



COUNTRY POLICY PROFILE

Finland

December 2015

**LOG FILE OF CHANGES IN SUPPORT
POLICIES AS COMPARED TO LATEST
MEMBER STATE PROGRESS REPORT**

The EurObserv'ER project

The EurObserv'ER Barometers monitor the renewable energy progress in each Member State of the European Union. Every two months a barometer dedicated to one particular renewable energy technology is published. Moreover, once a year an [Overview Barometer](#) collects the main indicators published during the year and completes these with additional renewable sectors which have not been detailed in the individual Barometers. Finally, the Overview Barometer also reports on socio-economic aspects: employment and turnover in the field of renewables, and the renewable energy investment climate. The country policy reports monitor policy developments by providing an overview of policy changes compared to the Member State Progress Reports (updated until December 2015).

All Barometers are available for download at <http://www.eurobserv-er.org>. An overview of direct links to Barometers is available in the Annex.

New Barometer releases are announced on Twitter (https://twitter.com/eurobserv_er).



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Abstract

Electricity biogas, biomass, and wind is supported through a premium tariff. Furthermore, Finland promotes RES through two subsidy schemes. A state grant for investment in RES supports sustainable energy research projects as well as renewable energy production facilities. A second subsidy scheme provides investment support farmers investing in facilities producing heat from RES. A price-based mechanism, the so-called “Heat bonus” that is a fixed payment per MWh, promotes cogeneration of heat and electricity from biogas and biomass (RES LEGAL Europe, 2014).

Abbreviations

BTL	Biomass-to-Liquids
CHP	Combined heat and power plant
EEAG	Environmental and energy aid guidelines
EU-27	European Union, 27 Member States (excludes Croatia)
EU-28	European Union, 28 Member States (includes Croatia)
FiP	Feed-in premium (scheme)
FiT	Feed-in tariff (scheme)
GHG	Greenhouse gas(es)
GHG	Greenhouse gas
ktoe	Kiloton oil equivalent
MSW	Municipal solid waste
NREAP	National Renewable Energy Action Plan
PV	Photovoltaic energy
RE	Renewable energy
RED	Renewable Energy Directive
RES	Renewable energy sources
RMSW	Renewable Municipal solid waste (renewable fraction in MSW)
RQS	Renewable quota scheme
TSO	Transmission system operator

Renewable energy mix

According to the [EurObserv'ER Bridging Report \(2015\)](#) the amount of renewable energy in Finland for the year 2013 was 9205.4 ktoe, -132.9 ktoe (-1.4%) compared to 2012. The 2012 share of renewable energy in Finland amounted to 34.5%, and for 2013 this share amounted to 36.8%; the target for 2020 has been defined as 38%.

In this total amount, the 2013 contribution from renewable electricity amounted to 2168.1 ktoe (25215 GWh), -257.0 ktoe (-10.6%) compared to 2012, for renewable heat the amount was 6797.4 ktoe, +97.3 ktoe (+1.5%) compared to 2012 and for renewable energy in transport the 2013 realisation was 239.9 ktoe, +26.8 ktoe (+12.6%) compared to 2012.

The most important technology in Finland (2013) is heat from biomass (6443.6 ktoe). Second technology is hydropower (1103.9 ktoe). Third comes electricity from biomass (997.2 ktoe). The growth rates range from -28.2% (for bioethanol/bio-ETBE) to 187.9% (for other biofuels in transport).

Table Renewable energy production in Finland. Data have been expressed in ktoe and refer to the years 2012 and 2013

Finland		2012	2013	Difference	
		ktoe	ktoe	ktoe	Growth
Renewable Electricity	Hydropower	1449.6	1103.9	-345.7	-23.9%
	Geothermal	0.0	0.0	0.0	0.0%
	Solar	0.4	0.5	+0.1	+20.0%
	Tidal & wave	0.0	0.0	0.0	0.0%
	Wind	42.5	66.6	+24.1	+56.7%
	Biomass	932.6	997.2	+64.6	+6.9%
	Total	2425.1	2168.1	-257.0	-10.6%
Renewable Heat	Geothermal	0.0	0.0	0.0	0.0%
	Solar	1.1	1.2	+0.1	+9.1%
	Biomass	6383.7	6443.6	+59.9	+0.9%
	Ambient heat	315.3	352.6	+37.3	+11.8%
	Total	6700.1	6797.4	+97.3	+1.5%
Renewable Transport	Bioethanol/bio-ETBE	91.4	65.6	-25.8	-28.2%
	Biodiesel	103.8	154.8	+51.0	+49.1%
	Renewable hydrogen	0.0	0.0	0.0	0.0%
	Renewable electricity	17.5	18.5	+1.0	+5.7%
	Other biofuels	0.3	1.0	+0.6	+187.9%
	Total	213.1	239.9	+26.8	+12.6%
Total Renewable (calculated)		9338.3	9205.4	-132.9	-1.4%

Source: EurObserv'ER 2015

Recent RES Policy Developments

The current EurObserv'ER policy profile is listing recent policy changes in the EU Member States. Starting point for this monitoring is the situation as it has been described in the country's Progress Report (which were due end of 2013). All Renewable Energy Progress Reports are available in English language from www.eurobserv-er.org (translated versions).

Date	Technology	Policy change
January 2014	All RES	The Finnish Renewable Energy Progress Report 2013 was released by the European Commission in February 2014. An overview of policies and measures for Renewable Energy up to the end of 2013 can be found in Section 2 to Section 4 (pp. 4 – 14) in the Progress Report.
March 2014	Off-shore wind	On 20 March 2014, the Government submitted to the Parliament a proposal for amendments to the Renewable Energy Production Law. Amendments would allow companies who receive investment subsidies for developing off-shore wind energy pilot projects to receive also support through premium priced feed-in tariff system. Six companies have applied for off-shore wind energy pilot projects. Only one of these companies will be selected. The subsidy amounts to € 20 million. The wind energy pilot projects subsidy is meant to eliminate additional costs for connections to the transmission grid. Amendments are expected to promote faster development of off-shore wind energy and, therefore, will help to achieve renewable energy targets for 2020 and 2025.
May 2014 – September 2015		<no change to be reported>
November 2015	All RES	The Finnish Ministry of Employment and the Economy (TEM) has set up a working group with the task to draw up a proposal for a renewable energy support system. The aim of the new aid scheme is to increase the share of emission-free renewable energy, industrial-scale combined heat and power co-generation and separate production of electricity in a sustainable and cost-effective way. From 1 Decemeber 2015 – 29 April 2016 the working group (including also other

		ministries and experts) should consider whether investment & production support system or a model based on green certificates targets is best suited for the new support system. In addition, it assesses the competitive part of the new aid scheme
December 2015	All RES	The Ministry of Employment and the Economy sent the proposal for a decree on investment aid for renewable energy and new energy technology for comments. The aim of this Programme is to increase the use of renewable energy to a share share over 50% in the 2020s and self-sufficiency to over 55%. Furhtermore, the share of renewable transport fuels is to be increased to 40% by 2030. In addition, the programme aims to give up coal in energy production and cut the use of imported oil for domestic needs by half during the 2020s. Within the Porgramme, €100 million of financing is supposed to be allocated cost-efficiently towards carbon-free, clean and renewable energy projects in 2016-2018.

Note to the reader: the above overview had been compiled with care. However, in case you miss recent developments please be invited to inform EurObserv'ER on policy changes in a Member State. For communication use e-mail (policy@eurobserv-er.org) or Twitter (https://twitter.com/eurobserv_er).

Glossary

Auctions for granting renewable energy support	An auction is a process, organised by a governmental renewable energy implementation agency, of granting production or investment support to a specified volume of eligible renewable energy (or renewable energy generation capacity) based on the lowest bids per unit of renewable energy (or renewable energy generation capacity) by eligible renewable project developers.
Degression rate	See under 'Sliding feed-in tariff'
Feed-in tariff (FiT)	A technology-specific support scheme which provides for a technology-specific remuneration per unit of renewable energy payable to eligible renewable energy producers, typically for a period of 10-20 years. The FiT level is set <i>ex ante</i> by the National Regulatory Agency (NRA). It is to cover all future production costs including a <i>normal</i> rate of return to capital invested. In many schemes priority network access is offered to eligible renewable electricity generators, whilst a designated third party - e.g. the transmission or distribution network operator concerned - is being mandated to pay the FiT remuneration due. A proper, periodic review of FiT rates is often undertaken with the aim to prevent both too high FiTs so as to minimise regulatory rents, i.e. supra-normal returns and too low FiTs to preclude below-target market uptake because of FiT levels that are perceived by market participants to be less attractive.
Feed-in premium (FiP)	A technology-specific support scheme which provides for a technology-specific subsidy level per unit of renewable energy to eligible renewable energy producers, typically for a period of 10-20 years, at a pre-set fixed or floating (see under 'Floating FiP') rate, projected by the National Regulatory Agency (NRA) to enable renewable energy generation investments deemed commercially attractive by project developers without yielding supra-normal profits.
Floating FiP	A feed-in premium, which is periodically adjusted to exactly offset the change in the average energy wholesale market price, based on a pre-specified benchmark market price. A floating FiP may move freely or may only be allowed to move within a pre-set interval.
Grants	Grants are non-repayable funds disbursed by one party (grant makers), often a government department, corporation, foundation or trust, to a recipient, often (but not always) a non-profit entity, educational institution, business or an individual. (Source: Wikipedia.org)
Green public procurement	In Green public procurement contracting authorities take environmental issues into account when tendering for goods or services. The goal is to reduce the impact of the procurement on human health and the environment. (Source: Wikipedia.org)
NRA	National Regulatory Agency

Renewable quota scheme (RQS)	A renewable quota scheme mandates certain market actors (typically retail suppliers or large energy end-users) to respect a pre-set minimum share or amount of their total energy procurements from renewable sources of energy. Typically a tradable green certificate (TGC) scheme is operated to enable the obligated parties to prove their compliance with the prevailing renewable quota target by means of TGCs. Typically the renewable quota target is increased gradually over time. Renewable quota systems are also known under terms such as quota (obligation) schemes or renewable portfolio standards.
Request for tenders (RFT)	A request for tenders (RFT) is a formal, structured invitation to suppliers, to bid, to supply products or services. In the public sector an official fee is needed to fortify and secure the tender bid engagement/win documents, such a process may be required and determined in detail by law to ensure that such competition for the use of public is open, fair and free from bribery and nepotism. For example, a government may put a certain level of MW of offshore wind energy at a pre-defined location 'out to tender'; that is, publish an invitation for other parties to make a proposal for the construction of offshore wind farms, on the understanding that any competition for the relevant government contract must be conducted in response to the tender, no parties having the unfair advantage of separate, prior, closed-door negotiations for the contract. An evaluation team will go through the tenders and decide who will get the contract. (source: adapted from Wikipedia.org)
RD&D funding	The funding of research, development and demonstration activities and programmes. For technologies far remote from commercial maturity, government grants or subsidies might be considered. For technologies close to commercial maturity which are not taken up for commercial research any way, instruments such as fiscal instruments (tax credits, accelerated depreciation, etc.) and public-private partnerships may be considered, based on shared public and private RD&D funding.
Sliding feed-in-tariff	A FIT scheme which pre-sets technology-specific declining feed-in tariffs for certain prospective vintages in line with the technology-specific learning curve, as projected by the National Regulatory Agency (NRA). Often a depression rate is used indicating the %/annum decrease in the rate level.
Soft loans	Loans at concessional (below market-based) terms, for example at sub-market-conform interest rates, made available in several Member States to stimulate certain renewable energy technologies.
Tax credits	These are amounts a tax paying entity is allowed to deduct when declaring payable taxes, for example company tax or income tax, to the tax authorities, for example the producer tax credits (PTCs) used in the United States to stimulate among others wind energy deployment.
Tenders	See 'Request for tenders'

References

EurObserv'ER, 2014, www.eurobserv-er.org

Finnish Ministry of Employment and the Economy, 2015, <http://www.tem.fi/>

RES LEGAL Europe, <http://www.res-legal.eu/search-by-country/finland>

'The State of Renewable Energies in Europe', <http://www.eurobserv-er.org/pdf/bilan13-gb.asp>,
(edition 2013) and http://www.energies-renouvelables.org/observ-er/stat_baro/barobilan/barobilan14_EN.pdf (edition 2014)

Annex

The EurObserv'ER Barometers are all available for download.

Links to all EurObserv'ER publications:

'The State of Renewable Energies in Europe' (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-annual-overview-barometers>

Wind Energy Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-wind-energy-barometers>

Photovoltaic Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-photovoltaic-barometers>

Solar Thermal Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-solar-thermal-and-concentrated-solar-power-barometers>

Biofuels Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-biofuels-barometers>

Biogas Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-biogas-barometers>

Renewable Municipal Waste Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-renewable-municipal-waste-barometers>

Solid Biomass Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-solid-biomass-barometers>

Heat Pump Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-heat-pumps-barometers>