

Consultation response

AmCham EU response to the Implementing Regulation for renewable energy – financing mechanism for EU-wide projects

AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and U.S. positions on business matters. Aggregate US investment in Europe totalled more than €3 trillion in 2019, directly supports more than 4.8 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

AmCham EU response to the Implementing Regulation for renewable energy – financing mechanism for EU-wide projects

The American Chamber of Commerce to the European Union (AmCham EU) welcomes the publication of the draft Implementing Regulation from the European Commission.

This centralised mechanism will increase the opportunity for investors to realise renewable projects on a level playing field across the EU and will contribute to cost-efficient decarbonisation. It will have the most added value where it organises flexible, competitive grant award procedures as laid out in Article 15 and whereby projects can be proposed from various host Member States. It is also important that the mechanism will finance projects for the use of renewable energy for heating, cooling and transport.

The mechanism must provide clarity and predictability, to allow for the investment in, and delivery of competitive renewable energy projects (across the EU). While AmCham EU welcomes the approach to accommodate a wide range of projects in as many States as possible, there are some provisions that could be further clarified:

- Open nature of conditions from Member States:** the fully open nature of the conditions and preferences that both host and contributing Member States can set in their expressions of interest (Article 6) risks that a highly inconsistent set of conditions would be applicable to each call for proposals. AmCham EU suggests that the Commission set out a clear list of conditions and modalities for projects and award procedures, to be used by participating Member States, whereby the tender design should respect technology neutrality as a default. Without such an approach the advantage of a centralised mechanism could be undermined by participating Member States.
- Scope of the commitment by host Member States:** it is unclear in the current text whether the ‘irrevocable and unconditional commitment’ by a host Member State to allow an installation located on its territory to benefit from the mechanism, as in Article 7(1), extends to a confirmation that the installation would receive the necessary permits and authorisations for operating there.
- Feasibility of procedures mixing multiple end-uses:** The text of Article 15(1)(e) seems to indicate that award procedures, in which project proposals with multiple end-uses are competitively evaluated, are the default option. It is not clear for AmCham EU members how feasible it would be to make an objective evaluation of proposed projects for differing end-uses.
- Coordination with other Union funding instruments:** The current version of Article 23 remains vague on how the mechanism could combine support with other Union instruments and programmes. Therefore, we would suggest identifying the other relevant Union instruments and programmes and indicate their applicability to the mechanism.
- Combination with national support schemes:** It would seem that the current rule prohibiting mechanism-funded projects to be supported by a national support scheme for ‘the same additional units’ needs to be clarified. This criterion may lead to confusion, eg in respect of mechanism funding for extensions of existing installations benefiting from national support or on whether investment support under the mechanism could be combined with national operation support, and vice versa. It needs to be made clear that installations supported through the mechanism would remain eligible for guarantees of origin. In any event, all grants and loans issued would remain subject to the rules on state aid and competition law (Art 23(1)).
- Lack of clarity on the procedure for repayable and blended support:** It is unclear whether repayable support and support involving blended operations is also subject to a tendering obligation and if so, what the modalities of such tender procedures are.