VOLUNTARY ENERGY EFFICIENCY AGREEMENTS IN FINLAND

Heikki Väisänen
Energy Authority, Finland
ENERGY EFFICIENCY AGREEMENTS 2008-2016

ANNUAL CUMULATIVE ENERGY SAVINGS IN 2016
15.9 TWh

AGREEMENTS COVERED APPROX. 2/3 OF TOTAL ENERGY USE IN FINLAND
667 COMPANIES
5,000 SITES
132 MUNICIPALITIES

ANNUAL SAVINGS EXCEED ANNUAL HEATING ENERGY CONSUMPTION IN ALL RESIDENTIAL BLOCK OF FLATS IN FINLAND
> 100%

APPROX. 2 MILLION INHABITANTS

INVESTMENTS ON ENERGY EFFICIENCY (€ MILLION)
21,200

ANNUAL COST SAVINGS (€ MILLION)
13,000

ANNUAL REDUCTION OF CO₂ EMISSIONS (MILLION TONNES)
560

4.7

SEE MORE: energyefficiencyagreements2008-2016.fi
Energy Efficiency Agreements 2017-2025

INDUSTRIES
ENERGY EFFICIENCY AGREEMENT

INDUSTRY
Energy Intensive Industry | Food and Drink Industry | Chemical Industry
Technology Industry | Wood Product Industry | Industry - General
MEAE

ENERGY SECTOR
Energy Production | Energy Services
MEAE

SERVICE SECTOR
Commerce Sector | Hotel and Restaurant Sector | Motor Trades & Repairs | Services – General
MEAE

PROPERTY SECTOR
ENERGY EFFICIENCY AGREEMENT

COMMERCIAL PROPERTIES
Housing Properties
MEAE | ME

MUNICIPAL SECTOR
ENERGY EFFICIENCY AGREEMENT

CITIES & MUNICIPALITIES & JOINT MUNICIPALITIES
MEAE

HÖYLÄ IV – OIL SECTOR
ENERGY EFFICIENCY AGREEMENT

DISTRIBUTION OF LIQUID HEATING FUELS
Oil-heated real estates
MEAE | ME

Responsible ministries:
MEAE = The Ministry of Economic Affairs and Employment
ME = The Ministry of Environment
Twenty+ years with Voluntary Agreements

1997 - 2007
- New Policy Measure of The National Energy Efficiency Action Plan

2008 - 2016
- Important national policy measure.
- One of the major measures to comply with the ESD

2017 – 2020/2025
- The major measure to comply with the EED.
- Important national policy measure

Energy Services D. → Energy Efficiency D. → Revised EED
Voluntary agreement is multi-party contract

- Target setting
  - Coverage – Branch Association responsible for marketing the initiative
  - Energy savings/efficiency targets – the companies responsible to deliver savings

- Action Plan
  - Measures for all stakeholders (Association, Ministry, Energy Authority, Companies)
  - Mandatory measures e.g. annual reporting for companies
  - Measures where the obligation to aim at…
  - Measures to implement, measures to promote, measures to ”take into account when..”

- General contract conditions
  - All administrative procedures e.g. in case of misconduct
  - Set of many necessary details, agreement period, members of the Board of the Action Plan, subsidies, reports…
Energy Efficiency Agreements

NATIONAL BENEFITS

- Increase cost efficiency & improve operational capabilities in municipalities and companies
- The primary means in the implementation of the EU Energy Efficiency Directive (EED)
  - Serve also to implement the Energy Performance of Buildings Directive (EBPD)
- Help to achieve the targets set as obligations for greenhouse gas emissions
- Improve Finland’s security of supply and self-sufficiency on energy
- Exclude the detrimental effects caused by taxation or legislation on the competitive edge of companies
- A central role in Finnish energy policy
- Help to meet international climate-related obligations
- Facilitate the realization of the obligations set for renewable energy
- Create green growth & markets for clean technology solutions
- An alternative and supplementary measure instead of new legislation/coercive measures
Energy Efficiency Agreement

BENEFITS FOR THE PARTICIPANTS

- Improving energy efficiency will turn into a useful mode of action
- Expedient energy use is responsible energy use
- The climate load will be reduced
- Builds and improves positive public image
- Saving unnecessary energy costs will improve profitability and operating profit
- Energy subsidies granted by the Government can be utilised for energy efficiency improvements
- The agreement scheme will become a natural part of management systems
- A more flexible and sensible alternative compared to new national legislation or other coercive means
Voluntary agreement is win-win-win situation

- What do we (gov.) get
  - 60 % of those savings required by the EED Art. 7 target 2014-2020
  - Satisfactory implementation of several EED/EPBD obligations
  - Good co-operation, we are in the boat together, we row to the same direction

- What do the companies get
  - In addition to the generic list of 20 multiple benefit goodies
  - Certain freedom and flexibility to decide "what and when" and how far they go
    - The alternative is legislation with defined what and when, motivated by sanctions
    - A good platform for common actions, development projects, network to exchange views

- And the associations
  - Climate change, RES, EE and responsibility are today in every agenda, the EEA is very handy and concrete way of fulfilling their part of the job
Voluntary Agreements

As long as we all win!

Thank You