

# The Swedish Energy and Climate Policy -

## The Energy Policy Commission, the June 2016 Framework Agreement and the Climate Policy Framework

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# The Swedish situation

- Stalling electricity demand/strong electricity balance => low electricity prices
- High dependence of ageing nuclear power
- Hydropower plays a decisive role in transition, regulation and balance of the system
- Strong and subsidized growth of renewables, incl. the green electricity certificate system
- Highly integrated power market

⇒ **low profitability**  
⇒ **low investment rate**  
⇒ **closure of nuclear**





# The Objectives of the Energy Commission

- Propose the basis for a broad agreement on long term energy policy 2025/2030 and beyond, with particular emphasis on the electricity sector
- An open and transparent process, involving all the relevant actors
- Three phases:
  1. Gather knowledge
  2. Analyse challenges and opportunities
  3. Finding agreement



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# The June 2016 Energy Agreement

*"Sweden must have a robust electricity network with high security of supply, and low environmental impact, and offer electricity at competitive prices"*



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# Targets for the future Energy policy

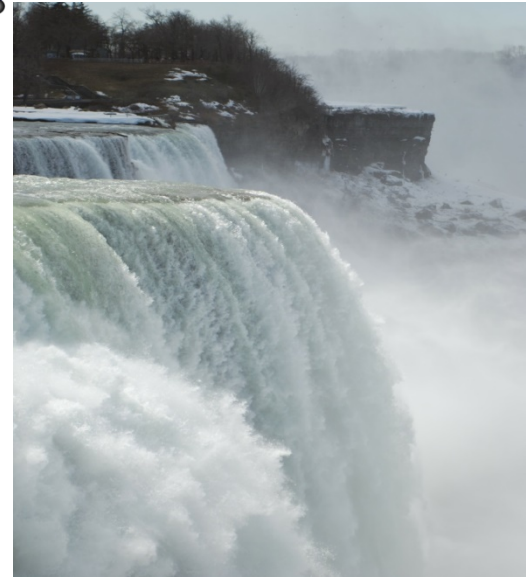
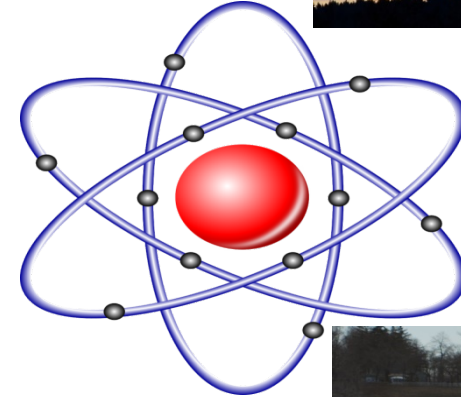
- By **2040**, 100 % renewable electricity production (but no ban on nuclear)
- By **2030**, Sweden's energy use 50 % more efficient than in 2005 (Primary energy use/GDP)
- By **2045**, no net emissions of GHG into atmosphere, with the aim of negative emissions
- By **2030**, raised ambition of 18 TWh in the green electricity certificate system



# The June 2016 Energy Agreement

## Other elements... 1(2)

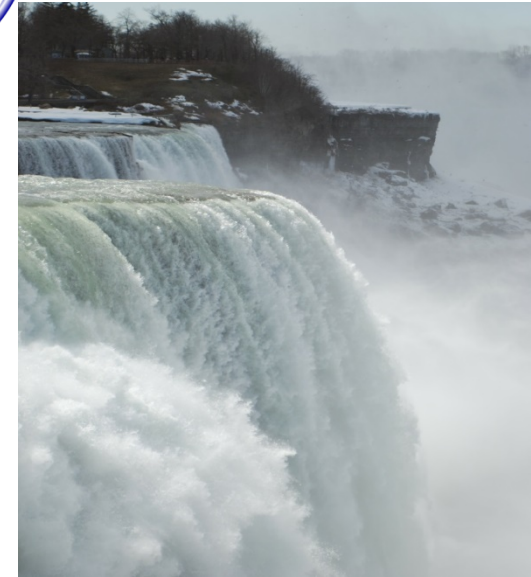
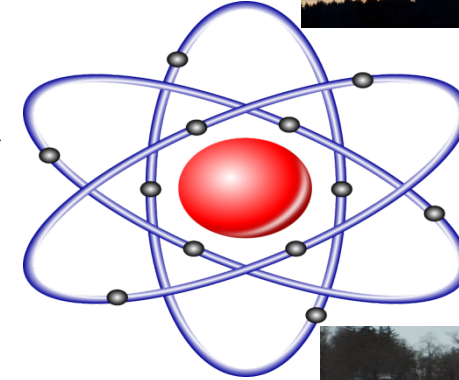
- Tax cuts for nuclear and hydro
- Adjustment of environmental requirements on hydro power to the Water Framework Directive – at the same time ensuring a future effective use of hydro for energy and system stability
- Connection fees for offshore wind to be abolished



# The June 2016 Energy Agreement

## Other elements... 2(2)

- Sectoral strategies on energy efficiency
- An energy efficiency program for electricity intensive industry
- Electricity transmission capacity to be expanded, both within Sweden and to neighbouring countries
- Sweden to advocate increased interconnections within the EU





# ... and now what?

- A number of Government Bills, incl. A Long term Energy Policy Bill to Parliament end of 2017
- Further investigations e.g. relaxation of regulation and taxation on new products and services for energy efficiency with a focus on consumers and small scale enterprises
- An implementation group for energy policy and checkpoints every fourth year, starting in 2018



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# Financing

Tax cuts to be financed through an increase of general energy tax. Electricity-intensive industry to be exempt.



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# Climate Policy Framework for Sweden

- On June 15, 2017, the Parliament decided on the introduction of a Climate Policy framework for Sweden
  1. New climate goals,
  2. A climate policy council
  3. A new Climate Act from January 1, 2018.





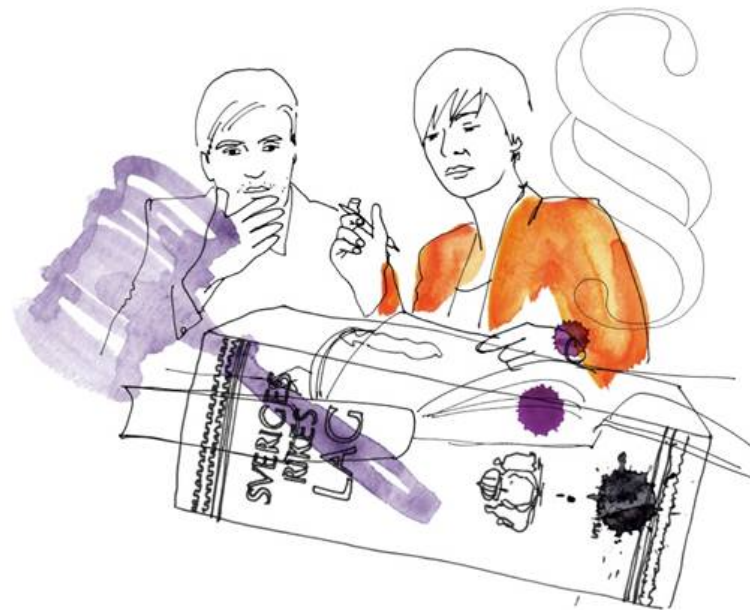
# Climate goals

- By 2045, net zero emissions of GHG
- Remaining emissions from activities on Swedish territory will be at least 85 % lower than in 1990
- Emissions in Sweden in EU regulated sectors should, by 2030, be at least 63 % lower than emissions in 1990 and at least 75 % lower by 2040
- Emission from domestic transport will be reduced by at least 70 per cent by 2030 compared with 2010



# Climate Act and Climate Policy Council

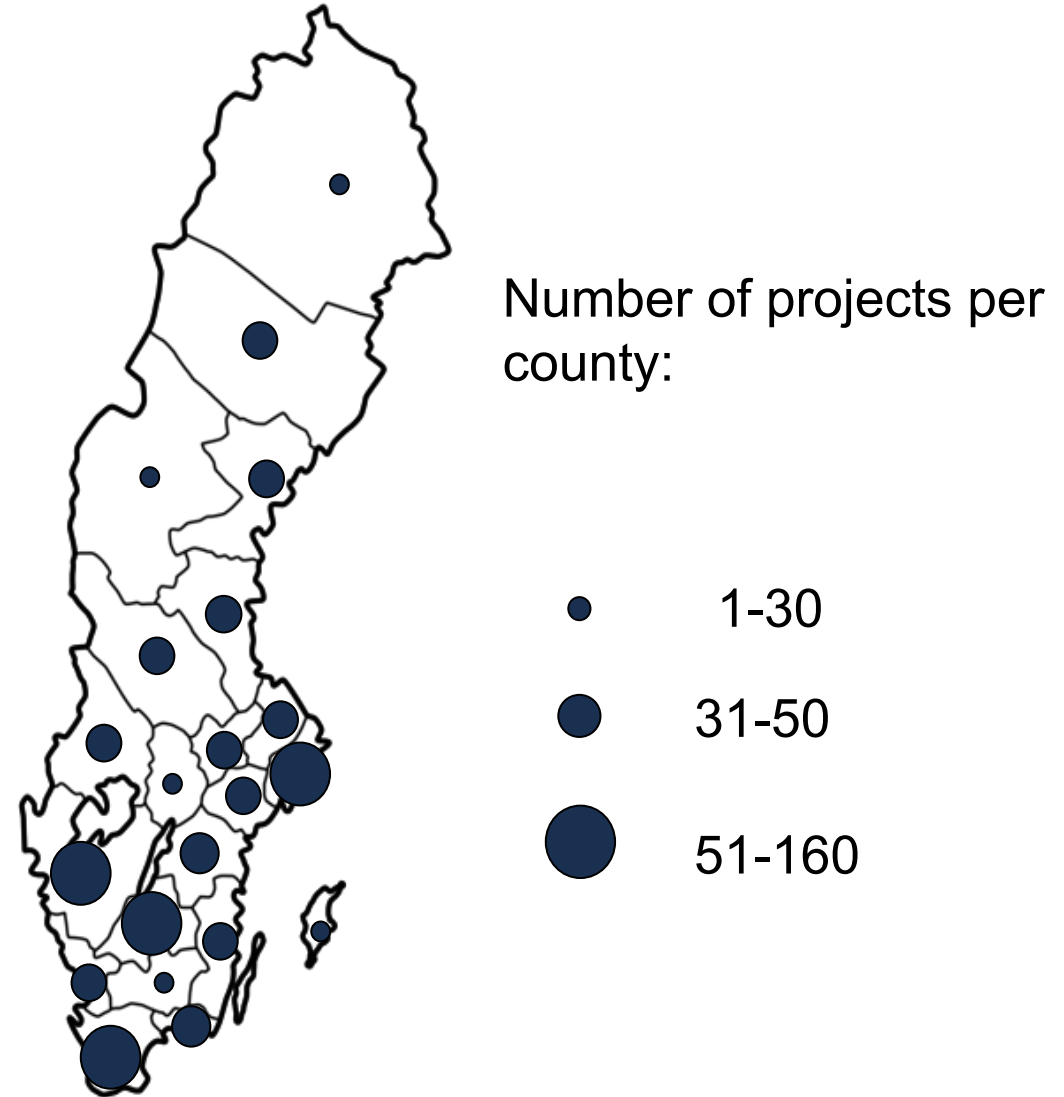
- The Climate Act establishes that the Government's climate policy must be based on the climate goals
- The Government is required to present a climate report every year in the Budget Bill
- The Climate Policy Council will assist the Government by an independent assessment of how well the Government's policy is compatible with the climate goals





# The Climate Leap – local and regional investments

- The Climate leap – so far 2 billion SEK for 1000 climate smart investments
- Results in significant emission reductions all over Sweden
- In total SEK 4 billion of Government investments 2015 – 2020



# Thank you!



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