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Brussels, 18.11.2015

Dear Dr Watson,

Thank you for your letter of 21 September 2015 on behalf of the renewable energy industry also addressed to Commissioners Jonathan Hill, Miguel Arias Cañete, and Margrethe Vestager.

In your letter, you explain how some EU Member States have changed rules on renewable energy with retroactive effect and you warn that this may affect negatively the investment environment in the EU. You also stress the importance of protecting investors' legitimate expectations where Member States have granted support without prior Commission approval under EU State aid rules.

The Commission is aware of the many changes that have affected renewable energy producers in recent years, and of the uncertainty that sudden changes to the regulatory framework on renewable energy can create. That is why the Commission published a Guidance document already in 2013 (SWD(2013) 439 final) calling on Member States to discuss modifications of support policy with concerned parties before they are adopted and to maintain a stable framework for investments. Under EU law as it stands today, the Commission cannot go further than that. The Renewable Energy Directive gives the Member States discretion to decide on the design and the level of support for renewables. EU State aid rules allow Member States to grant aid, but do not impose any obligation to do so.

On the question of legitimate expectations, the Treaty obliges Member States to obtain Commission approval for aid measures before putting them into effect. It is in the best interest of aid beneficiaries to check whether the aid they receive has been approved by the Commission. Member States granting aid without approval cannot, according to the case law of the European Court of Justice, create legitimate expectations as to the lawfulness of the aid awarded.

Dr James WATSON
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Let me reassure you that the Commission remains committed to attracting private investment in order to meet the 20% renewables target in 2020 and the minimum 27% target for 2030. The Commission will launch a public consultation on a revision of the Renewable Energy Directive (2009/28/EC) in the coming weeks, and I hope you and your members will contribute on how to foster public and private investment in the EU renewables sector.

Yours sincerely,

A handwritten signature in black ink, consisting of a large, stylized initial 'J' followed by a series of loops and a long horizontal stroke extending to the right.