Policy Update Finland – Implementation of the RED II

10th ISCC Global Sustainability Conference
12 February 2020 // Brussels
Agenda

- Renewable energy targets & policies in transport

- The RED II implementation
Renewable energy targets 2020 & 2030 in Finland

2020
- 38 % renewable energy
- 16 % ↓ non-ETS sector
- 20 % biofuels

2030
- 50 % < renewable energy
- 39 % ↓ non-ETS sector
- 30 % biofuels
- 10 % sub target for advanced biofuels
Policy instruments in transport sector

• **Quota obligation for transport biofuels**
  • 20 % by 2020 (double counting for advanced biofuels)
  • 30 % by 2030 (no double counting)
    • 10 % sub-target for advanced biofuels
  • The sustainability and GHG-emission reduction criteria from the renewable energy directive

• **Fuel taxation**
  • Taxes for all fuels in transportation
  • Based on energy content and CO2 emissions of fuel
  • Lower taxes for sustainable biofuels

• **Investment aid**
  • New technology biorefineries
  • Biogas installations producing biomethane from waste and residues
  • Alternative fuels infrastructure (biogas filling stations and electric car charging)
Biofuels quota obligation 2021-2030

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<th>Year</th>
<th>Biofuels (tot. %)</th>
<th>Advanced biofuels (%)</th>
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The RED II implementation
The RED II implementation - timeline

- **2018**: Preminary studies and working groups
- **2019**: Studies, Working groups by different themes, Finland’s Presidency of the Council of the EU
- **2020**: Legislations and implementation
- **2021**: RED II implemented 06/2021
RED II: Sustainability criteria for bioenergy

- To be accounted towards the overall RES-target and sectorial sub-targets
- To be eligible for public financial support
- To be zero-rated under the ETS system

**Exemptions:**
- Small installations below 20 MW for solid biomass fuels and 2 MW for gaseous biomass fuels of total rated thermal input are exempted
- Biomass fuels produced from waste and residues: only GHG criteria and soil quality requirements for agricultural biomass
RED II: Sustainability criteria for biomass

• National Working Group
  • Part 1 – Evaluation of the RED II sustainability requirements in relation to the national legislations
    • The Report and recommendations published last December
    • The Legislative draft proposal is being circulated for comment
  • Part 2 – Evaluation of the need of more detailed guidance and the government degree regulation
    • The upcoming Commission guidance of forest based biomass

• Act on Biofuels and Bioliquids (393/2013)
  • Includes sustainability criteria from the RED I
  • Requirements of sustainability schemes and how to show compliance
    • The national sustainability scheme
    • 23 approved sustainability schemes
  • Will be amended to cover biomass fuels and new criteria for forest biomass
RED II: Transport sector

• The revision of the national quota obligation – starts spring 2020
  • Biogas to the quota obligation (from the Government programme)
  • Renewable liquid and gaseous transport fuels of non-biological origin
  • Recycled carbon fuels?
  • Biofuels produced from of food and feed crops 2020 level +1%
  • High ILUC-risk biofuels
  • The Annex IX part B feedstock 1.7 % or higher?

• The Union Database

• Biofuels in the aviation and maritime sectors?
Conclusions

• Ambitious energy and climate targets on the EU and national level in Finland
  • 2020 targets already exceeded
  • Over 50% renewable energy target by 2030
  • 30% biofuel obligation, including 10% sub-target for advanced biofuels

• Transport is the key reducing CO$_2$ emission outside the EU Emissions Trading Scheme
  • All possible means needed

• The RED II implementation – end of June 2021
  • A lot of different delegated acts and implementing acts coming
  • A lot of new economic operators from biomass fuels
  • Industry hopes stable and long-term policies
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