

## FINLAND'S DRAFT UPDATED NATIONAL ENERGY AND CLIMATE PLAN





An important step towards the more ambitious 2030 energy and climate objectives under the European Green Deal and REPowerEU Plan



### Highlights of the Commission's assessment

The European Green Deal, the fast-evolving geopolitical context and the energy crisis have led the EU and its Member States to **accelerate the energy transition and set more ambitious energy and climate objectives**. These developments are reflected in the legislative and policy framework adopted under both the 'Fit for 55' package and the REPowerEU Plan. Taking this new context into account, **Member States are updating their National Energy and Climate Plans (NECPs) for the first time since 2019**. The European Commission has assessed Finland's draft updated NECP, submitted on 30 June 2023.

### Finland's key objectives, targets and contributions

|  | 2030 value submitted in the draft updated NECP | 2030 target under EU legislation                          | Assessment of 2030 ambition level   |
|--|--|---|---|
|  <b>GHG emissions in ESR sectors</b> (compared to 2005)                             | N/A  | -50%*   | No projections provided in the plan.  |
|  <b>GHG removals in LULUCF</b> (Mt CO <sub>2</sub> eq. net greenhouse gas removals) | N/A  | -2.889 (additional net removals) - 17.754 (total value)** | Not reaching the target based on updated inventories.   |
|  <b>Energy Efficiency</b> (Final energy consumption)                                | 23.2 Mtoe                                      | 20.6 Mtoe***  | Finland's final energy consumption is above the indicated target resulting from EU legislation.       |
|  <b>Renewable Energy</b> (Share of renewable energy in gross final consumption)     | 51%  | 62%****   | Finland's contribution to the EU target is significantly below the one resulting from EU legislation. |

\* under the Effort Sharing Regulation.

\*\* under the Regulation on Land Use, Land Use Change and Forestry (LULUCF).

\*\*\* according to the formula set out in Annex I of the Directive (EU) 2023/1791 on energy efficiency and amending Regulation (EU) 2023/955 ('EED recast').

\*\*\*\* according to the formula set out in Annex II of the Regulation (EU) 2018/1999 on the Governance Regulation of the Energy Union and Climate Action.

## Finland's main positive elements and areas for improvement

- ✓ On **energy security**, the plan outlines the achieved improvement in the security of gas supply with concrete measures and adequately describes how crisis gas demand reduction measures are integrated into the medium-term planning to 2030.
- ✓ On **internal market**, the draft updated NECP sets out several key objectives, policies and measures to foster interconnection capacity and reducing transmission bottlenecks to strengthen the functioning of the Nordic electricity market and shows strong engagement on consumer empowerment.
- ✓ On **research, innovation and competitiveness**, the draft updated NECP details a clear target to increase annual government R&D funding with little information on measures to support research and innovation, and a target to boost competitiveness in clean energy technologies.
- ✓ On **decarbonisation**, the plan refers to the targets in the 2022 Climate Change Act to reduce emissions (excluding LULUCF) by 60% by 2030, 80% by 2040 and 90-95% by 2050 below 1990 levels.
- ✓ On **adaptation to climate change**, the plan identifies relevant climate vulnerabilities and risks affecting the successful achievement of energy and climate mitigation objectives. It contains climate adaptation policies and measures addressing these risks and vulnerabilities.

- ✗ On **renewable energy**, the draft updated plan is mostly based on existing policies and measures to support the achievement of the objectives and contributions for renewable energy.
- ✗ On **energy efficiency**, the draft updated NECP is largely a restatement of the 2020 NECP without new policies or measures and does not contain revised targets for energy efficiency but relies on outdated projections stating that a full update of the WEM projection will be submitted in 2024.
- ✗ On **investments**, the plan lacks an estimate of consolidated investment needs from public and private sources, which prevents assessing whether there is a financing gap for implementing the plan.
- ✗ On **land use, land use change and forestry (LULUCF)**, the plan is based on outdated projections that do not consider the latest updated inventory. It does not set out a pathway to increase the land sector's contribution to the EU's overall enhanced climate target.
- ✗ On **fossil fuel subsidies**, the plan lacks information on how and by when they will be phased out, which is particularly an issue given their high share in total energy subsidies.

## Moving forward...

Based on this assessment, the Commission has published country-specific recommendations for each Member State. These recommendations should be taken into account by the Member States when preparing their final updated NECPs, which are due by 30 June 2024.

*Full Commission's assessment and recommendations on Finland's draft updated NECP: [here](#)  
More information about the National Energy & Climate Plans: [NECP website](#)*