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Energigas Sverige (Swedish Gas Association) answer on public consultation on the draft for a new General Block Exemption Regulation

Energigas Sverige (The Swedish Gas Association), the trade and business organisation for energy gases in Sweden, has taken part in the above proposal. We thank you for the opportunity to contribute comments and hereby present our opinion.

The Swedish Gas Association underlines the importance of the amendments to the GBER already implemented in recent years with the aim of reducing the administrative burden, accelerating the climate transition and strengthening Europe's competitiveness. Against this background, The Swedish Gas Association wishes to put forward the following comments.

General comments

Renewable and low-carbon gases play a strategic role in Europe's climate, security and competitiveness

Renewable and low-carbon gases – including biomethane, bio-LPG, bio-DME, RFNBOs and RCFs – are essential to delivering on the EU's climate objectives while simultaneously strengthening energy security and industrial competitiveness, in line with REPowerEU.

Biomethane, in particular, offers solutions to several structural challenges facing the European Union: climate mitigation, soil health, water protection, and air quality. By turning waste streams into valuable resources, it supports the circular economy and reduces methane emissions across sectors. Scientific evidence shows that biomethane contributes, directly or indirectly, to all 17 UN Sustainable Development Goals. While many technologies address individual challenges, biomethane delivers across multiple policy objectives simultaneously. This systemic value makes it a particularly cost-effective and strategic asset for Europe's green transition, while also reducing dependence on imported fossil fuels.

Bio-LPG and emerging renewable gaseous fuels provide immediate and scalable solutions for decarbonising energy use where electrification is not readily feasible. Bio-LPG is already available and can significantly reduce greenhouse gas emissions by up to 80% compared to conventional LPG, while also lowering air pollutant emissions in both rural and urban areas. Its role is particularly important for off-grid households, SMEs and industrial users across Europe.

In the current geopolitical context, accelerating the deployment of renewable and low-carbon gases within the EU is not only a climate imperative but a strategic necessity. As highlighted in REPowerEU, scaling up domestic production of renewable gases, including hydrogen and RFNBO, is key to reducing reliance on energy imports from third countries and increasing the resilience of the European energy system. At the same time, it strengthens Europe's industrial base by enabling decarbonisation of hard-to-abate sectors while preserving competitiveness. However, achieving

this requires a supportive regulatory framework that enables early investments and market creation across the Union.

EU state aid rules must therefore allow Member States to effectively support the scale-up of renewable and low-carbon gas production and infrastructure, ensuring that Europe remains at the forefront of clean energy innovation and industrial transformation.

It is of utmost importance that mass balance is accepted

As the production, distribution and use of renewable and low-carbon gases must scale up rapidly to meet the EU's climate objectives, strengthen energy security and enhance industrial competitiveness, the acceptance of mass balance across all relevant regulatory frameworks is essential. Ensuring robust and harmonised traceability and mass balance systems across production and distribution chains, including for blended fuels, is critical to enabling functioning internal markets and providing long-term investment certainty.

Renewable, low-carbon or fossil gases uses the same infrastructure and distribution network - on grid or off grid, in gaseous form or liquid form. The possibility for co-distribution of fossil, low-carbon and renewable gases and allocation based on purchase agreements and proof of sustainability via a mass balance system is crucial for an effective gas market and for the transition of the user sectors to fossil free energy.

A fast and cost-effective transition from fossil fuel to biomethane, bio-LPG, bio-DME, gaseous RFNBO or RCF, as well as low-carbon gases, is crucial for reaching climate goals, while also strengthening security of supply, enhancing geopolitical resilience, and supporting European competitiveness. For this to happen it is of utmost importance that effective marked-based mass balancing rules is applied in all relevant legislations, including the state aid legislation such as the GBER. When assessing whether aid (investment aid, operating aid, or tax exemption) may be granted for promoting energy from renewable sources or renewable hydrogen, or for related energy infrastructure, it should be accepted that the fuel or energy carrier is deemed renewable under the RED mass balance principle, even where the fuel is a mixture of fossil and renewable components. This is important, for example, with regard to Articles 51, 52 and 53.

Detailed comments

Article 2 Definitions

Article 2

The Swedish Gas Association considers that the list of definitions should be complemented with a definition of low-carbon hydrogen, low-carbon gas and low-carbon fuels. All three definitions should refer to the definition in Directive (EU) 2024/1788 of the European Parliament and of the Council of 13 June 2024 on common rules for the internal markets for renewable gas, natural gas and hydrogen, amending Directive (EU) 2023/1791 and repealing Directive 2009/73/EC.

Article 2 point 141

In article 2, point 141 'energy infrastructure' is defined. The Swedish Gas Association considers it essential that energy infrastructure for gas (natural gas, biogas including biomethane or renewable gas of non-biological origin) should not be confined exclusively to pipelines for the distribution and transmission of gas. In Sweden, as well as in other Member States lacking a fully developed gas grid throughout their territory, gas is to a significant extent distributed in liquefied or in gaseous form via infrastructure other than gas networks, such as trucks, ships or container-based solutions. Such infrastructure should likewise be encompassed by the definition. Alternatively, the off grid gas infrastructure could be covered by a separate definition of gas infrastructure outside the gas network.

In Article 2, point 141, “energy infrastructure”, under point (b) gas, the scope of the definition has become less clear. It is not evident whether it refers solely to renewable gas of non-biological origin consisting of methane, or whether all renewable gases of non-biological origin are intended to be included. In the currently applicable GBER, Article 2, point 130 (b) defines gas as “natural gas, biogas – including biomethane – and/or renewable gas of non-biological origin”. Energigas Sweden considers this formulation to be clearer and more legally certain than the wording proposed in the current draft (“natural gas, biogas including biomethane or renewable gas of non-biological origin”). A clarification or alignment with the existing definition would therefore be welcome.

Article 2, point 141, point (b) gas, sub-point (iv) should, in line with Article 2, point 141, point (c) hydrogen, sub-point (iv), include the following wording:
“any equipment or installation essential for the system to operate safely, securely and efficiently or to enable bi-directional capacity, including compressor stations and dedicated mobile assets for the transport and storage of gas, provided that such mobile assets are used exclusively for the transport of biogas, including biomethane, or renewable fuels of non-biological origin.”

Article 51 Investment aid for climate protection

Article 51 point 3b
We have concerns regarding the interpretation of Article 51(3)(b) in the GBER, which excludes “*aid for investments in equipment, machinery and industrial production facilities using fossil fuels including natural gas, including when fossil fuels are used in combination with other energy sources*”.

As currently drafted, this provision creates a risk that it may be interpreted in a manner that excludes investment aid for machinery intended to operate on renewable gases, such as renewable biomethane. Many types of machinery that are technically capable of operating on renewable biomethane can also operate on fossil natural gas. In the absence of a clearer distinction, there is therefore a risk that such machinery could be considered ineligible for support, even where the investment is intended to enable the use of renewable gases.

The same concern applies to other renewable gases and energy carriers, including other biogases than biomethane, such as biopropane, as well as renewable hydrogen, since equipment capable of using these energy carriers may also be technically compatible with their fossil-based counterparts. Without clarification, there is a risk that investments aimed at enabling the use of renewable gases and fuels could unintentionally fall within the scope of the exclusion.

We would welcome a clarification that the exclusion applies specifically to fossil fuels and does not prevent support for equipment designed to operate on renewable gases such as biomethane, other biogases or renewable hydrogen. In practice, it will often be necessary during a transition period for renewable, low-carbon and fossil gases – such as biomethane and natural gas, or renewable hydrogen and low-carbon or fossil hydrogen – to be used in combination in the same equipment, allowing the share of renewable gas to increase gradually over time. A more nuanced formulation would therefore be important to ensure that the provision does not unintentionally hinder or delay the uptake of renewable gases and the progressive decarbonisation of machinery and other equipment.

As an alternative approach, consideration could be given to aligning the provision with the approach used in Article 53 on refuelling infrastructure. In particular, support could be made conditional on a commitment by the beneficiary that, by a specified date, the equipment will operate exclusively on renewable or low-carbon gases. It is also very important that mass balance is

accepted; see further under “General comments” at the beginning of this response to the consultation.

In this context, a transition period until 2040 would be appropriate. This would be consistent with the EU’s broader climate policy framework, including the trajectory towards climate neutrality by 2050 and the role of intermediate milestones under the EU Climate Law. It would also better reflect the timelines for the development of infrastructure, market availability and cost competitiveness of renewable gases under instruments such as the EU ETS, as well as typical investment cycles for industrial equipment.

Allowing such a transition period would provide regulatory certainty while enabling a gradual shift from fossil to renewable gases, without discouraging early investments in compatible equipment.

We note that, where aid is granted for investments involving hydrogen, the provision limits eligibility to fuels qualifying as RFNBOs or as low-carbon fuels. Hydrogen produced from biomass (biogenic hydrogen) does not fall within either of these categories as currently defined. This is despite the fact that such hydrogen can deliver significant greenhouse gas emission reductions, including in some cases very low or even negative lifecycle emissions. As a result, there is a risk that investments in the production, transport, storage or use of biogenic hydrogen would not be eligible for support under this Article, even where they contribute effectively to climate objectives and meet the requirement of increasing the level of climate protection. We therefore recommend that hydrogen produced from biomass, where it complies with the sustainability and greenhouse gas emission saving criteria set out in Directive (EU) 2018/2001, is explicitly included as eligible for support under this provision.

Such an inclusion would ensure a technology-neutral approach and avoid unintended exclusions of solutions that can contribute to cost-effective decarbonisation.

Article 52 Investment aid for the prevention or reduction of pollution and for actions for climate resilience

With regard to the exclusion of “aid for investments in equipment, machinery and industrial production facilities using fossil fuels including natural gas, including when fossil fuels are used in combination with other energy sources”, we refer to our comments under Article 51. The same considerations apply in this context, in particular as regards the risk of unintentionally excluding investments in equipment intended to operate on renewable gases or enabling a gradual transition from fossil to renewable energy sources. It is also very important that mass balance is accepted; see further under “General comments” at the beginning of this response to the consultation.

Article 53 Investment aid for recharging or refuelling infrastructure

Article 53 point 3

Article 53 point (3) limits support for refuelling infrastructure to electricity and hydrogen stating that “This Article shall only cover aid granted for fixed or mobile recharging or refuelling infrastructure that supplies vehicles, mobile terminal equipment or mobile groundhandling equipment with electricity or hydrogen”.

This excludes bio-CNG and bio-LNG stations, despite their ability to deliver immediate and significant GHG reductions. By maintaining such a narrow scope, the GBER fails to reflect today’s technological landscape and the market readiness of biomethane refuelling.

Biomethane is a scalable, cost-effective and readily available solution for road transport. It provides significant climate benefits. It also improves energy security and resilience, while increasing the use of domestic renewable resources in the EU.

Biomethane is also an excellent complement to electrification, particularly in segments where electrification is difficult, costly, or not technically feasible, for example in some heavy-duty, long-distance road transport. Gas filling stations can also be fuelled with RFNBO-classified e-methane

If these benefits are not recognised, there is a risk that emission reductions in the near term will be slower. It would also weaken a diversified and resilient pathway for decarbonising the road transport sector. Therefore, article 53 should explicitly include bio-CNG and bio-LNG refuelling infrastructure among the eligible technologies.

Article 53 point 9 b

The Swedish Gas Association considers it positive that the eligible costs include the investment costs for on-site production of renewable hydrogen and the investment costs of storage units for hydrogen. However, Article 53(9)(b) specifies that the nominal production capacity of the on-site renewable hydrogen production installation must not exceed the maximum rated output or refuelling capacity of the recharging or refuelling infrastructure to which it is connected.

The Swedish Gas Association considers that Article 53(9)(b) should be amended so that aid can be granted to the production facility in proportion to the maximum recharging or refuelling capacity of the connected infrastructure, rather than being limited by a strict capacity cap.

This would mean, for example, that a 10 MW wind turbine directly connected to a 1 MW recharging or refuelling station could still be eligible for support, but only for a share of the eligible investment costs corresponding to the capacity used by the station. In this example, the support would therefore be limited to 10% of the eligible costs of the production facility.

Article 54 Investment aid for the acquisition of clean vehicles or zero-emission vehicles and for the retrofitting of vehicles

The provisions currently set out in Article 36b are moved to Article 54, including the relevant definitions which are now incorporated directly in that Article.

In its current form, Article 36b excludes hydrogen-powered internal combustion engine (ICE) road vehicles from eligibility for aid as zero-emission vehicles. This is due to a definition of “zero-emission vehicle” that does not adequately recognise such vehicles, despite their ability to meet the CO_2 performance thresholds established in EU legislation. As a result, they are placed at a disadvantage compared to other zero-emission technologies, even though they are recognised under the EU’s CO_2 standards as part of the decarbonisation pathway for road transport.

The proposed changes in Article 54 resolve this inconsistency and represent an important step towards a more technology-neutral framework, by ensuring that hydrogen-fuelled ICE road vehicles are appropriately included alongside fuel cell vehicles. We welcome and support this amendment.

However, we note with concern that a closely related issue remains unaddressed.

Article 54 continues to exclude road vehicles powered by bio-CNG and bio-LNG from eligibility for aid, due to a restrictive definition of “clean vehicles” that does not recognise gas-fuelled road vehicles certified to operate on sustainable biomethane. As a result, such vehicles remain disadvantaged despite their demonstrated greenhouse gas emission reduction potential.

Biomethane is a scalable, cost-effective and immediately deployable solution for road transport that not only delivers substantial climate benefits, but also strengthens energy security, resilience and the use of domestic renewable resources within the EU. Failing to recognise these benefits risks slowing down near-term emission reductions and undermining a diversified and robust decarbonisation pathway for the road transport sector. Gas filling stations can also be fuelled with RFNBO-classified e-methane

To ensure coherence, effectiveness and genuine technology neutrality, the definition of “clean vehicles” in Article 54 should be revised to explicitly include road vehicles capable of operating on bio-CNG and bio-LNG.

Article 58 Investment aid for the promotion of energy from renewable sources and high-efficiency cogeneration

We note that Article 58 excludes “the production of electricity from renewable fuels of non-biological origin” from its scope. We consider that this exclusion should be removed.

The exclusion risks preventing investment aid for technologies that convert renewable fuels of non-biological origin, in particular renewable hydrogen, into electricity. This includes, for example, fuel cells and hydrogen-fired gas turbines, which can play an important role in a decarbonised and flexible energy system. Such technologies are essential to enable the efficient use of renewable electricity, especially in energy systems with a high share of variable renewable generation such as wind and solar. In these systems, periods of surplus electricity occur regularly. Converting this surplus electricity into renewable hydrogen and subsequently back into electricity when needed allows energy to be stored over time and used to support security of supply and system stability.

Without the possibility to support such investments, there is a risk that surplus renewable electricity will be curtailed, leading to an inefficient use of resources and undermining the business case for further investments in renewable generation. This would run counter to the objectives of the EU’s climate and energy policy, including the transition towards climate neutrality by 2050 and the need for an increasingly integrated and flexible energy system.

Furthermore, a narrow focus on conversion efficiency does not reflect the overall system benefits. In situations where electricity would otherwise not be used, the relevant comparison is not alternative consumption, but whether the energy is utilised or lost. In addition, waste heat from electrolysis and electricity generation can often be recovered and used in district heating or industrial processes, improving overall system efficiency. Allowing investment aid for the production of electricity from renewable fuels of non-biological origin would therefore support cost-effective decarbonisation, enhance system flexibility and contribute to security of supply.

For these reasons, we recommend deleting the exclusion of “the production of electricity from renewable fuels of non-biological origin” from Article 58.

Article 59 Direct price support for the production of electricity from renewable sources

We note that Article 59 on direct price support for the production of electricity from renewable sources forms, together with Article 58 on investment aid, a key part of the framework for supporting renewable electricity under the GBER. It is therefore important that the scope of Article 59 is aligned with Article 58 and supports a broad range of technologies contributing to a flexible and decarbonised energy system.

Electricity generated from renewable gases, including biogas and biomethane, is considered to fall within the scope of “electricity from renewable sources” and is therefore covered by Article 59. This is due to their classification as renewable energy sources within the EU legal framework. We welcome that such electricity is included, as renewable gases can contribute to dispatchable and flexible electricity generation, which is essential in systems with a high share of variable renewable energy.

By contrast, electricity generated from renewable fuels of non-biological origin, in particular renewable hydrogen, is not explicitly addressed in the current wording of Article 59. While renewable hydrogen is a key component of the EU’s decarbonisation strategy, it is treated as a separate category in the EU legal framework and therefore requires explicit reference to ensure legal certainty and clear eligibility. Note that biogas/biomethane CHP also may be fuelled with RFNBO-classified e-methane, which should not be excluded

Renewable hydrogen can play a key role in enabling energy storage and system flexibility, by allowing surplus renewable electricity to be converted, stored and reconverted into electricity when needed. This can reduce curtailment, improve system efficiency and strengthen security of supply.

We therefore recommend clarifying that electricity generated from renewable fuels of non-biological origin, including renewable hydrogen, is eligible for support under Article 59.

Article 60 Aid for the production of renewable energy other than electricity

In article 60 it is stipulated that “This Article shall not apply to aid which exceeds EUR 30 million per undertaking per project”. The Swedish Gas Association consider that the ceiling of “…*EUR 30 million per undertaking per project…”* should be deleted or increased. There is an urgent need to quickly and massively scale-up renewable gas production, such as biomethane and hydrogen. Until key user sectors such as industry, maritime and heavy transport are able to pay the production cost for renewable gas (when demand stimulating policies are sufficient) support will be needed to fill the funding gap. Most biomethane and other renewable gas production plants are per definition rather small projects, below the former plant size cap of 50 000 tonnes per year. However, with a ceiling of EUR 30 million cumulative support a normal sized biomethane plant of 100-200 GWh/year may only receive support for a couple of years. That substantially reduces the willingness to invest in new production, an unnecessary barrier which counter-act the aim of the GBER and general EU policy to speed up renewable gas production. The Swedish Gas Association suggests that the ceiling is removed and, if needed, replaced by a plant size cap of 50 000 tonnes or 650 GWh per year. Alternatively, the ceiling should be doubled to EUR 60 million.

The renewable sector is facing significantly increased capital and operating costs as a result of geopolitical instability, supply chain disruptions and higher prices for key inputs such as energy, construction materials and financing. For example, both the construction and operating of a biomethane plant has become considerably more expensive in recent years, while revenue streams have not increased at a corresponding pace. In this context, the current ceiling risks becoming increasingly misaligned with actual support needs. At a minimum, the ceiling should be regularly adjusted to reflect inflation and cost developments.

If support is granted by a competitive bidding process no cap or ceiling should be applied.

In addition, the Swedish Gas Association notes that the wording of Article 60 (“Aid for the production of energy from renewable sources other than electricity”) may give rise to different interpretations, creating legal uncertainty as to the scope of the provision.

On the one hand, the provision can be understood as allowing aid for the production of energy from renewable sources, provided that the energy produced is not electricity. Under such an

interpretation, renewable hydrogen produced from renewable electricity would be considered eligible, as hydrogen is an energy carrier and not electricity.

On the other hand, the wording may also be interpreted as limiting the scope to energy from renewable sources other than electricity, meaning that only energy carriers that are not electricity and are not derived from electricity are eligible for support. As renewable hydrogen and other renewable fuels of non-biological origin are produced from electricity, this interpretation would imply that renewable hydrogen falls outside the scope of Article 60. This would create a regulatory gap, where support for the production of renewable hydrogen is not clearly available under the GBER framework.

This ambiguity is particularly problematic from a legal certainty perspective, as it creates uncertainty regarding the eligibility of renewable hydrogen projects and may lead to divergent interpretations and application across Member States. Such lack of clarity risks delaying or preventing investment decisions, thereby undermining the predictability and effectiveness of the State aid framework.

This issue is of particular relevance given the role of renewable hydrogen as a key enabler of the EU's climate and energy objectives. Renewable hydrogen and its derivatives contributes to system flexibility, facilitates the integration of variable renewable energy sources, and supports the decarbonisation of hard-to-abate sectors such as industry, maritime transport and heavy-duty transport.

In light of the currently high production costs and the lack of full cost-competitiveness compared to fossil-based alternatives, operating aid for the production of renewable hydrogen remains necessary to bridge the cost gap and to enable the scale-up of production capacity. Without such support, investment decisions are likely to be delayed, slowing down the deployment of renewable hydrogen and weakening the overall effectiveness of the EU's decarbonisation strategy.

The Swedish Gas Association therefore considers that Article 60 should be clarified to explicitly ensure that the production of renewable hydrogen from renewable electricity is eligible for support as well as other RFNBO-classified e-fuels. This would enhance legal certainty, ensure a coherent and technology-neutral framework, and avoid an unintended regulatory gap within the GBER.

If necessary, such support could be subject to appropriate safeguards, for example in the form of a plant size cap, provided that such a cap is set at a level that allows for meaningful scale-up and reflects the investment characteristics of hydrogen production.

Enabling support for renewable hydrogen production under Article 60 would ensure consistency within the GBER, improve legal clarity, and support the accelerated deployment of renewable gases in line with the EU's climate and energy objectives.

Article 61 Aid in the form of reductions in taxes under Directive 2003/96/EC

Tax reductions granted on the basis of Article 16(1) of Directive 2003/96/EC (ETD) are exempted from the notification requirement of Article 108(3) of the Treaty as long as the aided fuels are compliant with the sustainability and greenhouse gases emissions saving criteria of Directive (EU) 2018/2001 and its implementing or delegated acts, and are made from the feedstock listed in Annex IX to that Directive. This possibility was introduced in the GBER through Commission regulation (EU) 2023/1315 of 23 June 2023[1].

[1] COMMISSION REGULATION (EU) 2023/1315 of 23 June 2023 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty and Regulation (EU) 2022/2473 declaring certain categories of

The Swedish Gas Association notes that the possibility to fully exempt fuels listed in Article 16(1) of the ETD from taxation (irrespective of the minimum tax levels established in the same directive) is important to provide these fuels with the necessary support to ensure a level playing field with fossil fuels. Notifying aid under the GBER, rather than seeking approval under the State aid guidelines, allows for a more efficient process, reduces administrative burdens for both enterprises and authorities, and enhances predictability and long-term planning. In this context, this possibility is fully consistent with the objectives of the current GBER review and should be preserved in the revision.

Article 66 Aid for energy infrastructure

Under Article 66, point (3)(c), the acceptance of a mass balance approach is necessary in order to demonstrate that the investment concerns gas infrastructure intended to be used for the distribution of more than 50% renewable gas. Renewable, low-carbon and fossil gases use the same infrastructure and distribution network. The possibility for co-distribution of fossil, low-carbon and renewable gases, combined with allocation based on purchase agreements and proof of sustainability through a mass balance system, is crucial for a well-functioning gas market and for enabling the transition of end-use sectors towards fossil-free energy. This should clearly be stated in the Article.

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aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty