

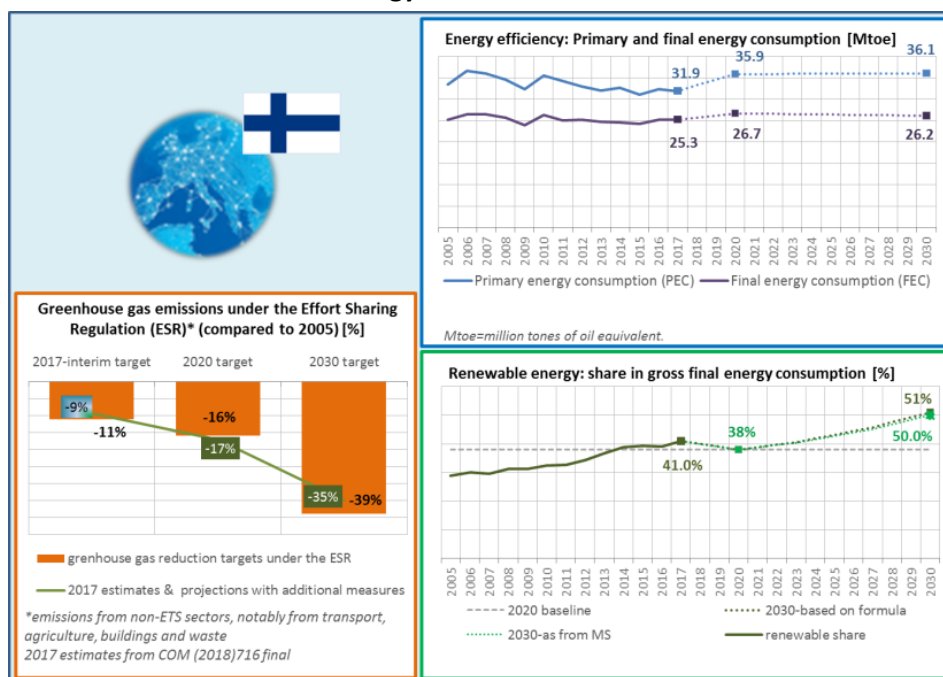


FINLAND

Summary of the Commission assessment of the draft National Energy and Climate Plan 2021-2030

The EU has committed itself to a clean energy transition, which will contribute to fulfilling the goals of the Paris Agreement on climate change and provide clean energy to all. To deliver on this commitment, the EU has set binding climate and energy targets for 2030: reducing greenhouse gas emissions by at least 40%, increasing energy efficiency by at least 32.5%, increasing the share of renewable energy to at least 32% of EU energy use and guaranteeing at least 15% electricity inter-connection levels between neighbouring Member States. To ensure that the EU targets are met, EU legislation requires that each Member State drafts a 10-year National Energy and Climate Plan (NECP), setting out how to reach its national targets, including the binding national target for reducing greenhouse gas emissions that are not covered by the EU Emissions Trading System (ETS). The European Commission has analysed each draft NECP. The summary of this assessment for Finland is outlined below. The final NECPs for the period 2021-2030 are due to be submitted by Member States by the end of 2019.

FINLAND - National targets and contributions foreseen in the draft National Energy and Climate Plan



Sources: Finland's draft National Energy & Climate Plan, Eurostat (PEC2020-2030, FEC2020-2030 indicators and renewable SHARES), COM(2018) 716 final (2017 GHG estimates)

- Finland's draft integrated National Energy and Climate Plan (NECP) is based upon two existing Government documents, the National Energy and Climate Strategy for 2030 of 2016 and the Medium-term Climate Change Plan for 2030 of 2017. The starting point for Finland's strategy is to look at energy and climate policy in different sectors from the **perspective of emission reductions, energy policy, growth and employment**, taking into account national circumstances such as cold climate, long transport distances, extensive energy-intensive industry and domestic raw material resources, especially forest biomass.
- Finland's 2030 target for **non-ETS greenhouse gas emissions** is -39% compared to 2005 as set in the Effort Sharing Regulation (ESR)¹. Based on information provided in the draft plan on decarbonisation, the existing and planned policies and measures together with the indicated use of flexibilities could be sufficient for Finland to meet its target. If implemented, the planned additional policies may deliver significant emission reductions, notably in transport and agriculture, while a smaller impact is expected in the buildings sector. Given the emphasis on bioenergy, the sustainability of biomass and the impact on the carbon sink deserves attention in the final plan.
- With respect to the **LULUCF** sector, more information is needed to assess whether Finland would comply with the no-debit commitment over the period until 2030. Quantifying the expected gap between ESR emissions and targets without additional policies and the greenhouse gas reductions from additional policies and measures throughout the period 2021-2030 will benefit the final plan.
- Finland proposes a contribution to the EU renewable energy target with a 50% share of **energy from renewable sources** in gross final consumption of energy in 2030, making Finland one of the EU frontrunners in renewable energy. Yet, this level of ambition is slightly below the share of 51% in 2030 that results from the formula in Annex II of the Governance Regulation, a situation which would also require an indicative trajectory in the final plan that reaches all reference points² in accordance with the national contribution in the final plan. The proposed renewable energy share in the transport sector is 32%. The 'with additional measures' scenario provided by Finland demonstrates attainment of the national contribution to the EU renewable energy target for 2030. However, further details on planned policies and measures will benefit the final plan. The final plan would benefit from elaborating further on the policies and measures allowing the achievement of the contribution and on other relevant sectorial measures.
- Finland envisages a slight increase of both primary energy consumption and final energy consumption for 2030. The proposed contribution towards the 2030 collective EU **energy efficiency** targets is low considering the collective effort needed. The revision of the Energy Efficiency Act³ is an opportunity to reconsider the contribution towards the EU target, to reflect the energy efficiency potentials in the scenarios, but also to consider additional policies and measures beyond the transport sector.

¹ Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013.

² Pursuant to Article 4(a)(2) of Regulation 2018/1999.

³ Energiatehokkuuslaki 1429/2014.

- As regards **energy security**, Finland has put forward several concrete targets, such as a target of 55% self-sufficiency for energy by 2030, a prohibition of use of coal for energy by 2030 and a reduction of the usage of imported oil by 50%. The final plan would benefit from more detailed information on this dimension including as regards measures envisaged view to the foreseen role of nuclear generation capacity.
- Finland is already above the EU **interconnection** level and it aims to keep the interconnectivity above 15% in 2030. Nevertheless, the need for additional information is also present in the **internal market** dimension. The additional indicators accompanying the interconnection target remains to be clarified in the final plan. The final plan would also benefit from specific and forward-looking objectives and targets relating to this dimension.
- Information is provided on the general direction and budget for energy related **research, innovation and competitiveness**. The final plan would benefit from additional insights, in particular regarding specific research and innovation objectives and a description of policies and measures until 2030.
- The draft NECP includes incremental **investment needs**. The quantified investment needs correspond to 1.5 – 2% of GDP per year, notably in the electricity network. The final plan would benefit from including also overall figures for energy related investments thus fully taking advantage of the role NECPs can play in providing clarity to investors and attracting additional investments in the clean energy transition.
- **Regional cooperation** across the Energy Union dimensions is already taking place between Finland and neighbouring Member States. There is potential for intensifying the existing cooperation arrangements between Nordic countries, especially in the internal market and energy security dimension, extending them to new areas and broadening the geographic reach to include the Baltic States.
- The final plan would benefit from complementing the analysis of the interactions with **air quality and air emissions** policy, and presenting impacts of policies and measures on air pollution.
- The issue of a **just and fair transition** to a climate neutral economy could be better integrated throughout by considering social, skills and employment impacts.
- A detailed list of all **energy subsidies** and actions undertaken and planned to phase them out, in particular for fossil fuels, needs to be included in the final plan.
- The impact assessment includes estimates of how achieving the climate and energy targets will affect GDP and employment, which can be considered a **good practice**.

Related links:

- [National Energy & Climate Plans](#) – for links to the Commission recommendations and Staff Working Document for Finland and all other Member States, to the Commission Communication assessing all draft NECPs, and to the draft NECPs themselves.
- More information about the [Clean energy for all Europeans package](#)
- More information about the [2030 climate & energy framework](#)