



Northern Periphery and  
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## Renewable Community Empowerment in Northern Territories

Finland – Policy Brief; Existing Policy Baseline



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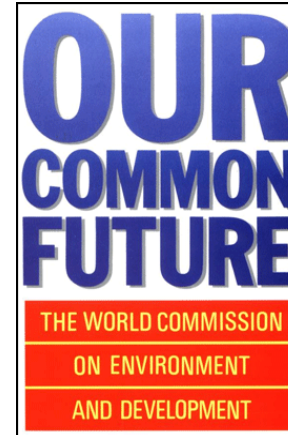
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## Introduction

On an international level, sustainable development has been driven by the Bruntland Report of 1987 which defined it as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:

- the concept of 'needs', in particular the essential needs of the world's poor, to which overriding priority should be given; and
- the idea of limitations imposed by the state of technology and social organisation on the environment's ability to meet present and future needs.”

Subsequent to publication of the Bruntland Report there have been several global summits relating to Climate Change, each seeking to put mechanisms in place to control Climate Change and reduce emissions of harmful gases. These summits include the Kyoto Protocol in 1997, which agreed international targets to reduce greenhouse gas emissions to a target percentage of 1990 levels and allowed for emissions trading between nations. Several major countries opted out of this, however, including the USA and Canada. More recently a new agreement, in the form of the Paris Agreement of December 2015 saw major nations including the USA sign up to an agreement to, amongst other targets, a long-term goal of keeping the increase in global average temperature to well below 2°C above pre-industrial levels.



The outcome of signing up to such agreements has been seen in the creation of sustainable development strategies cascading down from global to European to national and regional levels.

In Europe, the EU put in place the Sustainable Development Strategy (SDS) 2001 (Revised in 2006 and 2009) as an overarching policy to drive work in this area. All members were required to agree and sign up to the policies and outcomes set out within this policy. The EU SDS sets out several key objectives that form the backbone of the strategy and feed down to local level. The objectives include “To promote sustainable consumption and production patterns” and this is particularly relevant to the work SEAI hopes to carry out.

Another key document at European level is the Europe 2020 document. This is a ten year strategy setting out targets in the areas of employment, innovation, education, social inclusion and climate/energy with targets to be reached by 2020. This document provides targets at a European level for various topics including green-house gas emissions, level of energy consumption from renewable sources and other topics. Individual Nations can set their own targets, for example the European target for energy consumption from renewable sources is 20% by 2020 but Ireland has set a target of 16%. Latest figures available show that in 2013 Ireland had reached 8%.

## Local Policy Background

Finland is following the EU energy and climate policies and targets. The European Union is currently strongly developing its energy and climate policy. In 2016 the new Energy and Climate Strategy was published in Finland.

The Paris Climate Agreement entered into force in November 2016 with objective to hold the increase in the global average temperature to below 2 °C above pre-industrial levels. It also pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels. The EU has also set climate and energy policy targets for 2030 in which the key target is to reduce greenhouse gas (GHG) emissions by at least 40 % from the 1990 level: 43 % in the emissions trading sector and 30 % in the non-ETS sector (i.e. effort sharing sector), compared to the 2005 levels. The European Commission has issued a proposal for a regulation. For Finland, binding target of reducing effort sharing sector emissions by 39 % would be set.



The Government Programme of Prime Minister Sipilä sets ambitious targets in the energy sector. Aims are:

- to increase the share of renewable energy to over 50 % of end consumption,
- to increase self-sufficiency to over 55 %,
- to phase out coal use in energy production,
- to halve the domestic use of imported oil, and
- to bring the share of renewable transport fuels up to 40 % (23.5 % of the fuel energy content).

An effort will be made to achieve all this by 2030.

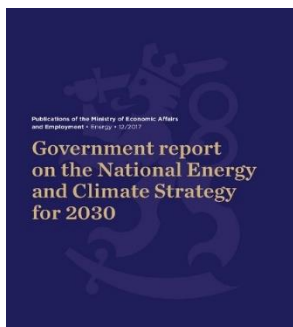
This National Energy and Climate Strategy

- discusses the key starting points and objectives of the Government Programme goals,
- discusses the adequacy of current measures for meeting its targets (the basic scenario) and
- measures by which its targets can be attained (the policy scenario),
- specifies key measures for achieving the binding emission reduction targets in the effort sharing sector by 2030.

The strategy examines the possibility of transitioning into an economy fully based on renewable energy by 2050.

## Local Policy - continued

The long-term objective of Finland is to be a carbon-neutral society and the report published by the Parliamentary Committee on Energy and Climate Issues in October 2014, "Energy and Climate Roadmap 2050", provides a strategic level guide to meet this target. The roadmap analyzed the means of constructing a low-carbon society and achieving an 80–95 % reduction in greenhouse gas emissions from the 1990 level in Finland by 2050.



### Finland's New Energy and Climate Strategy in detail

On 24th November 2016 the new Energy and Climate Strategy was published by the Finnish government. The Strategy outlines the actions that will enable Finland to attain the targets specified in the Government Programme and adopted in the EU for 2030. It also set the course for achieving an 80–95 % reduction in greenhouse gas emissions by 2050.

- Finland will phase out the use of coal for energy, with minor exceptions,
- the share of transport biofuels will be increased to 30 %,
- there will be obligation to blend light fuel oil used in machinery and heating with 10 % of bioliquids,
- the minimum aim is to have 250 000 electric and 50 000 gas-powered vehicles on the roads,
- the electricity market will be developed at the regional and the European level,

- the flexibility of electricity demand and supply and, in general, system-level energy efficiency will be improved,
- technology neutral tendering processes will be organized in 2018–2020, on the basis of which aid will be granted to cost-effective new electricity production from renewable energy,
- the share of renewable energy in the end consumption will increase to about 50 % and the self-sufficiency in energy to 55 %,
- the share of renewable energy use in transport will clearly exceed the Government Programme target,
- the domestic use of imported oil will be halved as planned and
- the greatest non-ETS sector reductions in emissions will be achieved in the transport sector, and this will be the foundation of the medium term climate policy plan of 2017.

This National Energy and Climate Strategy outlines the concrete actions and objectives that will enable Finland to achieve the energy and climate targets specified in Prime Minister Sipilä's Government Programme and jointly adopted in the EU for 2030, and to systematically set the course for reaching the 2050 targets. Approximately 3/4 of all GHG emissions in Finland come from energy production and consumption, including energy used for transport. Emissions are also produced in industrial processes, from the soil and livestock farming in agriculture and in the waste processing sector. Measures in all sectors are needed to achieve the targets. Energy sector measures includes both the production and use of energy. Energy efficiency is at the centre in not only reducing the use of fossil fuels and the greenhouse gas emissions caused by them but also increasing the share of renewable energy.



# Renewable Community Empowerment in Northern Territories

## Conclusions

The energy and climate policy has three basic dimensions that must be kept in balance in transition to a carbon neutral society. The energy system must:

be cost-effective and enable the growth of the national economy and Finnish companies' competitiveness in the global market,  
be sustainable from the perspective of greenhouse gas emissions and the environment, and offer sufficient security of supply.

The transformation of the energy system must be controlled and based on the existing system. Energy production and industrial investments have long life cycles, and the replacement rate of buildings and the vehicle fleet is slow. Calculations of an optimal energy production structure in the future are useless if we do not also take into account the required investments with funding needs, and the markets that should make the investments commercially profitable over time. Understanding this dynamics plays a key role in developing energy and climate policy that supports the preconditions for growth.



When formulating a national energy and climate strategy, it is essential to take into account the special features of our country:

- a cold climate,
- long transport distances,
- extensive energy-intensive industry and
- domestic raw material resources, especially forest biomass.

As Finland is part of the regional, European and even global energy market, it cannot be forgotten when drafting policy measures. The purpose of the new Energy and Climate Strategy is to also outline the premises for exerting influence in the Nordic, European and international context.



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