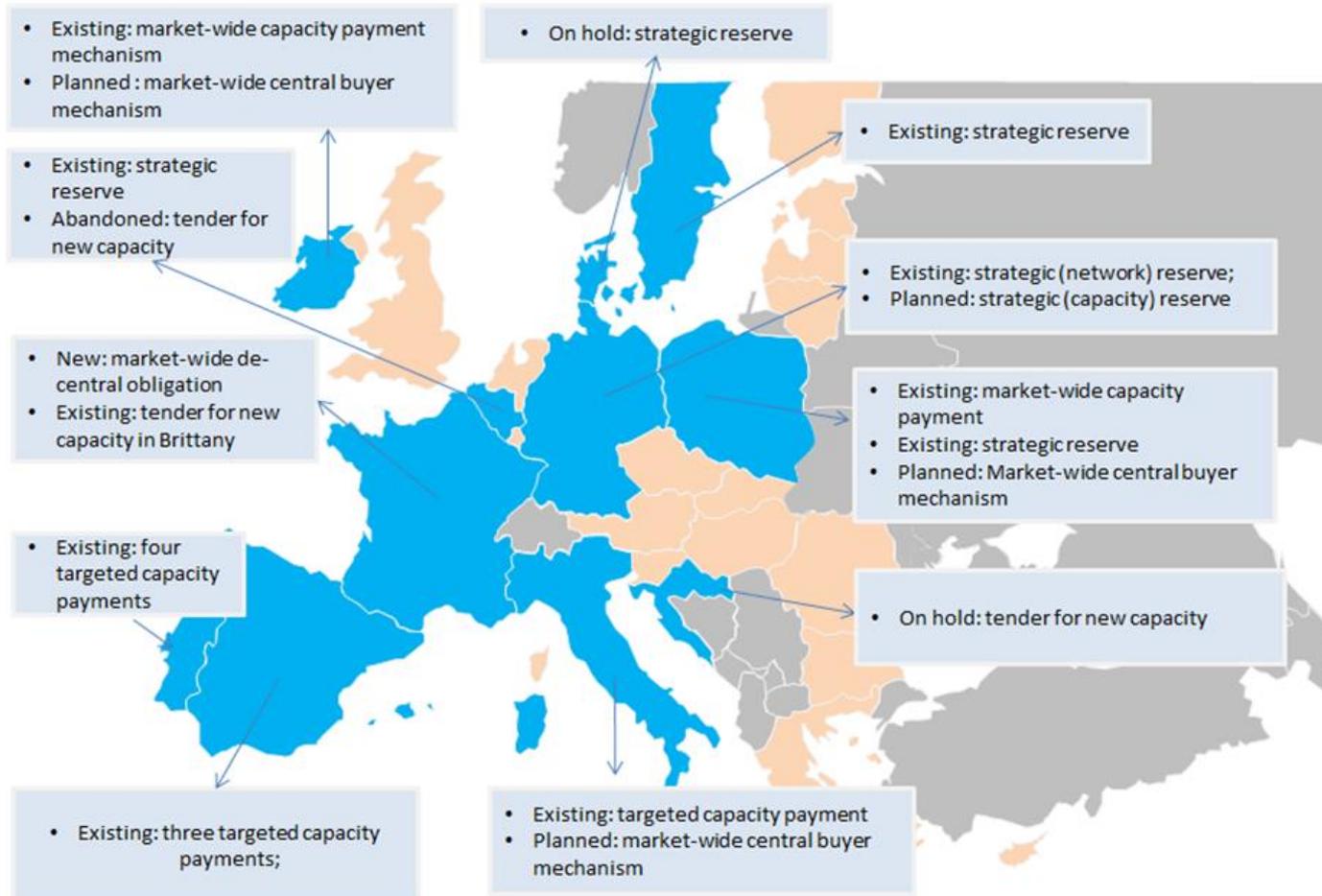
## Decline in support levels with tenders (ex. PV (on the ground) tenders in Germany)



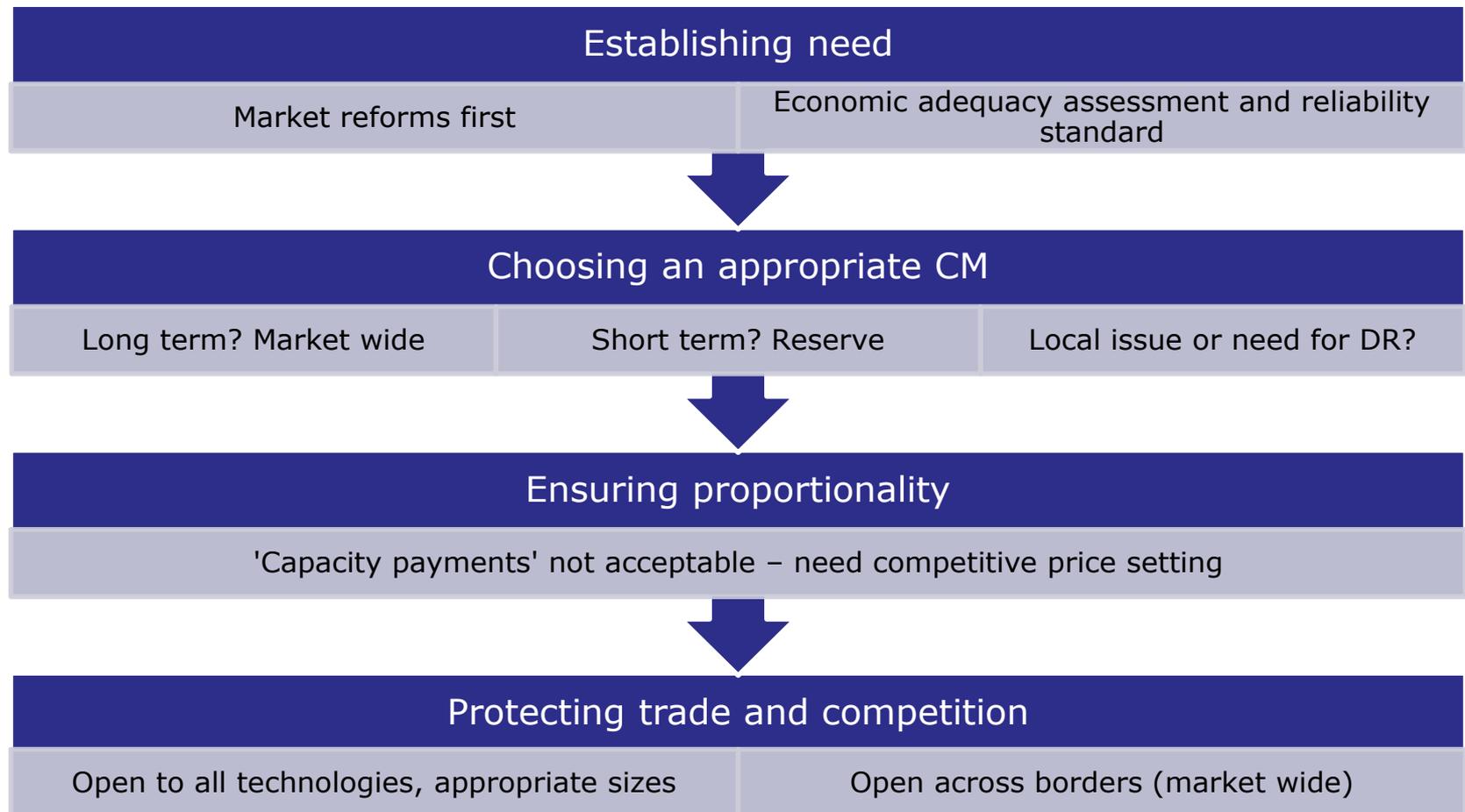


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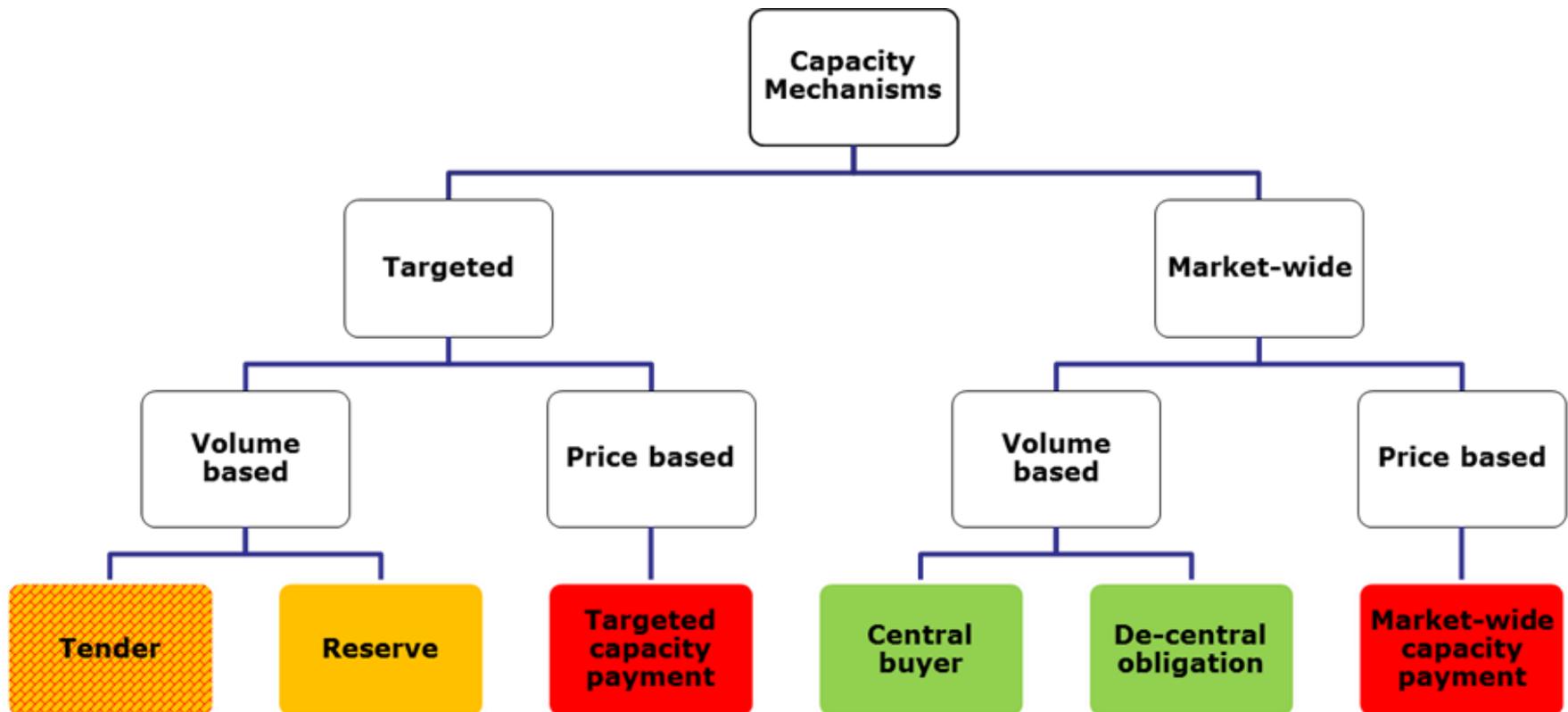
# Ensuring that capacity mechanisms are well-designed and least distortive



# State aid rules ensure minimum market distortions



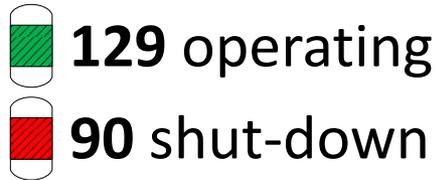
# Enforcement – Capacity mechanisms



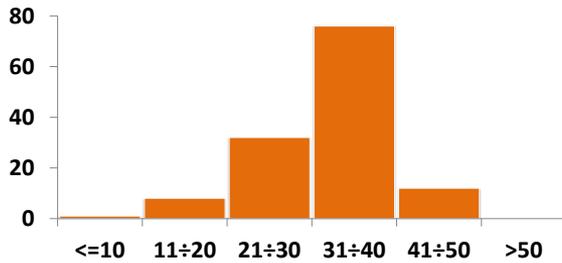
# Creating transparency of all nuclear costs



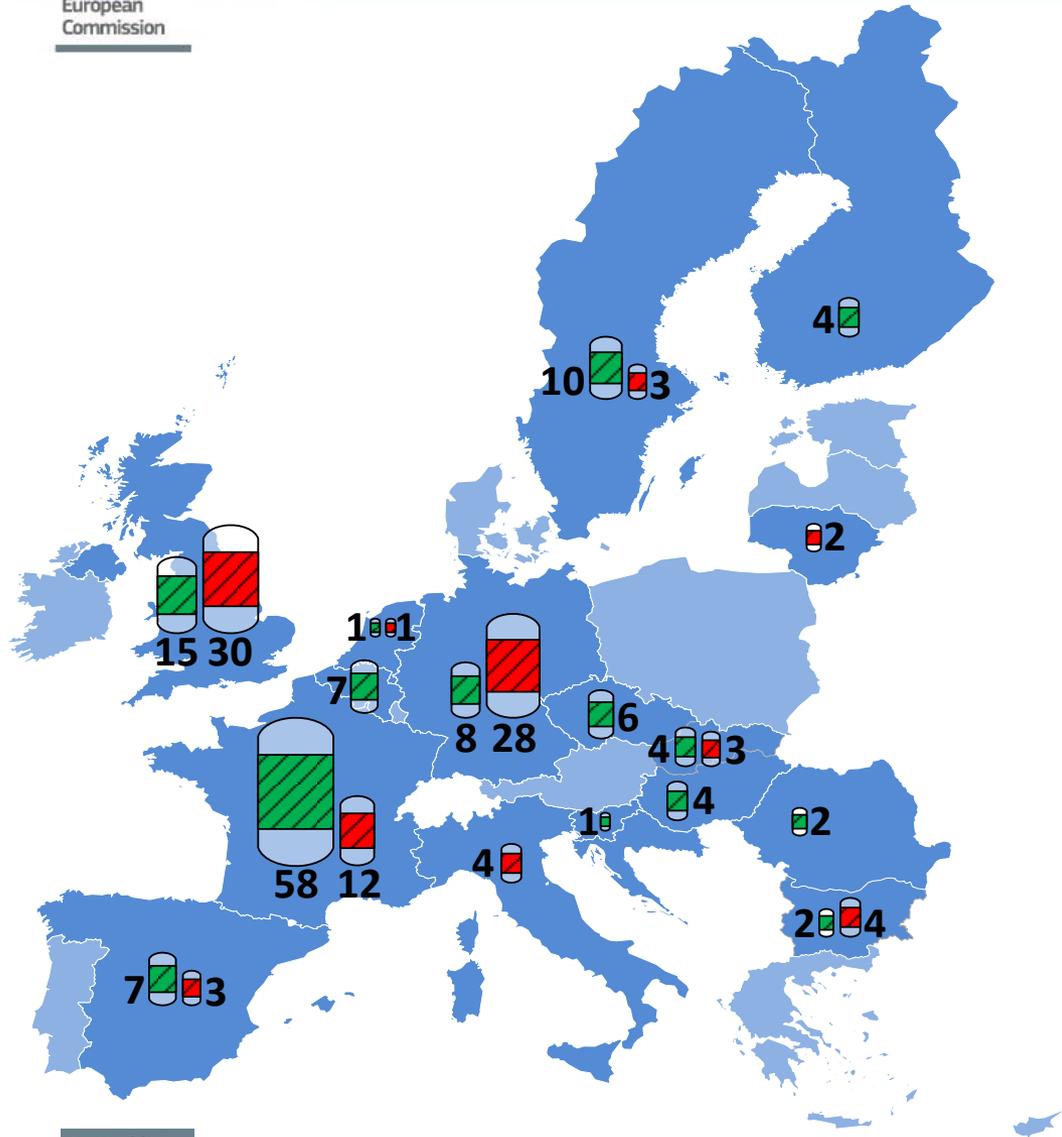
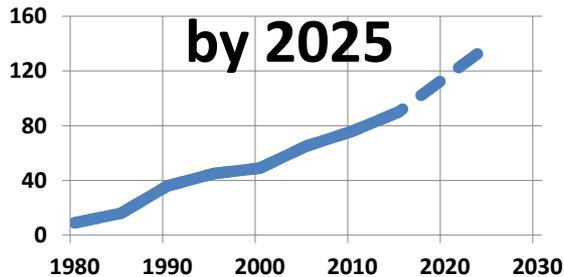
## Reactors



### Avg age 31 y



### +50 shutdown by 2025



# Objective of State aid assessment in nuclear matters

- Addressing the competition impact of the investment
- Ensuring cost transparency and comparison across technologies
- Ensuring internalisation of costs and externalities to the largest extent possible

# Key principles of State aid assessment

## New built

- New built and lifetime extension
- Mitigating the market impact, creating cost transparency
- Hinkley Point C; PAKS II; NPPs in Belgium

## Waste

- Polluter pays principle and adequate remuneration of the risk taken by the State
- German nuclear fund

## Insurance

- Avoiding that State intervention prevents the development of a competitive market for nuclear insurance
- Belgian guarantee scheme

# Conclusion

State Aid as a key tool for managing the energy transition

Significant progress made since the entry into force of the guidelines

Ensure transparency, cost effectiveness and competition for the benefit of consumers