

# Bus Fleets Renewal / Electrification / State Aid Aspects

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# State Aid Aspects

- Same as “standard” renewal of bus fleets:
  - **No State Aid (for assets and services) if Altmark Criteria are respected** i.e.:
    - the recipient service provider must have clearly defined public service obligations;
    - the method for calculating the compensation must be objective, transparent and set out in advance;
    - the compensation cannot exceed the relevant costs and a reasonable profit, i.e. no overcompensation; and
    - the provider is either chosen through a public procurement procedure or the level of compensation is calculated based on an analysis of the costs of an average ‘well-run’ business in the sector concerned
    - if ownership by the operator – verify that certain provisions are inserted within the PSC (e.g. on modalities of transfer for assets purchased with public funds etc.)
  - Still the rest of the provisions of Reg. 1370/2007 apply.
  - Check for adequate calculation of subsidies if rolling stock is provided by the transport authority or Capex subsidies are given -> absence of overcompensation!

# State Aid Aspects

All other cases – for provision of services : State Aid is present!

As regards the provision of services:

- Exemption of notification only if the measure complies with REG 1370/2007. Otherwise Art.93 of TFEU
- Are all requirements of REG 1370/2007 respected (duration, publication in the OJ etc.)?
  - Existence of a real need for public service obligations, Ex ante assessment of the demand for public transport services, Analysis of the market failure.
  - More environmental friendly provision of service mentioned in the PSC?

Assets?

- Ownership of infrastructure? Public sector/transport authority or the operator (e.g. at depots and at terminuses)? Implications on open access and on PSC clauses (e.g. see below)
- Are certain provisions inserted within the PSC (e.g. on modalities of transfer for assets purchased with public funds etc.)?
- Is the charging infrastructure to be used exclusively by one operator or will be available to more than one operator?

# State Aid Aspects / CEEAG & GBER

- Support can be granted also under the recently adopted CEEAG (Specific section 4.3)
- Also possible under the GBER (currently under consultation)
- CEEAG and GBER: aid can only cover for part of the total investment costs
- **SA rules for vehicles** active in public transport: Aid intensity 40% of eligible costs+10% for zero buses +10 for Medium +20% Small Enterprises OR Competitive bidding & Funding Gap & ex-post monitoring & claw-back mechanism.
  - Eligible Costs: The difference of costs of a less CO2 emitting vehicle and a normal vehicle.
- **SA Rules for charging infrastructure** for public transport vehicles: Without Competitive bidding: 100% of Funding Gap & ex-post monitoring & claw-back mechanism OR 30% of eligible costs or 40% in case of energy steaming from Renewable Energy Sources (RES).
  - Eligible costs all related costs including civil engineering costs. For RES: + costs for storage.
- Co-Founding with EU Centrally managed Funds: **Most favorable aid intensity applies!**

Thank you!



# More Information

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**For info or further questions on this webinar please contact the JASPERS Networking Platform team:**

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