

**Question for written answer E-004846/2025
to the Commission**

Rule 144

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Subject: German Government plan to reduce energy costs and the effect on fair competition in the EU internal market

The German Government plans to reduce energy prices for industry to EUR 50 / MWh, with the state budget covering part of the costs. Germany already has an emissions compensation mechanism in place. For heavy industry, especially the energy-intensive steel sector, energy prices are a key factor in competitiveness.

Steel and other industries in Poland and Czechia warn that such a significant advantage for German companies, resulting from state support, could lead to a loss of competitiveness. Such subsidies may lead to distortion of competition in the internal market.

Although the CISAF mechanism allows Member States to introduce temporary national support measures, these actions inevitably affect neighbouring economies and competing firms.

1. Does the Commission plan to accept both the emission cost compensation mechanism and the system covering part of the energy costs for German heavy industry?
2. How do these solutions relate to the competition rules applicable to Member States, in particular the prohibition on granting state aid from state resources that would distort or threaten to distort competition by favouring certain undertakings or sectors (Article 107 of the Treaty on the Functioning of the European Union)?
3. Can Germany's planned support for its domestic industry be considered compatible with the internal market and does it meet any of the criteria set out in Article 107(3) TFEU and in the Clean Industrial Deal?

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