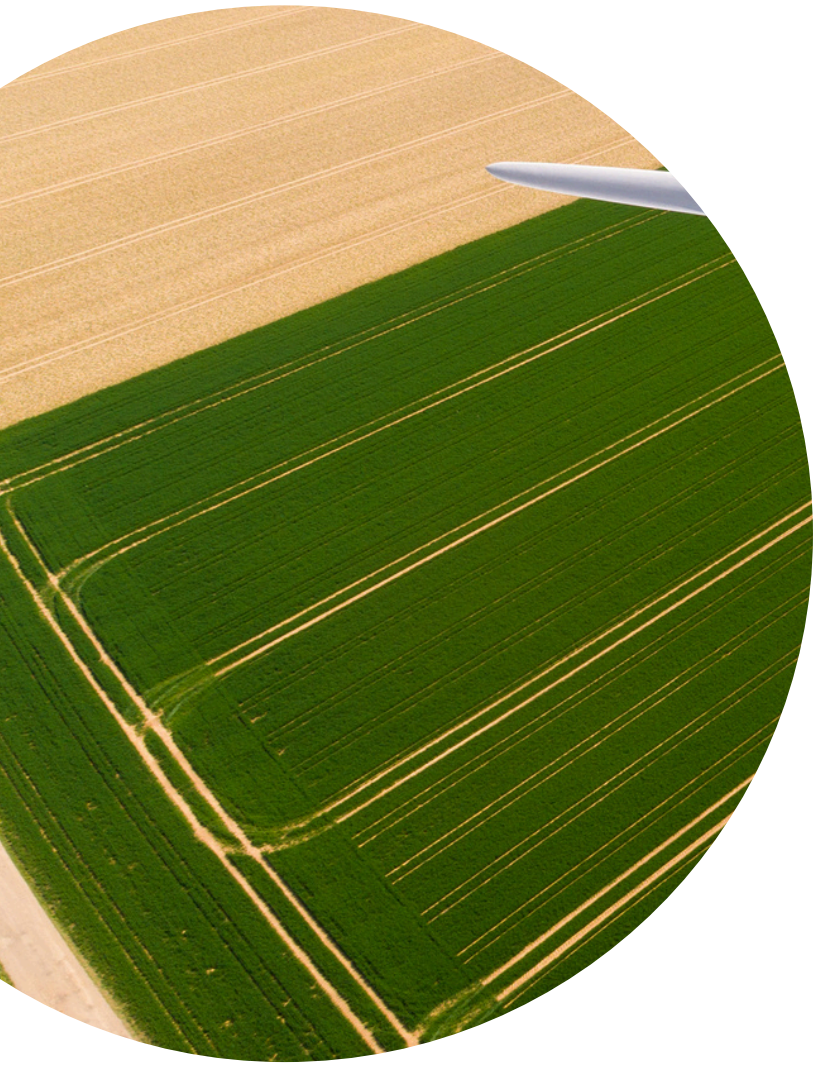
European Association for Storage of Energy

EASE Position Paper and Suggested Amendments to the **Clean Industrial State Aid Framework**

Brussels, May 2025



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1. Introduction

The European Association for Storage of Energy (EASE) welcomes the Draft Clean Industrial Deal State Aid Framework (CISAF) and its efforts to align EU State aid rules with the objectives of the Clean Industrial Deal towards a decarbonised and competitive industry in Europe.

In this context, energy storage is essential for renewable energy integration and to provide decarbonisation solutions to energy-intensive industries.

2. The Crucial Role of Storage for Renewable Energy Integration

The Joint Research Centre of the European Commission estimates that the growing share of intermittent renewable energy will lead to flexibility requirements to more than double by 2030 and grow 7 times by 2050. In this context, different energy storage technologies contribute in distinct ways to system flexibility, resilience, and decarbonisation, depending on their characteristics such as response time, storage duration, material availability, and suitability for different applications.

Accordingly, it is important that the full range energy storage solutions (from batteries to pump hydro storage, thermal energy storage and beyond) be covered in a harmonised way throughout this new State aid framework. It should equally cover emerging technologies that will be crucial to reach carbon-neutrality (e.g. thermal storage, long duration energy storage, etc.) yet sometimes still under market maturity threshold and may need specific support. To provide clarity and long-term visibility to the projects, it is also essential that CISAF delivers streamlined rules without unnecessary complexity, leaving no ambiguity as whether a well-dimensioned public support to storage projects – crucial for the energy transition – is compatible with the internal market.

3. Energy Storage for Industry Decarbonisation

Energy storage plays a vital role in supporting the transition of sectors that are particularly fossil fuels dependent or are hard to decarbonise. It already provides solutions for industries to fully integrate renewable energy on-site, recover and reuse heat, and optimise their energy cost and consumption. Accordingly, EASE stresses the particular importance of supporting energy storage for the decarbonisation of energy-intensive industries.

However, in case of a sudden drop in gas prices, the first movers with an electrified system may find themselves in a competitive disadvantage with peer industries that have not switched to decarbonised solutions. This competition risk is not anecdotical for energy-intensive

industries where heat usually represents a significant share of their production cost. It may thus represent a major deterrent for industries that are looking to decarbonise their processes.

With this in mind, EASE urges the Commission to consider two-way carbon contracts for difference (CCfDs). Examples of two-ways CCfDs as a key tool to support first-movers while maintaining safeguards for competition already exist in Europe, such as the 'Climate Protection Contracts' in Germany which have been approved by the European Commission in March 2025. The clear coverage of this instrument in CISAF would provide the right signal to other Member States that could replicate this example and successfully address an obstacle to industry decarbonisation.

4. A Wide Umbrella of Technologies to Support on the Entire Value Chain

EASE also calls on the Commission to strengthen and clarify support for energy storage across the full energy storage value chain (from upstream R&D, manufacturing, deployment and operation, to end-of-life processing) and to support energy storage across all configurations and use-cases, beyond sole energy shifting. Energy storage is often exclusively associated with energy shifting (e.g. storing electricity at low-demand times and discharging it later), however, many value streams are critical to system performance and deserve recognition in aid frameworks (grid frequency regulation, congestion management, etc.) while ensuring that energy storage can access multiple revenue streams.

We would like also to highlight that energy storage is not covered under the resiliency auctions under article 26 of the Net-Zero Industrial Act. This means that unlike for solar and wind technology, no specific auction exists in Europe that would foster resiliency elements within Europe's energy storage supply chain. This is in conflict with previous communicated objectives of the European Commission to diversify European cleantech supply chains and foster EU-based manufacturing of clean tech such as energy storage technologies.

Therefore, we ask the European Commission to ensure the final version of CISAF serves as a part of a holistic policy framework to reduce European supply chain dependency and foster EU manufacturing. In addition, we invite the Commission to consider at least temporary OPEX support to counteract artificially low prices from subsidised non-EU competitors, to would ensure fair competition and stimulating EU investments.

5. Implementing the *Acquis Communautaire* to Preserve the Internal Market for Energy Storage Systems

Finally, EASE would like to remind the Commission of the importance of preserving the Single Market for energy storage systems. It is especially relevant for battery energy storage systems (BESS) that are mass-produced, using standardised processes and machinery for pre-defined, standardised product designs, to achieve economies of scale. Point (15) of the draft Guidelines encourages Member States to include additional national conditions when designing state aid measures. To preserve the Single Market, Member States should be invited to align these conditions with the applicable harmonised requirements provided by the EU acquis communautaire such as the Battery Regulation (Regulation (EU) 2023/1542) and its implementing acts (industrial battery performance and durability minimum requirements e.g.), or other relevant EU-harmonised criteria, such as those currently developed under the Net Zero Industry Act (Regulation (EU) 2024/1735), in the NZIA Non-Price Criteria Implementing Regulation.

Overall, the draft CISAF in a step in the right direction but requires targeted improvements, and we invite the European Commission to consider the amendments below for the framework to fully reach its ambitions.

Annexes: List of suggested amendments to CISAF

1. Introduction

Point (3) NEW	*CISAF point (3) (NEW) – suggested change in **bold**:* **"In this effort to strengthen the European industry, the Clean Industrial Deal State Aid Framework will adopt a technology-neutral approach towards clean technologies that can help address its objectives, whether renewable energy or flexibility solutions such as demand-response and energy storage.** **The framework should cover these cleantech solutions across their full value chain (from upstream R&D, manufacturing, deployment and operation, to end-of-life processing) and allow support across all configurations and use-cases, which for energy storage is not limited to energy shifting but also flexibility services."** **EASE position & justification:** Insisting on technology neutrality across renewable energy and flexibility solutions is crucial to achieving decarbonisation and competitiveness based on performance and efficiency, while also sending a clear signal to investors that energy storage is supported as a distinct valuable technology. Energy storage is often exclusively associated with energy shifting, however many value streams are critical to system performance and deserve clear recognition in this framework.

Section 4: Aid to accelerate the rollout of renewable energy

Point (33)	*CISAF point (33) – suggested change in **bold**:* "In addition to the aid measures described in point (32), the Commission will consider compatible with the internal market on the basis of Article 107(3), point (c), of the Treaty, investment aid measures to **support energy storage, including both** electricity storage and thermal storage, provided they comply with this section, together with section 3."

	EASE position & justification: EASE welcomes the explicit coverage of electricity & thermal energy storage but calls for a harmonised definition of energy storage throughout CISAF.
Point (34)	*CISAF point (34) – suggested change in **bold**:* "Where investment aid is granted to support electricity storage, Member States must commit to ensure, within 2 years from the notification of the Commission's decision authorising the measure, that: (a) demand response and storage, independently of the voltage level to which the assets are connected, have the possibility to: (i) sell and buy electricity in the day-ahead and intra-day markets; (ii) participate in any frequency and non-frequency ancillary service where demand response and/or storage could provide the required service; (iii) participate in market-based redispatching and/or be eligible to provide congestion management services for Transmission System Operators (TSOs) and/or Distribution System Operators (DSOs); **(iv) participate in capacity mechanisms, while remaining compatible with these mechanisms' rules regarding certain requirements of guaranteed availability of the participating capacities.** (b) aggregators, including independent aggregators, can participate in the markets and services listed in point (a). **In addition, Member States must commit to implement the acquis Communautaire in relevant policy areas (e.g. battery regulation, mutual goods recognition, etc.) and are invited to take into account the recommendations of the European Commission of 14 March 2023 on Energy Storage – Underpinning a decarbonised and secure EU energy system 2023/C 103/01.** **Member States should further commit to the timely adoption of permitting reform for energy storage and the introduction of tariff methodology design for network charges to promote cost-effectiveness in the use of flexibility, as proposed under the Action Plan for Affordable Energy (COM(2025) 79).** Moreover, Member States are invited to take into account the findings regarding market failures in their flexibility needs assessment within the meaning of Article 19e of Electricity Regulation, once available, in any subsequent decision on the establishment of a scheme of investment aid for electricity storage."

	EASE position & justification: EASE calls on the Commission to extend the list of measures meant to foster the deployment of electricity storage that is listed under Point (34). It includes implementation of the relevant Acquis Communautaire beyond the sole Electricity Market Design provisions, and alignment with both the recommendations of the European Commission on Energy Storage (2023/C 103/01) and the Action Plan for Affordable Energy (COM(2025) 79).
Footnote 26	*CISAF footnote 26 – suggested change in **bold**:* "Thermal storage means deferring the final use of thermal energy to a moment later than when it was generated, or the conversion of electrical or thermal energy into a form of energy which can be stored, the storing of such energy, and, where appropriate, the subsequent conversion or reconversion of such energy into thermal energy for final use (i.e., heating or cooling**). It also covers applications where thermal energy is stored and then converted to simultaneously produce heat for heating and electricity."** **EASE position & justification:** Extension of the definition of "thermal storage" to also cover applications where thermal energy is stored and then converted to simultaneously produce heat for heating and electricity.
Point (37)	*CISAF point (37) – suggested change in **bold**:* "With the exception of offshore wind, hydropower, including ~~**hydro storage**~~ **pumped storage hydropower,** renewable hydrogen production installations, **and thermal energy storage installations linked to industrial activities** supported projects must be completed and be in operation within [36] months after the date of granting. The scheme should include an effective system of penalties in case this deadline is not met. **However, any period of delay attributable to circumstances beyond the reasonable control of the beneficiary shall not be counted towards the 36-month deadline for the completion and operation of the installation (for instance, delays in grid connection that are out of the beneficiary's control)."** **EASE position & justification:** EASE calls on the Commission to extend the list of measures meant to foster the deployment of electricity storage that is listed under Point 34. EASE calls for a clarification of the term "hydro storage" on point (37).

	On the same point (37) EASE invites the Commission to add "thermal energy storage installations linked to industrial activities" to the list of technologies exempted of the 36-month deadline. In the context of the industrial heating processes, thermal storage is gaining interest, although deployment is still in its early stages. Thus, a less stringent approach is needed to allow industries for more time to adapt their related processes, deal with permitting and (in certain cases) increase / enhance their electricity connection. Finally, regarding the 36-month deadline for completion end operation of the project on point (37), EASE calls on the Commission to not count in this period any delay attributable to circumstances beyond the reasonable control of the beneficiary (for instance, delays in grid connection that are out of the beneficiary's control).
Point (38)	*CISAF point (38) – suggested change in **bold**:* "Aid will be granted on the basis of a scheme with an estimated capacity volume and budget. A scheme can be limited to one or several technologies covered in points (32) and (33) fully respecting the provisions in Article 4.5 Directive 2018/2001but must not include any artificial limitation or discrimination, including in the award of licences, permits or concessions when they are required. **Member States that seek to limit the scheme's eligibility to certain sectors or technologies, must (i) justify such limited eligibility based on objective considerations, (ii) demonstrate why the limited eligibility of the scheme contributes to meeting EU and national climate targets and (iii) demonstrate that the limited scope does not exclude technological solutions that are more efficient than the technologies eligible under the scheme."** **EASE position & justification:** EASE invites the Commission to refer to Article 4.5 of the Renewable Energy Directive (Directive 2018/2001) that states what Member States must take into account when they limit tendering procedures to specific technologies where opening support schemes to all producers of electricity from renewable sources would lead to a suboptimal result; and to set stricter conditions for cases where a Member State wants to reduce the scope of a State aid schemes to only certain technologies, effectively streamlining the CISAF by aligning the conditions of point (34) with point (77).

Footnote 27	*CISAF Footnote 27 – suggested change in **bold**:* "'Repowering' means renewing **both** power plants that produce renewable **energy and energy storage**, including the full or partial replacement of installations or operation systems and equipment for the purposes of replacing capacity or increasing the efficiency or capacity of the installation." **EASE position & justification:** Energy storage should also be covered in the definition of repowering applicable to point (40).

Section 4.2: Aid for non-fossil flexibility support schemes

Point (53)	*CISAF point (53) – suggested change in **bold**:* "The measure will be open to non-fossil technologies capable of providing the flexibility services and at least to **energy storage** ~~**storage of electricity**~~ and demand response. The scheme must not include any artificial limitation or discrimination (including in the award of licences, permits or concessions when they are required). The measure can only include additional technical requirements on the basis of identified system needs in line with point (60)." **EASE position & justification:** EASE invites the Commission to clearly recognise not only electricity storage but also thermal energy storage and ensure that the full scope of energy storage solutions is covered in this section.
Point (55)	*CISAF point (55) – suggested change in **bold**:* "Member States must commit to ensure, within 2 years from the adoption of the Commission's decision authorising the measure, that: (a) all non-fossil flexibility technologies, including demand response and storage, independently of the voltage level to which the assets are connected, have the possibility to: (i) sell and buy electricity in the day-ahead and intra-day markets; (ii) participate in any frequency and non-frequency ancillary service where demand response and/or storage could provide the required service;

	(iii) participate in market-based redispatching and/or be eligible to provide congestion management services for Transmission System Operators (TSOs) and/or Distribution System Operators (DSOs); **(iv) participate in capacity mechanisms, while remaining compatible with these mechanisms' rules regarding certain requirements of guaranteed availability of the participating capacities.** **In addition, Member States must commit to implement the acquis Communautaire in relevant policy areas (e.g. battery regulation, mutual goods recognition, etc.) and are invited to take into account the recommendations of the European Commission of 14 March 2023 on Energy Storage – Underpinning a decarbonised and secure EU energy system 2023/C 103/01.** **Member States should further commit to the timely adoption of permitting reform for energy storage and the introduction of tariff methodology design for network charges to promote cost-effectiveness in the use of flexibility, as proposed under the Action Plan for Affordable Energy (COM(2025) 79).** (b) aggregators, including independent aggregators, can participate in the markets and services listed in point (a)." **EASE position & justification:** EASE calls on the Commission to extend the list of measures meant to foster the deployment of electricity storage that is listed under Point (55). It includes implementation of the relevant Acquis Communautaire beyond the sole Electricity Market Design provisions, and alignment with both the recommendations of the European Commission on Energy Storage (2023/C 103/01) and the Action Plan for Affordable Energy (COM(2025) 79).
Point (57)	*CISAF footnote 37 – suggested change in **bold**:* "In duly justified cases, ~~**the measure can envisage a limited transition period up to 2 years, during which**~~ market-wide capacity mechanisms and non-fossil flexibility measure can co-exist ~~**during limited time periods that may be prolongated/renewed if duly justified, for the integration of urgent measures for flexibility into a capacity mechanism**~~, provided they remain proportionate and do not lead to overcompensation." **EASE position & justification:** Non-fossil flexibility support schemes should not be mandatorily linked to capacity mechanisms as they address security of supply during particular stress times of the energy system, whereas non-fossil flexibility support schemes may also intervene outside of these particular stress times in order

	to complement the cost-effective decarbonization of the electricity system as well as to assist with renewables integration, as defined in Article 19e (first paragraph) of the Regulation (EU) 2024/1747.
Point (58)	*CISAF point (58) – suggested change in **bold**:* "The volume of flexibility to procure should be set according to the European methodology and guiding criteria introduced in Article 19e of the Electricity Regulation in view of the need to cost-efficiently achieve security and reliability of supply and decarbonise the electricity system. **Member States are allowed to increase the volume procured to take into account needs for congestion services, frequency and non-frequency services, and other types of services that might not be reflected in the European methodology."** **EASE position & justification:** The European methodology for Flexibility Needs Assessments (FNA) is currently being designed by ACER. There is a risk the final version of the FNA methodology might inherit similar shortcomings to the existing ERAA methodology (for adequacy assessments), leading to the volume of needed flexibility to be miscalculated. EASE invites the Commission to offer Member States the possibility, based on a national resource adequacy assessment, to adapt the type or the volume of the aid schemes to consider services that might not be properly reflected in the FNA methodology.
Point (61)	*CISAF point (61) – suggested change in **bold**:* "The aid is granted in form of contracts covering a period no longer than ~~10 years~~ **the lifetime of the awarded assets, but will not exceed 20 years**, providing a direct grant in exchange for the flexibility service." **EASE position & justification:** As with aid schemes to accelerate the roll out of renewable energy the awarded contract duration should be reflective of the operational lifetime of the specific technology. In capacity mechanisms energy storage is regularly awarded 15- 17-year contracts. Providing longer duration contracts will ensure deployment of technology that prioritizes long-lifetime and continued value creation above the deployment of lowest cost assets with a limited lifetime.

Point (62)	*CISAF point (62) – suggested change in **bold**:* The aid amount is determined through a competitive bidding process. **Member States have the option to introduce non-price criteria** ~~**with bids ranked (and support awarded) according only to their price.**~~ **EASE position & justification:** EASE invites the Commission to clarify point (62) and to ensure that non-price criteria can be considered in the selection & ranking of projects. This would provide member states with the ability to establish a similar auction framework for non-fossil flexibility, as is already the case for resiliency auctions under the Net-Zero Industrial act for renewables.
Point (63)	*CISAF point (63) – suggested change in **bold**:* "The contract should describe the methodologies followed to check the availability of the supported flexibility and to calculate the appropriate dissuasive penalties in case of non-availability or early termination of the contract. All beneficiaries must be activated (delivery or test) at least once per year with <=[24hrs] notice. The non availability penalty must be the same for all technologies and each beneficiary less than **[**~~**50**~~ **95%]** available over a yearly period must be exposed to a penalty payment **(which may include gradual increases depending on severity)** of at least its corresponding flexibility revenues over this yearly period." **EASE position & justification:** EASE welcomes availability checks and penalty regimes to ensure assets are only rewarded grant money, if they deliver value to Europe consumers. The threshold of 50% availability is too low to have an impact on deploying reliable technology. For energy storage assets, 97% availability is contractually standard in the industry. We hence propose to set the availability threshold at 95% below which a penalty should apply (which still could include gradual steps to differentiate between on the one hand small deviations and/or Force Majeure, both of which should not lead to exponential penalties, and on the other hand bigger lacks of availability), and potentially include an annual non-payment below an availability of for example 90%.
Point (65)	*CISAF point (65) – suggested changes in **bold**:* "The Member State concerned must confirm that the scheme promotes the opening of the scheme to cross-border participation of those resources that are capable of providing the required technical performance, where a cost-

	benefit analysis is positive**. However, cross-border participation in flexibility support schemes should be mandatory only if it is reciprocal."** **EASE position & justification:** The link between point 65 and its footnote 40 is not clear as they are not dealing with the same issues: Point 65 is about promoting cross-border participation in flexibility support schemes, while footnote 40 concerns introducing a competitive advantage to non-fossil flexibilities in capacity mechanism auctions. Nevertheless, even considered separately, those provisions need to be reconsidered: First, cross-border participation in flexibility support schemes should be mandatory only if it is reciprocal. Secondly, introducing additional measures targeting specific types of flexibilities in capacity mechanisms needs to be handled carefully, otherwise it will undermine the efficient market-based functioning of capacity mechanisms.
Point (66)	*CISAF point (66) – suggested change in **bold**:* ~~**"In order to provide efficient incentives to adjust consumption to price signals, consumers that contribute to creating the flexibility need should participate to the costs of the measure, on the basis of their consumption in periods giving rise to the need for the flexible resources. If locational technical criteria are applied, the additional costs of applying those criteria should be allocated to electricity consumers in the relevant locations. The Commission considers that such contribution can be considered proportionate when it is at least equal to 90% of the costs of the measure."**~~ **EASE position & justification:** Regarding consumers' participation to the cost of the measure, EASE invites the Commission to delete point (66) or at least make it optional for Member States. Energy security & flexibility are already handled through the market and dedicated mechanisms. This provision would further penalise non-flexible electricity consumers, especially baseload industrials.

Section 4.3: Aid for capacity mechanisms following a target model

Requirement 1	*Requirement 1 – suggested change in **bold**:* "The latest available European Resource Adequacy Assessment (ERAA) central reference scenarios approved by the European Union Agency for the Cooperation of Energy Regulators (ACER), **or the national resource adequacy assessment**, must be the ~~sole~~ basis for identifying the need for a capacity mechanism. […]" **EASE position & justification:** Regarding Requirement (1), as long as ERAA methodology is still being fine-tuned progressively and national assessments can still be carried out, it seems preferable to allow both types of sources in order to justify the need for a capacity mechanism. Furthermore, Requirement (1.b) should reflect that ERAA does not account for new technologies that may participate in capacity markets like long-duration energy storage, and therefore should not be used to set their de-rating factors.
Requirement 6	*Requirement 6 – suggested change:* In Requirement (6), CO2 emission limits are mentioned. EASE asks the European Commission to develop more progressive CO2 emission limits in capacity mechanisms going forward. **EASE position & justification:** While also strengthening the existing CO2 price signals of the EU, lower emission limits should apply for new-build capacity awarded under the capacity mechanism, by gradually lowering the cap of CO2 per kWh and phasing out to zero emissions from capacity mechanisms by 2040, therefore contributing to the overall effort to secure the overall target to decarbonize the power sector, and by 2050 the entire economy.

Section 5: Aid to deploy industrial decarbonisation

Point (73)	*CISAF point (73) – suggested change in **bold**:* "Investments aiming at the decarbonisation of industrial heat shall prioritise direct electrification, combined with demand flexibility solutions, and

	renewable heat, in particular below ~~400°C~~ **500°C, all of which may be including thermal storage.** Nevertheless (…)" **EASE position & justification:** In point (73), EASE suggests increasing the upper limit from 400 to 500 degrees to include the upper range of temperatures covered by electric boilers. Indeed, around 70% of industrial energy uses stems from industrial process heat, of which 50% is under 500°C. In addition, point (73) does not adequately cover grid-connected thermal storage applications. In this case, the business case focuses on charging the storage during times of low cost (i.e. coinciding with renewable energy covering a high percentage of the electricity supply). The phrase "flexible direct electrification" might be too restrictive and should be broadened to explicitly include thermal storage."
Point (76)	*CISAF point (76) – suggested change in **bold**:* Aid under this section will be granted on the basis of a scheme with an estimated budget. Member States must provide an estimate of the total direct greenhouse gas emissions to be saved, or of the total energy savings to be achieved through the scheme. Aid under this section can ~~only~~ be granted in the form of direct grants, **such as variable premiums based on investment and operating costs, direct price support in the form of two-way contract for difference, carbon two-way contract for difference** repayable advances, loans, guarantees or tax advantages. **EASE position & justification:** EASE strongly urges the Commission to recognise Carbon Contracts for Difference (CCfDs) in this section. In case of a sudden drop of gas price, first-movers with an electrified system find themselves in a competitive disadvantage with peer industries that have not switched to decarbonised solutions. It is a deterrent that slows down industry decarbonisation, a risk that CCfDs can help mitigate and further encourage electrification.
Footnote 47	*CISAF footnote 47 – suggested change in **bold**:* ~~Other forms of aid, namely direct carbon abatement support such as aid in the form of (Carbon) Contracts for Difference and feed-in premia, as well as tradable certificates are excluded under this section. Aid in those forms or other forms of direct carbon abatement support can be assessed under the CEEAG.~~

	EASE position & justification: To stay coherent with the previous amendment to point (76), EASE suggests to remove footnote 47.
Point (79)	*CISAF point (79) – suggested change in **bold**:* To ensure that projects are implemented in a timely fashion and deliver the expected greenhouse gas emission savings, Member States must ensure that: (a) the installation or equipment to be financed by the aid is in operation within [36] months after the date of granting, **however, any period of delay attributable to circumstances beyond the reasonable control of the beneficiary shall not be counted towards the 36-month deadline for the completion and operation of the installation (for instance, delays in grid connection that are out of the beneficiary's control);** (b) and the project delivers direct greenhouse gas emission reductions or energy savings corresponding to at least [80%] of the projected reductions or savings. **EASE position & justification:** On CISAF point (79) establishing a 36-month deadline for completion end operation of the project, EASE calls on the Commission to not count in this period any delay attributable to circumstances beyond the reasonable control of the beneficiary (for instance, delays in grid connection that are out of the beneficiary's control).
Point (90)	*CISAF point (90) – suggested change in **bold**:* For individual aid amount up to EUR [200] million, the maximum aid amount under an aid scheme can be determined on the basis of the eligible costs of an investment, i.e. the total investment costs directly related to the achievement of the greenhouse gas emission savings or energy efficiency, and an aid intensity not higher than: (a) [50]% for investments enabling the use of hydrogen; (b) [30]% for investments in carbon capture equipment; (c) [~~35~~ **50**]% for investments in the production of renewable energy, energy storage, or investments in electrification that use only fully renewable electricity; (d) [20]% for all other technologies. Where an investment falls under more than one of the categories listed in points (a) to (d), the lowest applicable aid intensity applies.

	EASE position & justification: EASE urges the Commission to ensure that the aid intensity for energy storage matches the same percentage as hydrogen. Otherwise, EASE invites the Commission to ensure that aid intensity for energy storage is at least set at 45% (instead of 35%) in order to align with the intensity level of the section on aid for the rollout of renewable energy.
Point (98)	*CISAF point (98) – suggested change in **bold**:* Indirect emissions from the electricity used in decarbonisation projects receiving aid under the scheme are deemed to be negligible and therefore do not need to be take into account to verify that the projects deliver overall greenhouse gas emission reductions, if the scheme provides for any of the following conditions: (a) projects can only be located in bidding zones where in the previous calendar year either the average proportion of renewable electricity exceeded 90 %, or the emission intensity of electricity was lower than 18 gCO2eq/MJ; (b) projects can only use fully renewable electricity; (c) the expected increase in electricity demand stemming from the scheme can be entirely covered by an increase in supply of renewable or low-carbon electricity, as projected in the most recent National Energy and Climate Plan ('NECP') of the Member State concerned or by more updated plans to increase renewable or low-carbon power generation, if these are adopted after the latest update of the NECP. The expected increase in demand must not increase peak demand or lead to increase in electricity production from fossil fuel-based power generation. **(d) projects based on flexible direct electrification, as their electricity usage concentrates at times of high clean electricity production.** **EASE position & justification:** According to point (98), indirect emissions from the electricity used in flexible direct electrification are negligible if projects comply with certain requirements. EASE suggests adding a new sub-bullet point which allows to take into consideration the reality of an industry using hybrid systems to initiate the transition from a fossil fuels-based process to a fully electrified one.

Section 6: Aid to ensure sufficient manufacturing capacity in clean technologies

Point (122)	*CISAF point (122) – suggested change in **bold**:* "Provided that the conditions in section 3 and in this section are met, the Commission will consider compatible with the internal market on the basis of Article 107(3), point (c), of the Treaty, aid granted to incentivise investment projects that create additional manufacturing capacity for: ~~(a)~~ the production, including with secondary raw materials, of relevant equipment for the transition towards a net-zero economy, **as defined by Article 4 of the Regulation (EU) 2024/1735 of the European Parliament and of the Council of 13 June 2024 on establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem** ~~**namely [batteries, solar panels, wind turbines, heat-pumps, electrolysers, and equipment for carbon capture usage and storage (CCUS)] [see also the corresponding question in the survey on other possible technologies listed in the Net Zero Industry Act];**~~ […]" **EASE position & justification:** EASE invites the Commission to extend the scope of the section from the sole batteries to all energy storage solutions, by referring directly to Annex I of the Net Zero Industry Act.
Point (126)	*CISAF point (126) – suggested change in **bold**:* "Where the investment project takes place outside assisted areas, the aid intensity cannot exceed 15 % of the eligible costs and the aid amount cannot exceed EUR ~~75~~ **150** million per project. Where the investment project takes place in an assisted area under Article 107(3), point (c), of the Treaty, the aid intensity cannot exceed 20 % of the eligible costs and the aid amount cannot exceed EUR ~~100~~ **200** million per project. Where the investment project takes place in an assisted area under Article 107(3), point (a), of the Treaty, the aid intensity cannot exceed 35 % of the eligible costs and the aid amount cannot exceed EUR 175 million per project." **EASE position & justification:** EASE highlights that the maximum amount in this section under CISAF is lower than under the current temporary State aid framework (TCTF) and calls on the Commission to increase the amount in CISAF to match its predecessor.

7. Aid to reduce risks of private investments in renewable energy, industrial decarbonisation, clean technology manufacturing and energy infrastructure

Point (146)	*CISAF point (146) – suggested change in **bold**:* "In addition to the measures described in sections 4 to 6, Member States can choose to incentivise private investors to invest in projects within the scope of sections 4 to 6 in the areas of renewable energy, industrial decarbonisation and clean tech manufacturing, **which also include investments into non-fossil flexibility such as energy storage,** [as well as energy infrastructure within the framework of a legal monopoly.] **EASE position & justification:** Energy storage assets in many markets cannot access contracted revenue streams, such as government guaranteed feed-in or CfD schemes that are commonly available for renewable assets. Instead, energy storage investments are often based on volatile revenue streams from wholesale and ancillary service markets. As a result, investment into energy storage is seen as a higher risk investment compared to investments into renewable assets. Therefore, we urge the commission to make any financial measure for risk-mitigation available for investments in energy storage as well. The specific inclusion of energy storage in point (146) will aid in harmonising the investment framework across the energy sector, and prevent complex and burdensome processes, for example in case of investments into projects with the co-location of renewables and energy storage technology into one project. As a final note, technology neutrality should also be ensured, so that all sources of inertia and other grid-forming capabilities (including rotational inertia) are treated equally.
Footnote 69	*CISAF footnote 69 – suggested changes in **bold**:* "As set out in points 373 to 375 CEEAG. **Grid-forming capable energy infrastructures, such as synchronous condensers and STATCOMs, do not qualify as monopolistic infrastructure under points 373 to 375 CEEAG."** **EASE position & justification:** State support to energy monopolies does not qualify as State Aid under the CEEAG, exempting those subsidies from the Commission's strict State Aid oversight, offering benefits like simplified process, increased investment opportunities, etc. But for these energy infrastructures and activities to be considered as "monopolistic", they must lack competition from others under the CEEAG (points 374, c and 375, a).

	With the rise of inverter-based, grid-following wind and solar energy, ensuring grid stability is becoming increasingly challenging for TSOs. Traditionally, TSOs relied on the inherent inertia of fossil-fuelled nuclear and hydropower (including pumped storage hydropower) generators to stabilize the grid, benefiting from the natural resistance to changes in grid frequency provided by the rotating mass of spinning rotors. However, as some of these traditional grid-forming generators are progressively phasing out, TSOs are now seeking other types of grid-forming capabilities from various assets to maintain a sufficient level of inertia in the system. batteries and synchronous condensers are currently increasingly competing in providing grid-forming capabilities to TSOs. This growing competition makes it increasingly difficult for synchronous condensers and STATCOMs to qualify as monopolistic energy infrastructure under the CEEAG. Therefore, the Commission needs to address this concern in the Clean Industrial Deal Guidelines if it wants to extend private investment de-risking State Aid to "monopolistic energy infrastructure" under point 146 in Section 7.

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About EASE:

The European Association for Storage of Energy (EASE) is the leading member - supported association representing organisations active across the entire energy storage value chain. EASE supports the deployment of energy storage to further the cost-effective transition to a resilient, carbon-neutral, and secure energy system. Together, EASE members have significant expertise across all major storage technologies and applications. This allows us to generate new ideas and policy recommendations that are essential to build a regulatory framework that is supportive of storage.

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Disclaimer:

This content was elaborated by EASE and reflects a consolidated view of its members from an energy storage point of view. Individual EASE members may adopt different positions on certain topics from their corporate standpoint.

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