

Energy Efficiency Directive update Finnish approach

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Finland has a long experience with long-lasting EE policy measures

- **National Energy Agency Motiva 1993 ->**
- **Subsidy Scheme for EE and RES 1992->**
- **Energy Audit Programme 1994->**
- **Energy Conservation Agreements 1997-2007**
- **Energy Efficiency Agreements 2008-2016 (now 2017-2025)**
- **Monitoring Systems**
 - Energy Audits 1994->
 - Voluntary Agreements 1999/2000->
- **ESD and EED implementation**
- **Very little additional efforts were needed to comply with the ESD**
- **Existing policy measures were quite well in line with EED**
- **Quite a lot a lot new/different planning methods had to be created and taken in use (art 4: Buildings; art 7: Energy saving schemes/other measures; art 14: Comprehensive analyses of efficient District Heating and Cooling...)**

Energy and climate targets (1/2)



Finland's long-term objective is to be a **carbon-neutral society**

- 80-95% reduction of greenhouse gas emissions from 1990 level by 2050

EU 2020 targets for Finland

- renewable energy at least 38 % of final consumption
- greenhouse gas emissions in the non-emission trading sector to be reduced by 16 % from 2005 level
- indicative energy efficiency target, final consumption not more than 310 TWh

EU 2030 targets for Finland (Commission's proposal)

- greenhouse gas emissions in the non-emission trading sector to be reduced by 39 % from 2005 level by 2030

Energy and climate targets (2/2)



Government Programme of Prime Minister Juha Sipilä

- Use of emission-free, **renewable energy** will be increased in a sustainable way so that its share will rise to more than **50 per cent** during the 2020s.
- The **self-sufficiency** in energy will be increased to more than **55 per cent**.
- The use of imported **oil** for the domestic needs will be **cut by half** during the 2020s.
- **Coal** will no longer be used in energy production.
- The share of **renewable transport fuels** will be raised to **40 per cent** by 2030.

ESD and EED implementation in FI



- Very little additional efforts were needed to comply with the ESD
- Existing policy measures were quite well in line with EED
- Quite a lot a lot new/different planning methods had to be taken in use
 - art 4: Buildings;
 - art 7: Energy saving schemes/other measures;
 - NEEAPs
 - art 14: Comprehensive analyses of efficient District Heating and Cooling...
- **A lot of administrative work with minor concrete benefits and help for EE policy implementation and monitoring of results**
- Finland with many other MSs proposed to simplify and smoothen the planning, monitoring and reporting requirements of EED

EED update – Commission proposal



EU common and National Targets

- **30% binding energy efficiency target for 2030 at EU level**
 - European Council's decided in 2014 on a target of at least 27% for 2030 to be reviewed by 2020 having in mind a 30% target
 - European Parliament's resolution calling for a 40% binding target
- FI willing to keep the indicative nature of the EU common target as it is in the existing directive and decided by the European Council in October 2014
 - The EU common target given as an absolute amount of primary **and** final use of energy: No more than 1 483 Mtoe of primary energy and no more than 1 086 Mtoe of final energy;
- FI supports COM's proposal that when MS sets indicative national contributions to the 2030 target, the same consideration as when MS adopted indicative national targets for 2020 (e.g. national energy mix, GDP-development) can be used

COM proposal art 7, 7a, 7b, annex V



- **Article 7 is amended to extend the obligation period beyond 2020 to 2030 and even further, if the EU Climate and Energy targets for 2050 are not seemed to achieve**
 - **Member States can achieve the required energy savings through an energy efficiency obligation scheme, alternative measures, or a combination of both approaches**
- **switching from first period (2014–2020) to the second (2021–2030)**
 - **The proposal could be interpreted so that savings from the end of the first period could not be brought to the second period. No intensive to do savings in 2019 and 2020, “cumulative” counting for savings from 2021**

Articles 9 – 11, Metering and Billing



- **The idea to take electricity metering and billing issues away from EED and put in connection with electricity market directive sounds good**
- **FI is supporting all the actions to promote of use a proper metering of energy purchases and to communicate the customers with detailed enough information about their energy use.**
- **Individual heat metering / heat cost allocators in apartment buildings**
 - after our experience and studies too costly compared the saving potential with district heated and well isolated Finnish buildings
 - creates or strengthens split incentive problem, which is quite rare in Finland. When the building owner or housing association is responsible for energy costs directly, there is the incentive and the financial capability to invest in energy efficiency in one entity
 - FI wants to have cost efficiency and technical feasibility as a criteria for individual heat meters / heat cost allocators

CONCLUSIONS



- **Further actions needed to achieve National and EU Energy targets**
- **INTEGRATED APPROACH FOR THE WHOLE ENERGY SYSTEM**
 - Optimization at system level
 - cost efficiency
 - Light regulation – market oriented approach
 - Public - Private cooperation

**No one silver bullet for Energy Efficiency ->
Comprehensive actions!**

Link to the FI National Energy and Climate Strategy, also in English

<https://tem.fi/strategia2016>

Thank You!

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