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# **Green electricity**

### Shocking decision: Commission attacks the aids for green electricity

This pending case between the Commission and Luxembourg is running contrary to the EU's objective of promoting electricity from renewable energy. In a 2001 directive the EU set itself a target to increase the share of electricity produced from renewables to 21% by 2010. However, the EU member states remain free to choose their preferred system to support green electricity, so to use feed-in tariffs.

In July this year, the Commission delivered a ruling which said that feed-in tariffs in Austria had to be assimilated to state aid. But it stated also that the scheme was in compliance with the EU directive on the promotion of green electricity and authorised it.

To this case, Claude Turmes, Green MEP from Luxembourg, declared:

"There are internal disputes at the Commission over what kind of support scheme Brussels should publicly endorse. The dispute pits the competition and enterprise directorates against environment and energy. It is also a political manoeuvre: if the Luxembourg feed-in pricing system collapses, the German one will follow. In Germany, power utilities do not like the feed-in tariff system because it allows many new companies to enter the market. It is equal to 6% loss of market share representing millions of euros of business. DG Competition is wasting its time attacking 5% of the market share."

This shocking decision was also denounced by the European Environmental Bureau (EEB) which released a resolution to protest at the Commission's action.

A decision on the Luxembourg state aid case is expected in the coming months.

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Claude Turmes

Member

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