

## **Nordenergi priorities for the political mandate 2024-2029**

Nordenergi is the collaboration between the Nordic energy associations Renewables Norway, Green Power Denmark, Swedenergy, Finnish Energy, and Samorka.

We call for European policies in the energy sector that secures achievement of our ambitious climate agenda. This includes ensuring the well-functioning operation of energy markets and strong incentives to invest in grids and renewable, clean, and affordable energy.

### **Our key priorities for the new mandate are:**

#### **Priority 1: Working to achieve strong climate targets**

Nordenergi supports the EU 2040 climate targets to reduce emissions by 90 % from 1990 levels. The investor community needs clarity and confidence about the EU's decarbonisation path ahead. The Commission must ensure policy coherence with the climate objectives in relevant policy areas; hence, decarbonisation needs to be the overarching policy objective towards realising the climate targets. To achieve this, we strongly encourage decision makers to put forward an electrification strategy. Furthermore, it is urgent that carbon removals are incorporated into the EU 2040 climate target and be fully supported by the policy framework that will be developed in the next step.

### **Nordenergi asks policy makers to:**

- Ensure that decarbonisation is the overarching policy objective towards realising the climate targets.
- Stress that electrification is key to reach decarbonisation targets. We strongly encourage an electrification strategy to phase out of fossil fuels and scale up renewables to secure a decarbonised energy system this decade.
- Further develop the EU ETS as the key instrument to the route towards 2040. We are in favour of including new sectors to the ETS which could ensure emission reduction through a cost-effective and market-driven manner.
- Incentivise EU climate policy framework to achieve greenhouse gas emissions abatement through cost-effective and market-driven solutions, including policies for reduction in the use of electricity for heating and cooling demands where district/cooling is available.

#### **Priority 2: Delivering on existing legislation and set targets**

The most important guiding principle for the next Commission must be to deliver on the emissions targets. We argue that there is a need to focus on the implementation process of the necessary legislation to ensure that we reach 55 % climate gas reduction in 2030, 90 % in 2040 and that the EU is climate neutral in 2050. The green industry is ready to deliver its part, and the Commission and Member States must deliver on funding and investments. This

involves ensuring that the already agreed directives and regulations to achieve climate neutrality are adopted nationally, on time to facilitate long-term planning certainty.

**Nordenergi asks policy makers to:**

- Launch an appropriate assessment in 2026 with the planned reviews of the Fit for 55 and put forward policy measures if the Member States are not on track. Detailed assessment should be included in the State of the Energy Union reports.
- Make sure that every sector reduces its CO<sub>2</sub>-emissions to secure that other sectors are not overcompensating. This would make the transition unproportionally expensive.
- Monitor the progress and support the member states to meet their targets through close cooperation in the implementation of national energy and climate plans (NECPs).
- If any new proposal should be presented, it should be preceded by a thorough impact assessment and the works must be conducted in line with the principles of better regulations.
- Identify challenges to achieve public acceptance of more renewable energy installations.
- Commit to mitigate fluctuations in the market and prioritise stable policies over quick fixes to ensure a market that gives long-term investment certainty and foster sustainable growth.
- Provide access to improved voluntary long-term hedging opportunities for all market actors.
- Ensure market-based solutions rather than centralised solutions and public intervention.

**Priority 3: Improve investments in renewable and clean energy production**

Nordenergi wants to improve the conditions for investment in renewable and clean energy production. The demand for electricity will be higher if we want to achieve the climate targets for 2040 and have a vibrant industrial development in the continent.

The best way to achieve a more competitive energy system is through investments in the sector. Where and when prices are high, investment in renewable and clean energy production is needed, and incentives must be sufficient to achieve this.

**Nordenergi asks policy makers to:**

- Enable and promote investment in all renewable and clean energy.
- Ensure removal of regulated electricity prices and direct support schemes. A just transition can be achieved with other policy tools, such as the European Social Fund.
- Support consistency across Europe in terms of renewable auction schemes, while still allowing for a degree of national innovation. Rules for pre-qualification and use of qualitative criteria should allow for innovation, scale, and cost-reduction.
- Preserve market principles for efficient dispatch and storage of electricity.

- Ensure that the contribution of all flexibility and storage services, including stored hydropower, to security of supply, is valued and remunerated.
- Champion the multi-purpose benefits of hydropower beyond electricity generation, related to for example floods, irrigation, and industrial needs.
- Recognize bioenergy as an enabler for carbon management, since Bio-CSS is a valuable way for negative emissions for sectors with hard-to-abate emissions.
- Adopt a new heating and cooling strategy with the objective to ensure an efficient policy framework which meets the climate targets.
- Allow for local solutions when implementing legislation, to ensure social acceptance for climate transitions and reforms.
- Ensure that all stakeholders can access markets fairly.

#### Priority 4: Strengthening investments in grid infrastructure

Sufficient grid capacity is necessary for the energy transition in Europe. Hence, the economic regulation must provide sufficient incentives for grid investments to rapidly keep up with the drastic increasing demand for capacity that we are now seeing. Innovation is needed to develop new and adjust economic regulation for different DSO types based on findings of the regulatory barriers that hinder the energy transition.

#### **Nordenergi asks policy makers to:**

- Strengthen conditions for grid investment, while preserving the possibility to apply national variation in regulation.
- Ensure incentives to accelerate investments both in terms of grid reinforcement and renewal, digitalisation, and increased flexibility, including anticipatory investments.
- Ensure that anticipatory investments in grids is made functional for all sizes of DSOs and that regional differences are allowed.
- Enable TSOs to rapidly build necessary grid connections.

Nordenergi looks forward to cooperating with European policy makers to achieve the transition into climate neutrality with a focus on well-functioning internal electricity market, renewable and clean energy production, electrification, and carbon negative solutions.



Nordenergi is the joint-collaboration between the Nordic associations for electricity producers, suppliers and distributors. Members are Swedenergy, Finnish Energy, Renewables Norway, Samorka, and Green Power Denmark. Overall, Nordenergi represents more than 2,600 market actors (member companies), most of them active in the electricity sector, but also in other areas such as district heating, gas, and services.