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Answer given by Executive Vice-President Vestager
on behalf of the European Commission
(23.10.2020)

The Commission is in touch with the German authorities on the Coal Phase-out Act and will assess whether the measure entails State aid. If it does, the Commission will assess whether it is compatible with the Internal Market and adopt a decision. The Green Deal highlights that it is important to keep public support to the minimum necessary to incentivise companies to close the power plants earlier than initially envisaged. As part of its assessment, the Commission will also look at the security reserve (*Sicherheitsbereitschaft*). It is not in the Commission's remit, however, to express itself on the need to use certain mines.

The deadline to comply with the new standards¹ applies irrespective of whether a Member State chooses to adopt general binding rules pursuant to Article 17 of the Industrial Emissions Directive (IED)². It is for the national bodies in charge of implementing the IED to determine the detailed measures and the timing for such measures. Any failure to comply with national requirements should be addressed by the appropriate body at national level.

If the security reserve was qualified as a capacity mechanism under EU law, the scheme would need to comply with a number of legal requirements, including: the need to demonstrate the likely shortfall of electricity in Germany based on a system adequacy assessment and the development of market reforms with a view to ensure that markets can bring about the necessary amount of capacity to meet demand. The introduction of a capacity mechanism could only be considered if the presented reforms cannot be expected to fully address the root cause of the adequacy concern.

The Commission services are in the course of assessing whether the security reserve constitutes a capacity mechanism.

¹ Commission Implementing Decision (EU) 2017/1442 of 31 July 2017 establishing best available techniques (BAT) conclusions, under Directive 2010/75/EU of the European Parliament and of the Council, for large combustion plants (notified under document C(2017) 5225), OJ L 212, 17.8.2017, p. 1–82

² Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control), OJ L 334, 17.12.2010, p. 17–119