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# The Alternative Approach in Finland What 'n Why

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## Why the Alternative Approach (only)

- NEEAP-2 contain 36 energy efficiency measures with savings and 14 without
  - ESD target for 2016 is 17,8 TWh, expected savings 24,7 TWh, and 33,7 TWh by 2020
- Broad Voluntary Agreement Scheme 2008-2016, main EE measure in Finland
  - From the EED period 2014-2020, years 2014-2016 will deliver 2/3 of cumulative savings
- Shudda we kill our milking cow and buy a piggy in a bag?
  - What would be the added value, additional savings vs. total scheme costs
  - Examples from bit a different world... 80 % measures were a) standard “volume” measures with b) short pay back time and c) from residential buildings
  - Building a new large EE scheme is a lot of work in real life
  - Normally a few years before fully operational, for an OS... 3 to 4 years... we were told
- National study on how an OS would look alike in Finland
  - Confirmed our initial thoughts on it’s high administrative costs
  - Brought into daylight difficulties we would have with the necessary legislation



# The Process

- Subgroup “NEEAP” of formally established Working Group on EED Transposition
- Finland’s NEEAP-2 as the starting point
  - Situation not much different compared to Spring 2011, new Energy Strategy in 2013
  - Knowledge and data availability improved to some extent
- Long lists put on the table by 5 ministries
  - What is the **magnitude of savings** delivered by the measure?
  - Which measures would fulfil or could be made to fulfil **the conditions** set in Art. 7?
  - Finally 8 measures chosen, Voluntary Agreement Scheme presented as one measure and expected to deliver at least 50 % of total cumulative savings needed
- Challenging work to complete the Art. 7 notification by the deadline
  - Calculating cumulative savings and taking there into account Art. 7 specific conditions
  - Determining the cumulative energy saving target was a long process
  - Formal decision by the government to use the alternative approach



# The Measures of Art. 7

- Voluntary Agreements (2008-2016)
  - Activity launched in 1997, negotiations on extension 2017-2020, NEEAP-1 and NEEAP-2
- Energy taxes/road transport
  - Not included before, other energy taxes would have overlappings if included
- Energy Audit Programme
  - Activity launched in 1992, NEEAP-1 and NEEAP-2
- Voluntary Agreements/Energy Services Action Plan and Höylä III
  - Soft measures by energy companies, Höylä I & II in NEEAP-1 and NEEAP-2
- Heat pumps in single-family and row houses
  - NEEAP-1 and NEEAP-2



## The Measures of Art. 7

- Boiler replacements in farms
  - NEEAP-1 and NEEAP-2
- Building code and grants/existing buildings
  - Not included before
- Building code/new buildings
  - NEEAP-1 and NEEAP-2
- Monitoring, evaluation and reporting is case specific issue
- Comments during the bilateral in February 2014
  - Some questions asked and clarifications given
  - Some additional information proposed to be included



## The Measures of Art. 8

Measure/Period	TWh <sub>cum</sub> 2009 2013	TWh <sub>cum</sub> 2014 2016	TWh <sub>cum</sub> 2017 2020	TWh <sub>cum</sub> 2014 2020
Voluntary Agreements	46,76	20,05	10,06	30,11
Energy tax/transport		9,86	13,15	23,01
Energy Audit Program	3,96	1,78	0,92	2,71
VA/Energy Services		3,58	4,77	8,34
Heat pumps	16,52	9,02	2,79	11,81
Boilers/farms	5,84	2,53	1,17	3,70
Building code/refurbish.		4,38	2,25	6,63
Building code/new bldg.	18,59	8,91	4,32	13,23
<b>Total</b>	<b>91,68</b>	<b>60,10</b>	<b>39,44</b>	<b>99,55</b>



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Thank You!

Questions?