



FORECAST DOCUMENT
16.12.2009

FORECAST DOCUMENT TO BE SUBMITTED TO THE EUROPEAN COMMISSION

Under Article 4(3) of Directive 2009/28/EC on the promotion of the use of energy from renewable sources, each Member State is to publish and notify to the Commission, by the end of 2009, a forecast document indicating:

- a) its estimated excess production of energy from renewable sources compared to the indicative trajectory which could be transferred to other Member States in accordance with Articles 6 to 11, until 2020, as well as
- b) its estimated potential for joint projects; and its estimated demand for energy from renewable sources to be satisfied by means other than domestic production until 2020.

On Finland's part, we wish to make the following comments:

Policy guidelines for how Finland is to fulfil its obligations under the Renewable Energy Directive are outlined in the Government's long-term climate and energy strategy of 6 November 2008, which was submitted to Parliament in the form of a report. In its reply, Parliament emphasised the importance of, *inter alia*, the zero-emission and low-emission production of energy.

One of the aims of the strategy is to halt and reverse the growth in energy consumption. A further aim is to increase the share of renewable energy to 38% by 2020, in line with the obligation under the Renewable Energy Directive. This is a challenging obligation, and meeting it will primarily require energy consumption to be reduced.

Finland's natural resources make increased use of renewable energy possible. However, for this to start, existing support and control systems must be strengthened and there must also be structural changes. Fulfilling the obligation will necessitate a considerable increase in the use of wood-based energy, waste fuels, heat pumps, biogas and wind energy.

It is stated in the strategy relating to the forecast document required by the Directive that Finland is budgeting to fulfil the renewable-energy objectives itself, without using the cooperation mechanisms between Member States which are provided for in the Directive. If necessary, Finland may make use of flexible mechanisms either as a buyer or a seller, depending on the cost of increasing renewable energy in Finland and other Member States.

Since the long-term climate and energy strategy was adopted, the global economy has gone into recession and, in Finland, the forestry industry in particular has been undergoing structural changes. Both of these factors have had a considerable impact on the generation of renewable energy in Finland. Finland's large share of renewable energy is a result of making effective use of wood-based by-products from forestry, such as black liquor, bark and sawdust. In 2008, energy generated from these by-products accounted for two-thirds of Finland's renewable energy. To achieve the target, the reduction in renewable energy produced from forestry by-products will have to be offset by other renewable energy.

Owing to the changed circumstances, the Ministry of Employment and the Economy is reviewing the sources of renewable energy which could be used to make up the deficit in order to meet the requirements laid down in the Directive. According to initial estimates, it may be possible to cover the deficit resulting from the structural changes in the forestry industry by adding energy produced from wood.

Since the analysis is still ongoing, it is not possible for Finland at this stage to submit a forecast document in the format laid down in the template for action plans concerning renewable energy sources (C(2009)5174).

We would reply as follows to the points under Article 4(3) of Directive 2009/28/EC:

- a) Finland does not produce an excess of renewable energy which could be transferred to other Member States in accordance with Articles 6 to 11; and
- b) Finland is capable of meeting its renewable-energy objectives itself, without using the cooperation mechanisms between Member States which are provided for in the Directive.