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NOVEMBER 25, 2016

Finland to phase out coal by 2030 and support waste-based energy

EXCLUSIVE: The government of Finland has approved a new national Energy and Climate Strategy outlining how the country plans to reach both domestic and EU climate targets by 2030.

In the outline, Finland's centre-right government set a goal to have the share of renewables in the Finnish energy pool surpass 50% during the 2020s, with a long-term goal of reaching carbon neutrality.

Subsidies for investment will be targeted primarily at commercialising new technology and at the burden-sharing sector, with a focus on advanced biofuel facilities.

Additional support will also be given to advancing the utilisation of agricultural, municipal, and industrial waste and sidestreams in heat and electricity production.

The increased biofuel production is expected to also boost the production and utilisation of forestry by-products and woodchips.

Tax measures will be implemented to keep forestry products more competitive than peat, but still ensure peat retains an edge on coal and other fossil imports.

Policy goals

Coal-based energy production will be phased out by 2030, and there will not be additional governmental investment in coal facilities.

The government wants to use tax on energy production to encourage combined heat and power (CHP) generation and the use of forestry products in heating, and the current support system on woodchip-based electricity will be maintained at least until 2018.

The strategy recognises the increased production and use of biogas, alongside with the developing domestic business around biogas.

Biogas-fuelled cars and other vehicles will retain their current level of support, while further measures to increase their numbers will be implemented.



29 November 2016



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The government intends to clarify the policy and guidelines on biogas production, and it also aims to support biogas-friendly policies on domestic and EU-level.

Measures to protect Finland’s forests and other carbon sinks include encouraging forest growth in the long-term, carrying out investigations into re-forestation deforested areas, and prohibiting deforestation in conjunction with municipal and transport infrastructure construction projects.

Finland will implement the EU ILUC rules through increased sustainability and diversity in forestry, revamping emission calculation methods to take into account actual carbon sinks, and exploring possibilities to use forest-based carbon reduction credits to reach burden-sharing mandates between 2021-2030.

The strategy also lines Finland’s goals regarding emissions reduction in sectors outside emissions trading policies, namely those of transport.

EU mandated emission reduction actions will be clarified and expanded in early 2017, when the government will publish its medium- to long-term climate strategy.

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