



## State aid: Commission approves amendments to German schemes, including up to €45 billion budget increase, to support companies in context of Russia's war against Ukraine

Brussels, 22 November 2022

The European Commission has approved the amendments to existing German umbrella schemes, including their prolongation and an up to €45 billion overall budget increase, to support companies in the context of Russia's war against Ukraine. The amendments were approved under the State Aid [Temporary Crisis Framework](#), adopted by the Commission on [23 March 2022](#) and amended on [20 July 2022](#) and on [28 October 2022](#), based on Article 107(3)(b) of the Treaty on the Functioning of the European Union ('TFEU'), recognising that the EU economy is experiencing a serious disturbance.

### The German measure

The Commission has approved, under the Temporary Crisis Framework, the amendments to existing German umbrella schemes, including their prolongation and an up to €45 billion overall budget increase, to support companies in the context of Russia's war against Ukraine.

The existing schemes are: (i) an umbrella scheme (i.e. a scheme administered by federal, regional and local authorities) approved by the Commission on [19 April 2022 \(SA.102542\)](#); and (ii) an umbrella scheme under which the aid takes the form of guarantees on loans ('guarantee scheme') and subsidised loans ('subsidised loan scheme'), that the Commission approved on [4 May 2022 \(SA.102631\)](#). Both schemes have been amended on [18 August 2022 \(SA.104019\)](#).

Germany notified, among others, the following modifications of the existing schemes: (i) an extension of the period in relation to which aid may be granted, until 31 December 2023; and (ii) the introduction of the possibility to convert debt instruments, such as loans and guarantees, into other forms of aid, such as direct grants.

When it comes to limited amounts of aid in particular, Germany notified (i) an increase of the maximum aid ceilings, in line with the Temporary Crisis Framework as amended, resulting in an overall budget increase by up to €45 billion; and (ii) the introduction of the possibility to channel the aid through an energy supplier.

For the guarantee scheme, the amendments aim at introducing the following options: (i) public guarantees may exceptionally cover bank guarantees; and (ii) large companies may obtain guarantees to cover their liquidity needs derived from trading activities on energy markets for a 12-month period following the granting of the aid. In both cases, these new options may only be put in place when the guarantees are aimed at addressing the liquidity needs arising from collateral requirements on trading activities on energy markets.

Lastly, for the subsidised loan scheme, the amendments aim at adjusting the base rate applicable for the calculation of the reduced interest rates.

The Commission found that the German schemes, as modified, remain necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State, in line with Article 107(3)(b) TFEU and the conditions set out in the Temporary Crisis Framework as amended on [28 October 2022](#).

Furthermore, the public support will come subject to conditions to limit undue distortions of competition, in particular between suppliers, and safeguards to ensure that limited amounts of aid are passed on to the final beneficiary when channelled through an energy supplier.

On this basis, the Commission approved the amendments under EU State aid rules.

### Background

The State aid [Temporary Crisis Framework](#), adopted on [23 March 2022](#), enables Member States to use the flexibility foreseen under State aid rules to support the economy in the context of Russia's war against Ukraine.

The Temporary Crisis Framework has been amended on [20 July 2022](#), to complement the [Winter Preparedness Package](#) and in line with the [REPowerEU Plan](#) objectives.

The Temporary Crisis Framework has been further amended on [28 October 2022](#) in line with the recent Regulation on an emergency intervention to address high energy prices ('[Regulation \(EU\) 2022/1854](#)') and the Commission's proposal [on a new emergency regulation](#) to address high gas prices in the EU and ensure security of supply this winter.

The Temporary Crisis Framework provides for the following types of aid, which can be granted by Member States:

- **Limited amounts of aid**, in any form, for companies affected by the current crisis or by the subsequent sanctions and countersanctions up to the increased amount of €250,000 and €300,000 in the agriculture, and fisheries and aquaculture sectors respectively, and up to €2 million in all other sectors;
- **Liquidity support in form of State guarantees and subsidised loans**. In exceptional cases and subject to strict safeguards, Member States may provide to energy utilities for their trading activities public guarantees exceeding 90% coverage, where they are provided as unfunded financial collateral to central counterparties or clearing members.
- **Aid to compensate for high energy prices**. The aid, which can be granted in any form, will partially compensate companies, in particular intensive energy users, for additional costs due to exceptional gas and electricity price increases. The individual aid amount may be calculated based on either past or present consumption, taking into account the need to keep market incentives to reduce energy consumption and to ensure the continuity of economic activities. In addition, Member States may provide support more flexibly, including to particularly affected energy-intensive sectors, subject to safeguards to avoid overcompensation. Further details on the support possibilities for high energy prices, including on the methodology to calculate individual aid amounts, are available [here](#);
- **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 can devise schemes for a specific technology, requiring support in view of the particular national energy mix;
- **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. Member States can 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; and
- **Measures aimed at supporting electricity demand reduction**, in line with [Regulation \(EU\) 2022/1854](#).

The following types of aid are also 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, (iv) support the provision of insurance or reinsurance to companies transporting goods to and from Ukraine, and (v) support for recapitalisation measures where such solvency support is necessary, appropriate and proportionate.

Sanctioned Russian-controlled entities will be excluded from the scope of these measures.

The Temporary Crisis Framework includes a number of safeguards:

- **Proportional methodology**, requiring a link between the amount of aid that can be granted to businesses and the scale of their economic activity and exposure to the economic effects of the crisis;
- **Eligibility conditions**, for example defining energy intensive users as businesses for which the purchase of energy products amounts to either (i) at least 3% of their production value or turnover in 2021; or (ii) at least 6% of their production value or turnover in the first semester of 2022; and
- **Sustainability requirements**. Member States are invited to consider, in a non-discriminatory way, setting up requirements related to environmental protection or security of supply when

granting aid for additional costs due to exceptionally high gas and electricity prices. Furthermore, beneficiaries of aid for additional energy costs above €50 million are required to submit to the granting authority a plan specifying how they will reduce the carbon footprint of their energy consumption or implement other measures to ensure environmental protection or security of energy supply.

The Temporary Crisis Framework will be in place until 31 December 2023 for all measures. With a view to ensuring legal certainty, the Commission will assess at a later stage the need for an extension.

The Temporary Crisis Framework complements the ample possibilities for Member States to design measures in line with existing EU State aid rules. For example, EU State aid rules enable Member States to help companies cope with liquidity shortages and needing urgent rescue aid. Furthermore, Article 107(2)(b) of the Treaty on the Functioning of the European Union enables Member States to compensate companies for the damage directly caused by an exceptional occurrence, such as those caused by the current crisis.

Furthermore, on [19 March 2020](#), the Commission adopted a Temporary Framework in the context of the coronavirus outbreak. The COVID Temporary Framework was amended on [3 April](#), [8 May](#), [29 June](#), [13 October](#) 2020, [28 January](#) and [18 November](#) 2021. As announced in [May 2022](#), the COVID Temporary Framework [has not been extended](#) beyond the set expiry date of 30 June 2022, with some exceptions. In particular, investment and solvency support measures may still be put in place until 31 December 2023. In addition, the COVID Temporary Framework already provides for a flexible transition, under clear safeguards, in particular for the conversion and restructuring options of debt instruments, such as loans and guarantees, into other forms of aid, such as direct grants, until 30 June 2023.

The non-confidential version of the decision will be made available under the case number SA.104756 in the [State aid register](#) on the Commission's [competition](#) website once any confidentiality issues have been resolved. New publications of State aid decisions on the internet and in the Official Journal are listed in the [Competition Weekly e-News](#).

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

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