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Answer given by Executive Vice-President Vestager  
on behalf of the European Commission  
(8.11.2021)

The main objective of the Belgian capacity remuneration mechanism (CRM) is to ensure security of supply, in particular in view of Belgium's decision to phase out all nuclear capacity by 2025. Under Article 194(2) of the Treaty on the Functioning of the European Union, it is for the Member States to determine the general structure of their energy supply. The scope of the Commission's decision concerning the Belgian CRM is limited to assessing compliance with State aid rules and other provisions of Union law. Belgium included sustainability criteria in the design of the mechanism to ensure its coherence with national and EU objectives of decarbonisation.

Under the CRM, all technologies can participate in the capacity tenders, designed to promote the participation of innovative and flexible technologies, such as demand-side response and storage, in line with Belgium's National Energy and Climate Plan.

Moreover, fossil fuel based technologies are subject to the existing rules on carbon pricing under the EU-Emissions Trading System and will have to comply with additional sustainability requirements in the Belgian CRM law to contribute to the policy of reducing greenhouse gas emissions. The Belgian CRM requires investors operating fossil fuel based plants to commit to the following actions: (1) study the technical and economic feasibility of reducing greenhouse gas emissions by end-2026; (2) establish, by end-2027, an emission reduction plan indicating how they will contribute to the transition to climate neutrality in 2050; and (3) achieve zero or negative emissions by 2050. In the absence of those commitments, the candidate will not be able to participate in a tender. Compliance with those commitments must be demonstrated to the Directorate-General for Energy of the FPS<sup>1</sup> Economy in Belgium.

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<sup>1</sup> Federal Public Service