



State aid: Commission amends the Temporary Crisis Framework

Brussels, 20 July 2022

Today, the European Commission adopted an amendment to the [State aid Temporary Crisis Framework](#), initially adopted on 23 March 2022 to support the economy in the context of Russia's invasion of Ukraine.

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: "*Russia's unjustified war against Ukraine continues to take its toll, including on the EU economy. The situation is serious and we need to step up our efforts to phase out from the fossil fuels on which we have very much relied upon until now. With today's amendment, we will help accelerate the rollout of renewable energy as well as the decarbonisation of industries, in line with the REPowerEU objectives.*"

The amendment complements the [Winter Preparedness Package](#) also adopted today. In particular, today's amendment extends the Temporary Crisis Framework by providing for the following additional types of aid measures in line with the [REPowerEU Plan](#):

- **Measures accelerating the rollout of renewable energy:** Member States can set up schemes for investments in renewable energy, including renewable hydrogen, biogas and biomethane, storage and renewable heat, including through heat pumps, with simplified tender procedures that can be quickly implemented, while including sufficient safeguards to protect the level playing field. In particular, Member States would be able to devise schemes for a specific technology, requiring support in view of the particular national energy mix; and
- **Measures facilitating the decarbonisation of industrial processes:** to further accelerate the diversification of energy supplies, Member States can support investments to phase out from fossil fuels, in particular through electrification, energy efficiency and the switch to the use of renewable and electricity-based hydrogen which complies with certain conditions. This amendment would enable Member States to either (i) set up new tender based schemes, or (ii) directly support projects, without tenders, with certain limits on the share of public support per investment. Specific top-up bonuses would be foreseen for small and medium sized enterprises as well as for particularly energy efficient solutions.

Under both new sections, Member States need to ensure that the projects are implemented within a specific timeline, to ensure an effective acceleration effect in reaching the REPowerEU objectives. Aid under these sections may be granted until 30 June 2023.

The amended Temporary Crisis Framework also expands on the existing types of support that Member States can give to companies in need. For example, it now enables Member States to grant limited amount of aid to companies affected by the current crisis or by the subsequent sanctions and countersanctions up to the increased amount of 62,000€ and 75,000€ in the agriculture, and fisheries and aquaculture sectors respectively, and up to 500,000€ in all other sectors.

In addition, with the current amendment, the Commission further clarifies the conditions under which Member States may grant aid to cover the recent increase in gas and electricity costs for companies. Among others, the amended Temporary Crisis Framework specifies that the aid may cover only up to 70% of the beneficiary's gas and electricity consumption during the same period of the previous year.

Today's amendment also complements the Winter Preparedness Package by signalling that the following types of aid will be possible on a case-by-case basis, subject to conditions: (i) support for companies affected by mandatory or voluntary gas curtailment, (ii) support for the filling of gas storages, (iii) transitory and time-limited support for fuel switching to more polluting fossil fuels subject to energy efficiency efforts and to avoiding lock-in effects, and (iv) support the provision of insurance or reinsurance to companies transporting goods to and from Ukraine.

Background

On [23 March 2022](#), the Commission adopted the State aid Temporary Crisis Framework to enable

Member States to use the flexibility foreseen under State aid rules to support the economy in the context of Russia's invasion of Ukraine.

Sanctioned Russian-controlled entities will be excluded from the scope of these measures. The Temporary Crisis Framework will be in place until 31 December 2022 for the liquidity support measures and measures covering increased energy costs. Aid supporting the roll-out of renewable and the decarbonisation of the industry may be granted until end June 2023. With a view to ensuring legal certainty, the Commission will assess at a later stage the need for an extension.

More information on the Temporary Crisis Framework and other actions taken by the Commission to address the economic impact of Russia's invasion of Ukraine can be found [here](#).

More information on REPowerEU can be found [here](#) on the Winter Preparedness Package can be found [here](#).

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