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Memorandum of 23 October 2002 from First Secretary Pernilla Axelsson at the Swedish Cabinet Office and the Ministries, Ministry of Industry, Employment and Communications, Department of Energy, Forestry and Primary Industries.

## **Report on targets for the use of electricity from renewable energy sources.**

### **Background**

Under Article 3 of Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market, Member States must publish a report, by 27 October 2002, setting national indicative targets for the future consumption of electricity produced from renewable energy sources in terms of a percentage of electricity consumption for the next 10 years. The report must also outline the measures taken or planned, at national level, to achieve these national indicative targets. When setting these targets until the year 2010, the Member States must take account of the reference values in the Annex, and ensure that the targets are compatible with any national commitments accepted in the context of the climate change commitments accepted by the Community pursuant to the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

### **National targets**

In March 2002, the Swedish government presented the proposal *Samverkan för en trygg, effektiv och miljövänlig energiförsörjning* (Joint action for a secure, effective and environmentally-friendly energy supply, prop. 2001/02:143). The proposal suggests a national target for the consumption of electricity from renewable energy sources. The target is for the consumption of such electricity to increase by 10 KWh from the level of consumption in 2002, by the year 2010. The *Riksdag* endorsed the government proposal. The proposal was preceded by a referral paper to the Council of State with a draft quota-based certification system to promote electricity from renewable energy sources. The referral paper set out quotas until the year 2010. (According to the Council of State statement on the referral paper, further supplementary analyses are required regarding the certification system, so the draft law was not included in the proposal.)

The target agreed by the *Riksdag* involves a 10KWh increase in the consumption of electricity from renewable energy sources from the level of consumption in 2002 by the year 2010. If a more ambitious target is possible, the target will be raised to an increase of 15 KWh by the year 2012.

The steps towards achieving the quota, as presented in the referral paper to the Council of State (10 KWh), are shown in the following table. The figures include large-scale hydroelectric power and are expressed as a proportion of the total national electricity consumption:

Year	Electricity from renewable sources as proportion of total	Electricity from renewable sources, consumption	Estimated electricity consumption
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	electricity consumption, %	KWh	
2002	50.4	69.5	138.0
etc.	etc	etc.	etc.

### Measures to be taken to achieve the targets

In its proposal *Samverkan för en trygg, effektiv och miljövänlig energiförsörjning* (prop. 2001/02:143), the government presented a design in principle for an electricity certification system. According to the government proposal, this system is the best way of achieving the set targets. The intention is for the electricity certification system to enter into force on 1 May 2003. The government intends to resubmit this matter to the *Riksdag*.

In parallel with the electricity certification system, the proposal (prop. 2001/02:143) suggests special measures for wind power. These measures fall into three categories; support for technological development and market launch, a national planning target for an annual production capacity of 10KWh in 2014 and interim support in the form of an environmental bonus, to be reduced by degrees. The purpose of the technological development and market launch in collaboration with industry is to reduce the cost of establishing new wind parks offshore and in highland areas in the long term. The planning target makes it easier to visualise the requirements of wind parks in terms of physical planning and licences. It is also an expression of the level of ambition when it comes to creating the prerequisites for the expansion of wind power in future.

### Tasks, the simplification of rules, etc.

In parallel with the electricity certification system, the government has adopted a series of measures to facilitate the expansion of electricity production from renewable energy sources.

In May 2002, the Swedish Energy Agency was asked to put forward proposals, after consulting *Svenska kraftnät* (the owner/operator of the Swedish national grid), for measures which would have to be taken to implement Directive 2002/77/EC in Swedish legislation. The Agency must submit its report no later than 31 October 2002.

Sweden's great potential for expanding electricity production from new renewable sources lies in wind parks, either offshore or in highland areas. In order to clarify the conditions for such an expansion, the government has allocated different tasks to various authorities. Amongst other things, *Svenska kraftnät* has been given the task of reporting the effects of a large-scale expansion of wind parks offshore and in highland areas on the performance, etc. of the national grid. Other tasks have been given to the National Environmental Protection agency, the National Board of Fisheries, the *Riksantikvarieämbetet* (cultural heritage office), the Swedish Armed Forces and the National Board of Housing, Building and Planning. The government will assess the possibility and consequences of a large-scale expansion of wind parks offshore and in highland areas and will resubmit its findings to the *Riksdag* if necessary.

In June 2002, the government commissioned a parliamentary committee to review the planning and building legislation and submit proposals for amendments to the laws as necessary. Amongst other things, the committee has to evaluate current legislation in

accordance with Article 6 of Directive 2001/77/EC, which states *inter alia* that Member States must evaluate the existing legislative and regulatory framework to remove barriers in the legislation or any other barriers to increasing the amount of electricity produced from renewable energy sources.

(The task relates only to the parts which affect the planning and building legislation.) The Committee must submit its report no later than 30 June 2003.