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Consultation on EU Green Paper – a 2030 framework for climate and energy policies - response from BKK – registration ID 963142911472-29

BKKs core activity is the production, sale and transmission of electric power. The BKK Group is mainly a hydro power producer, and is the fifth largest power producer in Norway. BKK is a member of the organization Energy Norway.

We acknowledge and support the work done by the Commission on the roadmaps for energy and the goal for a low-carbon future.
BKK shares the views of Energy Norway in their response to the EC Public Consultation on the Green paper – a framework for 2030.
Below we point out the four recommendations which we consider to be key for making the EU energy and climate policy towards 2030 reach the objectives in the most cost-effective way:

1. EU should set a target for emissions reductions for 2030.
    a. BKK supports a binding target of <u>at least</u> 40 % reduction in emission of greenhouse gases in 2030 compared to 1990, as a milestone towards 80-95 % reduction by 2050.
    b. We recognize the importance of either an international climate agreement or the handling of the competitiveness of the EU industry through necessary measures, to make this possible.

2. EU-ETS should be the main measure for greenhouse gas mitigation as the least expensive way to reach reduction targets for emission of greenhouse gases.
    a. The evident consequences of the financial crisis on the balance in the carbon market should lead to the explorations of possibilities to make the ETS more flexible in future.

3. There should be no new binding targets for renewable energy and energy efficiency after 2020, and subsidies for electricity generation from all sources of energy – including renewables – should be progressively phased out.
    a. The overlapping of policy instruments, of different targets for ETS; RES and EE, that occurred in the 202020-policy, should be avoided.

b. The lessons learned from the 20-20-20 goals are that the renewable energy goal and the energy efficiency goal have overlapping scopes with the EU ETS and we therefore believe that making the ETS the main instrument and a cornerstone of EUs energy and climate policy will make it efficient to also incentivize investments in low-carbon and energy efficient technologies.
c. The prerequisite for this is a well-functioning energy market.

4. A well-functioning ETS integrated in the power market combined with implementation of the third energy package, should give the necessary incentives for investments in energy efficiency and new generating capacity, including renewables.
   a. If the completion of the internal energy market through full implementation of the Third Energy Package is combined with strong development in infrastructure including cross-border connections - allowing the market to determine energy choices will be the most cost-competitive way to reach the climate and energy goals for Europe.

BKK further support the comments made by Energy Norway to the questions raised in the Green Paper.

Yours sincerely
BKK AS

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