

# Setting the Scene

2nd Pázmány EU State Aid Law Forum

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26 September 2025

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Venue: Pázmány Péter Catholic University, Budapest

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# **GREEN ENERGY PANEL**

## **2nd Pázmány EU State Aid Law Forum**

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# Setting the Scene: Draghi Report

- **Competitiveness and long-term energy transition (Draghi Report )**
- 56 GW EU solar, 16 GW wind (2023)
- US: 19.6 GW solar in 2023
- Decarbonisation of industry essential
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## **The Clean Industrial Deal (Feb 2025)**

- Strengthen EU industry competitiveness
- Accelerate economy-wide decarbonisation
- Based on Draghi Report (Sept 2024)
- Six “*business drivers*”

# Clean Industrial Deal State Aid Framework (CISAF)

- Draft March 2025 → adopted June 2025
- Supports investment in green energy & decarbonisation
- Enables **proportionate State aid**
- Goal: overcome barriers + crowd in private investment

## EU Decarbonisation Approach

- Mix of targets, regulations, carbon pricing (ETS)
- Costs internalised → higher industry costs
- Example: clean hydrogen more expensive
- Competitiveness risk vs global peers

# Cost & Competitiveness Challenge

- Clean hydrogen in ammonia, refining, steel → costlier
- Requires feedstock + process change investment
- Mitigation: global alignment or lower costs

## Subsidies & Draghi's Proposal

- Subsidies shift costs from industry to taxpayers
- Effective subsidies reduce overall costs
- Draghi: 'simplify, accelerate, harmonise mechanisms'

# CISAF Compatibility Conditions

## Speed & Resilience

- Based on case practice + TCTF experience
  - Replaces TCTF (from June 2025)
  - Valid until Dec 2030
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- First CISAF case: French offshore wind (Aug 2025)
  - 20-year CfD approved <4 weeks
  - Competitive tender; resilience/local sourcing links  
To comply with NZIA targets

# ● Broader challenges: missing targets? investor certainty?

## **2040 Target & Climate Law**

- July 2025: EC proposes 90% GHG reduction by 2040
- Builds on 55% by 2030
- Now -> Pragmatic, flexible path → net zero 2050
- Doubts: many MS off-track for 2030

# Nuclear Debate

- CID recognises technological neutrality
- CISAF excludes nuclear but Commission commits to assess SMRs with speed
- State aid case: Dukovany II (Czechia, 2024) → modified CfD, claw-back
- Pending issues: Aftermath Paks 2 ECJ ruling?

## Transition & Taxonomy

- T- Austria v Commission (GC ruling) → Austria lost
- Key points: delegation, technical neutrality, solidarity, security of supply
- Quite far-reaching implications if upheld on appeal?



# Conclusions

- CID: competitiveness + decarbonisation
  - CISAf: streamlined State aid to support the energy transition
  - Ongoing challenges: regulatory flexibility?
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- Climate targets
  - Costs v Investor certainty
  - Nuclear role
  - Taxonomy review