

Clean Industrial Deal

State Aid Framework
Recommendations

GD4S welcomes the European Commission's efforts to create a technology-neutral Clean Industrial Deal State Aid Framework. However, the organisation highlights several concerns regarding the framework's current limitations, particularly the narrow eligibility criteria and the need for broader support across renewable technologies.

Key Messages

- **Support for Biomethane and Renewable Hydrogen:**
GD4S calls for stronger emphasis on biomethane as a cost-effective, scalable, and immediate solution for industrial decarbonisation, alongside renewable hydrogen. Both are recognised under the Net Zero Industry Act (NZIA) and should receive both CAPEX and OPEX support.
- **Technology Neutrality:**
The draft's focus on RFNBO (Renewable Fuels of Non-Biological Origin) hydrogen risks excluding sustainable alternatives such as biomass-based hydrogen. GD4S advocates for eligibility criteria based solely on verified greenhouse gas (GHG) reduction, not production pathway.
- **Infrastructure and Sector Coupling:**
GD4S stresses the importance of investments connecting renewable gas facilities to the existing gas grid and promoting hybrid heating solutions to enhance flexibility and resilience in the energy system.
- **Carbon Capture, Utilisation, and Storage (CCUS):**
The framework should adopt a broader view, supporting the entire CCUS value chain, in line with the NZIA, not just capture.
- **Industrial Heat Decarbonisation:**
The current prioritisation criteria for industrial decarbonisation unfairly disadvantage renewable and low-carbon gases. GD4S calls for a technology-neutral approach, recognising the critical role of biomethane and renewable hydrogen for hard-to-electrify industries.
- **Permitting and Flexibility:**
Acknowledging the variability of permitting timelines across Member States, GD4S recommends more flexible deadlines and exemptions where delays are beyond the promoter's control.
- **Investment Incentives:**
GD4S supports State Aid for investments that reduce decarbonisation risks and encourages broader inclusion of clean technologies in line with the NZIA.

Conclusion

GD4S urges the Commission to ensure that the final framework fully supports all sustainable pathways to decarbonisation, enabling rapid, cost-effective progress towards climate goals while preserving industrial competitiveness and energy system resilience.

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