

# Policy Update Finland – Implementation of the RED II

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



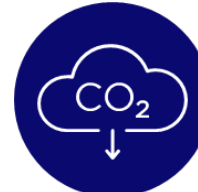
Työ- ja elinkeinoministeriö  
Arbets- och näringsministeriet

# Agenda

- Renewable energy targets & policies in transport
- The RED II implementation



# Renewable energy targets 2020 & 2030 in Finland



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

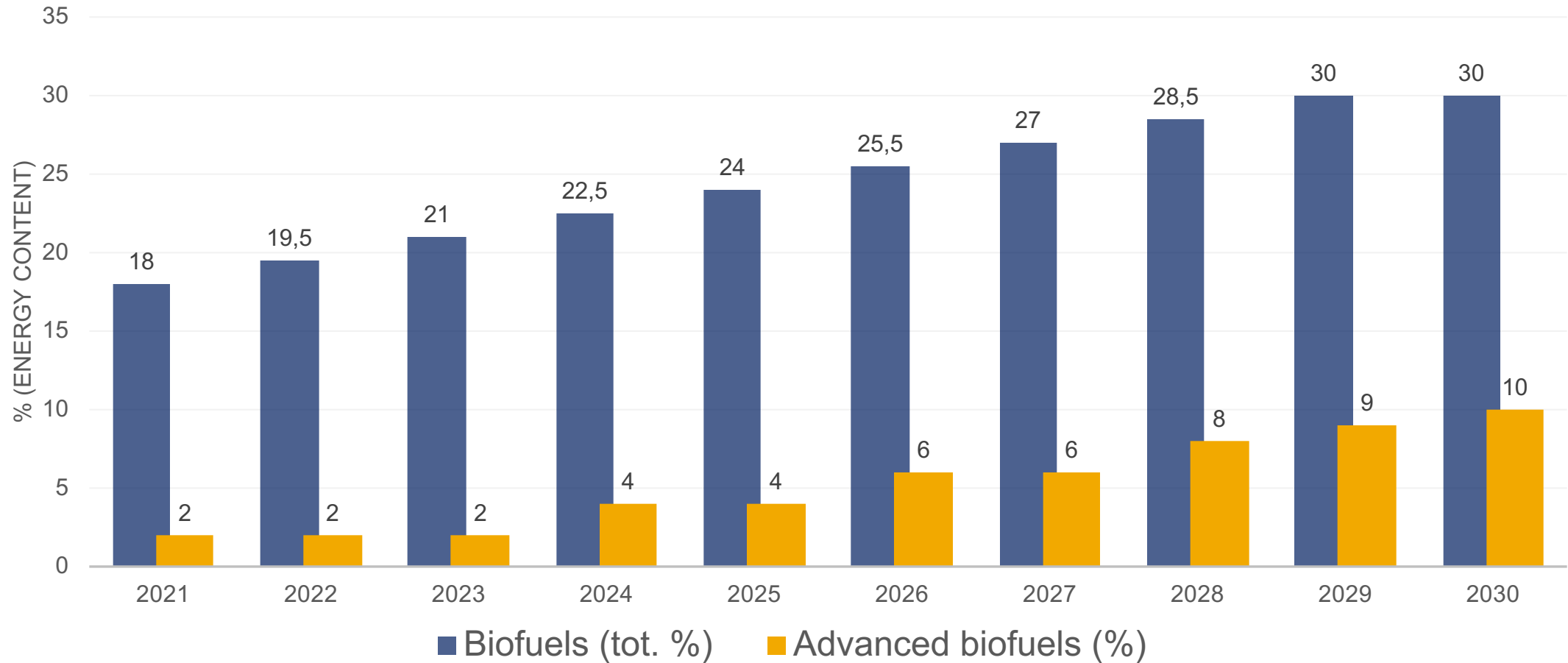
- 50 % < renewable energy
- 39 % ↓ non-ETS sector
- 30 % biofuels
- 10 % sub target for advanced biofuels



# 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)

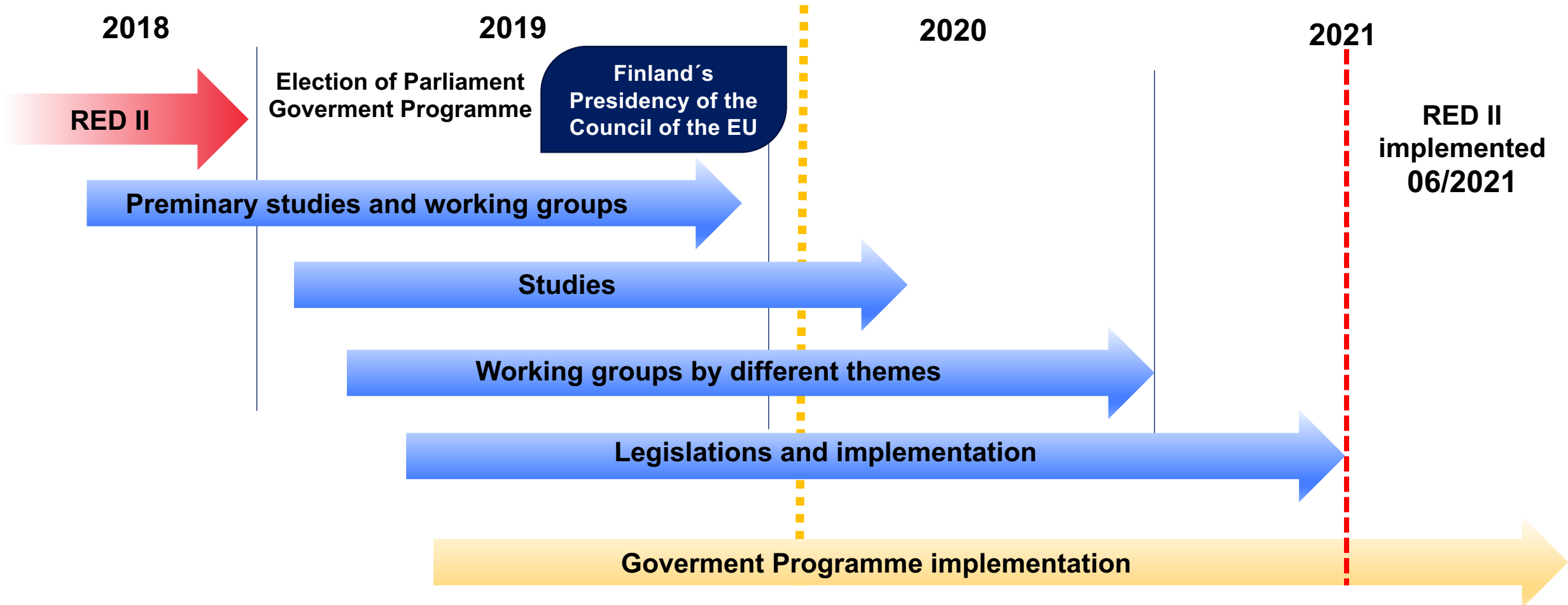
# Biofuels quota obligation 2021-2030



A close-up photograph of a person's hands plugging a red and blue charging cable into the charging port of a white car. The person is wearing a blue and white striped shirt and a white smartwatch. The background is a blurred outdoor setting with a blue sky and greenery. The text "The RED II implementation" is overlaid in white on the image.

# The RED II implementation

# The RED II implementation - timeline





# 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

Sustainability requirements



LULUCF Requirements



GHG emissions savings requirements



- **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



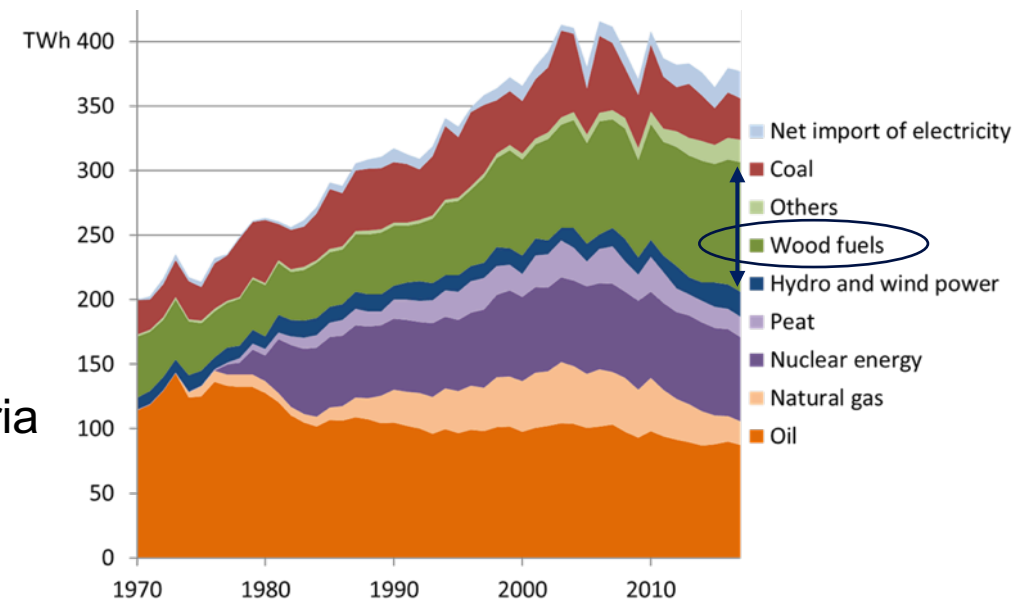
## • National Working Group

- 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

Total energy consumption in Finland 1970-2017



# 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?**

**2030**



**30 %**  
**10 %**  
**??**

# 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<sub>2</sub> 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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