



## State aid: Commission approves progressive application of renewable energy surcharge for certain self-suppliers of electricity in Germany

Brussels, 19 December 2017

**The European Commission has endorsed under EU State aid rules German plans to progressively apply renewable energy surcharges to certain self-suppliers of electricity. The surcharge reform will contribute to lower electricity bills for consumers, in a sustainable way for existing self-suppliers.**

With today's decision, the Commission has endorsed German plans on the exemptions and reductions of the EEG surcharge for all existing self-suppliers of electricity (i.e. having entered into operation before August 2014), new self-suppliers (i.e. having entered into operation as of August 2014) using renewable energy sources and new small self-supply installations. The Commission is in ongoing, constructive contact with the German authorities on the issue of reductions for new cogeneration installations used for the self-supply of electricity and heat, which are not covered by this decision.

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *"It is important that the costs of the energy transition in Germany are distributed fairly between different German electricity consumers. At the same time, where consumers have made investments in good faith to produce their own electricity, the rules should be changed in a way that is sustainable. The reform of the renewable energy surcharge in Germany tries to strike the right balance and we approved it today".*

The German Renewable Energy Act (EEG) provides support for the production of renewable electricity. For many years this support has been financed from a surcharge (the 'EEG-surcharge') imposed on consumers procuring their electricity from the grid. Electricity generated by self-suppliers (for their own consumption) was exempt from this surcharge.

This exemption under German law for self-suppliers of electricity created an artificial 'boom' in self-supply, with many companies switching to self-supply to avoid the EEG-surcharge. This undermined the financial sustainability of public support for renewable energy and threatened the stability of the electricity grid. Therefore, in August 2014, Germany decided to impose the EEG-surcharge also on self-supplied electricity.

The Commission today approved under EU State aid rules the exemptions and reductions of the renewable energy surcharge that Germany will apply as of 2018 to self-suppliers in Germany:

- As regards **existing self-suppliers**, imposing the full EEG-surcharge without a transition period may have threatened the viability of many existing self-suppliers who invested significantly in their own generation equipment in good faith. Therefore, the EEG 2017 provides for a progressive application of the surcharge to existing self-suppliers, so as to allow them to adapt to the new legal framework.

As of 2018, 20% of the EEG-surcharge will be due as soon as an installation is modernised.

100% of the EEG-surcharge will be due when the capacity of the installation is extended.

- As regards **new self-suppliers** (i.e. having entered into operation as of August 2014) using renewable energy sources, the exemptions and reductions were considered not to qualify as State aid as they were in the logic of the German renewable energy surcharge system. Those exemptions and reductions are to be granted to installations that contribute to the objective of the EEG but do not obtain any direct support under the EEG for self-supply.

- As regards **new small self-supply installations** of no more than 10 kW, the exemption was considered as no aid given that it was below the *de minimis* threshold.

As mentioned, the reductions for new cogeneration installations used for the self-supply of electricity and heat (that do not use renewable energy sources and have entered into operation as of August 2014) are not part of provisions approved today by the Commission.

### Background

In 2014 the Commission [approved under EU State aid rules the exemptions for existing self-suppliers](#)

for a transitory period (until 31 December 2017), based on Germany's commitment to examine how the surcharge could progressively be imposed on existing self-suppliers of electricity, also taking into account possible undue hardship.

Similarly, in 2014, the reductions from the EEG-surcharge for new cogeneration installations used for self-supply (that do not use renewable energy sources and have entered into operation as of August 2014) were also approved by the Commission until 31 December 2017, subject explicitly to Germany's commitment to review those reductions by 2018 and demonstrate their necessity and proportionality.

The non-confidential version of the decision will be made available under the case number SA.46526 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](#).

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