



EUROPEAN COMMISSION

Brussels 27.3.2023
C(2023) 2262 final

SENSITIVE (*): *COMP Operations*

Subject: State Aid SA.106657 (2023/N) – Czechia
TCTF: Extension of the aid in relation to additional costs due to exceptionally severe increases in natural gas and electricity prices (amendments to SA.104342)

Excellency,

1. PROCEDURE

- (1) By electronic notification of 8 March 2023, Czechia notified an amendment (the “notified amendment”) to the existing aid scheme (the “existing aid scheme”) under the Temporary Crisis and Transition Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (the “Temporary Crisis and Transition Framework”) ⁽¹⁾. The Commission approved the existing aid scheme in case SA.104342 - Aid in relation to additional costs due to exceptionally severe increases in natural gas and electricity prices ⁽²⁾ (the “initial decision”).
- (2) Czechia exceptionally agrees to waive its rights deriving from Article 342 of the Treaty on the Functioning of the European Union (“TFEU”), in conjunction with

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⁽¹⁾ Communication from the Commission on the Temporary Crisis and Transition Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia (C(2023) 1711 final, 9 March 2023). This Temporary Crisis and Transition Framework (“TCTF”) replaces the Temporary Crisis Framework adopted on 28 October 2022 (OJ C 426/01, 9.11.2022, p. 1), which already replaced the Temporary Crisis Framework adopted on 23 March 2022 (OJ C 131I, 24.3.2022, p. 1), as amended on 20 July 2022 (OJ C 280, 21.7.2022, p. 1) (the ‘Temporary Crisis Framework’). The Temporary Crisis Framework was withdrawn with effect from 9 March 2023.

⁽²⁾ Commission Decision C(2022)8298 of 15 November 2022 in case SA.104342 (OJ C 2023 042, p.8).

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Article 3 of Regulation 1/1958 ⁽³⁾ and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE NOTIFIED AMENDMENTS

- (3) The objective of the existing aid scheme is to remedy the liquidity shortage faced by undertakings that are directly or indirectly affected by the serious disturbance of the economy caused by the Russian aggression against Ukraine, the sanctions imposed by the EU or by its international partners, as well as by the economic counter measures taken so far by Russia.
- (4) Czechia wishes to amend the existing aid scheme by postponing the date by which Czech authorities can grant aid from 31 March 2023 to 31 December 2023.
- (5) Apart from the notified amendments, Czechia confirms that no further amendments are proposed to the existing aid scheme and that all other conditions of that scheme remain unaltered. Czechia also confirms that aid granted under the previous Temporary Crisis Frameworks and the Temporary Crisis and Transition Framework cannot exceed the aid ceilings provided by the Temporary Crisis and Transition Framework for the same eligible period.
- (6) The legal basis for the notified amendments is the Resolution of the Government of the Czech Republic No. 876 of 19 October 2022.
- (7) Aid may be granted under the existing aid scheme, as amended, as from the notification of the Commission's decision approving the notified amendments.

3. ASSESSMENT

3.1. Existence of State aid

- (8) For a measure to be categorised as aid within the meaning of Article 107(1) TFEU, all the conditions set out in that provision must be fulfilled. First, the measure must be imputable to the State and financed through State resources. Second, it must confer an advantage on its recipients. Third, that advantage must be selective in nature. Fourth, the measure must distort or threaten to distort competition and be liable to affect trade between Member States.
- (9) The existing aid scheme constitutes State aid within the meaning of Article 107(1) TFEU for the reasons set out in recitals (41) to (46) of the initial decision. The notified amendments do not affect that conclusion. The Commission therefore refers to the respective assessment of the initial decision and concludes that the existing aid scheme, as amended, constitutes State aid within the meaning of Article 107(1) TFEU.

3.2. Compatibility

- (10) The existing aid scheme is compatible with the internal market pursuant to Article 107(3)(b) TFEU, since it meets the conditions of section 1 and section 2.4 of the

⁽³⁾ Regulation No 1 determining the languages to be used by the European Economic Community (OJ 17, 6.10.1958, p. 385).

Temporary Crisis Framework for the reasons set out in recitals (47) to (58) of the initial decision. The Commission therefore refers to the respective assessment of the initial decision. The Commission notes that that assessment remains valid although the Temporary Crisis Framework has in the meantime been replaced by the Temporary Crisis and Transition Framework, inasmuch as the conditions of sections 1 and 2.4 of the Temporary Crisis Framework that are relevant for the initial decision have not been modified substantively in the Temporary Crisis and Transition Framework.

- (11) The notified amendments do not affect the conclusion that the existing aid scheme is compatible with the internal market pursuant to Article 107(3)(b) TFEU. In particular, postponing the date by which the aid may be granted until 31 December 2023 (see recital (4)) complies with point 72(a) of the Temporary Crisis and Transition Framework.
- (12) Apart from the notified amendment, Czechia confirms that no further amendments are proposed to the existing aid scheme and that all other conditions of that scheme remain unaltered.
- (13) Czechia confirms that aid granted under the previous Temporary Crisis Frameworks and the Temporary Crisis and Transition Framework cannot exceed the aid ceilings provided by the current Temporary Crisis and Transition Framework for the same eligible period (see recital (5)).
- (14) The Commission therefore considers that the notified amendments are necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State pursuant to Article 107(3)(b) TFEU, since they meet all the relevant conditions of the Temporary Crisis and Transition Framework. The Commission therefore considers that the notified amendments do not alter the Commission's conclusion on the compatibility of the existing aid scheme in the initial decision.

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the scheme, as amended, on the grounds that it is compatible with the internal market pursuant to Article 107(3)(b) of the Treaty on the Functioning of the European Union.

The decision is based on non-confidential information and is therefore published in full on the Internet site: <http://ec.europa.eu/competition/elojade/isef/index.cfm>.

Yours faithfully,

For the Commission
Margrethe VESTAGER
Executive Vice-President

