

National EED Implementation Report (NIR) 2021

EED implementation in Finland

In Finland the overall responsibility for the implementation of the Directive on Energy Efficiency (EED) (2012/27/EU) was in the Ministry of Employment and the Economy (MEE). Most of the MEE's responsibilities coming from the EED were given to the Energy Authority in 2014. Also the Ministry of the Environment, Ministry of Transport and Communications, Ministry of Agriculture and Forestry, Ministry of Education and Culture and Ministry of Finance are involved in the implementation of the EED. In addition, Motiva Oy (later Motiva), in assignment of the Energy Authority and the ministries, operates several instruments and programmes related to energy efficiency. Motiva is also responsible for monitoring and verification activities on energy efficiency measures as well as for calculating the energy savings.

This National Implementation Report (NIR) of the Directive 2012/27/EU of the European Parliament and of the Council on Energy Efficiency (EED) builds on the 2016 NIR. This version includes the implementation of the amendment of this Directive (Directive (EU) 2018/2002 of the European Parliament and of the Council of 11th December 2018 amending Directive 2012/27/EU on energy efficiency) and Governance Regulation (Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11th December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) and Directives, among which 2012/27/EU (NECPs and reporting/Energy Efficiency dimension related to EED).

1. Legal context

Based on the Standing Order of the Government, the overall responsibility for energy efficiency in Finland is with the Ministry of Employment and the Economy (MEE). The Energy Authority, a special agency and regulator operating under MEE, was authorised by the Law on the Energy Authority ([870/2013](#)) to implement and/or supervise the implementation of several obligations of the EED. There are also five other ministries that have either direct responsibilities coming from the EED or are responsible for certain energy efficiency measures that are necessary to achieve full compliance.

The Energy Efficiency Directive ([EU 27/2012](#)) entered into force on 4th December 2012, replacing the Energy Services Directive (2006/32/EC) and the CHP Directive (2004/8/EC).

To implement the EED, in 2014 three national laws were amended, one new law came into force and one existing law was repealed. The three laws amended former electricity and gas market legislation. The content of the repealed Law for Energy Services Offered by Companies in Energy Sector was incorporated to the Energy Efficiency Law ([1429/2014](#)) which was needed due to several new obligations for which there was no existing legal framework available. The Energy Efficiency Law implementing the Energy Efficiency Directive entered into force on 1st January 2015.

As a result of reasoned opinion received in October 2015 the law ([1338/2016](#)) amending the Energy Efficiency Law entered into force at the beginning of 2017. With this amendment, the provisions of the Energy Efficiency Directive regarding the energy efficiency requirements for products, services and buildings procured by public bodies were implemented, and the role of the public sector in promoting energy efficient procurement was strengthened.

The revised Energy Efficiency Directive ([EU.2018/2002](#)) entered into force on 24th December 2018, establishing new energy efficiency targets for the EU for 2030, and new obligations to promote energy efficiency.

The law ([787/2020](#)) amending the Energy Efficiency Law entered into force on 23rd November 2020. This amendment was related to the provisions of the revised Energy Efficiency Directive regarding metering and billing.

2. Status of the implementation

2.1. Legislative provisions

EED Article	Implementation status
Article 2	Definitions defined in several national laws are presented in Energy Efficiency Law (787/2020).
Article 3	Finland's integrated energy and climate plan December 2019 (NECP) includes Finland's national targets and related policy measures to achieve the EU's 2030 energy and climate targets. With regard to energy efficiency, the target is that the final energy consumption does not exceed 290 TWh. The corresponding primary energy consumption is about 405 TWh. The plan addresses all five dimensions of the EU Energy Union: low carbon, energy efficiency, energy security, the internal energy market, and research, innovation and competitiveness. Finland's energy and climate plan presents the impact of the decided policy measures on the estimated development of greenhouse gas emissions, renewable energy and energy efficiency until 2040. In addition, the plan describes the effects of the planned policy measures, e.g. energy system, greenhouse gas emissions and removals by sinks, economic development, the environment and the health of citizens. The plan also assesses the impact of planned and existing policy measures on future investment needs.
Article 4	As a result of the revised Energy Efficiency Directive, the Long-Term Renovation Strategy (LTRS) as specified by Article 4 now falls under the Energy Performance in Buildings Directive. Finland's Long-Term Renovation Strategy was published and submitted as required to the European Commission in March 2020.
Article 5	Finland has opted for an alternative approach 5(6) for implementation. Notification submitted 18.12.2013 (Unofficial unchecked translation by the COM) Eight alternative measures are listed. No legislation.

EED Article	Implementation status
Article 6	<p>Government Decision-in-Principle on the promotion of sustainable environmental and energy solutions (cleantech solutions) in public procurement (13.6.2013) cover some of Article 6 obligations. Voluntary Energy Efficiency Agreements comply fully with 6(3). Full compliance required amendments to the Energy Efficiency Law. The law (1338/2016) amending the Energy Efficiency Law entered into force at the beginning of 2017. With this amendment, the provisions regarding the energy efficiency requirements for products, services and buildings procured by public bodies were implemented, and the role of the public sector in promoting energy efficient procurement was strengthened.</p>
Article 7, 7a, 7b	<p>Finland has opted only alternative measures for Article 7 implementation.</p> <p>Related to the period 2014-2020, National Energy Efficiency Programme (Unofficial unchecked translation by the COM regarding the original 5.12.2013 version) was submitted 5.12.2013 and complemented 31.1.2014. An updated Article 7 notification (mainly complements and corrections to the Annexes) was delivered as an Annex in 5.6.2014 EED notification. The National Energy Efficiency Programme included eight policy measures. The binding cumulative energy savings target for the period 2014 to 2020 inclusive was 49 TWhcum. The target was reached and notified to the Commission December 2018.</p> <p>For the Article 7 obligation period 2021-2030 Finland continues to use alternative measures. Binding Finland's Article 7 cumulative energy savings target and seven energy efficiency measures and their expected savings to reach the target for the period 2021-2030, were included in the final NECP Annex 1. Detailed descriptions of these measures and the method of calculating the cumulative energy savings to be achieved from each measure were presented in the final notification to the Commission in June 2020, as required in the EED. In addition, in the notification in June 2020, the cumulative energy savings target for the period 2021-2030 was checked based on the latest statistics. Finland's notified binding cumulative energy savings target for the period 2021 to 2030 inclusive is 105 TWhcum.</p> <p>No legislation.</p>
Article 8	<p>Finland's ongoing Energy Audit Programme complies with Article 8(1). National minimum requirements based on Annex VI and implementation of mandatory energy audits were transposed by the Energy Efficiency Law and its two accompanying documents: decree on energy audits and memorandum on the Government Decree. The Energy Authority has a web page related to both voluntary and mandatory energy audits. Energy Authority has commissioned Motiva to operate the subsidised Energy Audit Programme for SMEs and municipalities.</p>

EED Article	Implementation status
Article 9, 9a, 9b, 9c	<p>Some amendments were conducted to existing legislation on energy efficiency services in the energy market (1211/2009), on electricity and natural gas markets (590/2013), on the settlement and measurement of electricity supplies (66/2009), on land use and building (5.2.1999/132). In addition, some new provisions were included in the Energy Efficiency Law in 2014 and amended in 2017 to reach full compliance with EED. A study on the cost-effectiveness of individual metering in multi-purpose/multi-apartment buildings was carried out in 2013, as requested by 9(3).</p> <p>Two other studies were carried out related to the revised EED (EU) 2018/2002. A study related to water billing based on apartment specific measurement was published in December 2018 and a review regarding the profitability of remote readability apartment specific water meters was published in March 2020. Related to the provisions regarding metering and billing in the revised EED the law (787/2020) amending the Energy Efficiency Law entered into force on 23rd November 2020.</p>
Article 10, 10a and 11, 11a	<p>Provisions regarding billing and billing information were moved from existing legislation (Law for Energy Services Offered by Companies in Energy Sector). Provisions regarding district heating were included into the Energy Efficiency Law to achieve full compliance with EED.</p> <p>Related to the revised EED (EU) 2018/2002 the law (787/2020) amending the Energy Efficiency Law entered into force on 23rd November 2020. This amendment was related to the provisions regarding metering and billing.</p>
Article 12 and 17	<p>Existing measures fulfil all requirements. Existing situation is satisfactory. The Energy Authority will be responsible for monitoring the situation and taking actions when necessary.</p> <p>Several examples of the measures in this area are described in the NEEAP (2011) in the Annex 3 starting on page 154 (e.g. HO-07/...HO-12/) and the following NEEAPs (2014, 2017). (Unofficial unchecked translation by the COM for the NEEAP-2 in 2011 can be found under the heading Previous energy efficiency action plans via this link, and NEEAP- 3 in 2014 via the link).</p> <p>No legislation.</p>
Article 13	<p>Provisions are included in the Energy Efficiency Law.</p>

EED Article	Implementation status
Article 14	<p>Provisions regarding Article 14 are included both in existing legislation on excise duty on electricity and certain fuels (1260/1996) with its revision (1400/2010), on excise duty on liquid fuels (29.12.1994/1472) with its revision 1399/2010, on land use and building (5.2.1999/132) and its revision 1129/2008, on support for the production of electricity from renewable energy sources (1396/2010) with its revision (687/2012), on certification and notification of the origin of electricity (1129/2003) with its revision (445/2013) and decree on numerical values of the coefficients for the forms of energy used in buildings (9/2013) (revision (788/2017)), as well as in the Energy Efficiency Law.</p> <p>Notification on exemptions 14(6) was submitted 17.12.2013.</p> <p>The comprehensive assessment of the potential for the application of high-efficiency cogeneration and efficient district heating and cooling, was, as required in Article 14, published and submitted to the Commission in September 2020.</p>
Article 15	<p>Most requirements were already in the existing legislation for the electricity market (588/2013) with its revision (445/2013), on control of the electricity and natural gas markets (590/2013) with its revision (1432/2014) and in decrees on system responsibility of the transmission system operator (635/2013), on the settlement and measurement of electricity supplies (66/2009) and on the certification of the origin of electricity (417/2013). Some new provisions and amendments regarding Article 15 implementation were included to fulfil all EED requirements.</p> <p>Provisions related to Article 15(3) are not included while in Finland the social policy is not implemented via the energy policy.</p>
Article 16	<p>The existing situation in Finland is satisfactory. No need for supplementary actions. There are over 2,000 trained and authorised energy auditors, approx. 450 trained and authorised lead assessors for mandatory energy audits related to the requirements in the Energy Efficiency Law, 2,000 trained and certified Building Energy Certificate providers related to the law on the energy certificate of a building (50/2013), roughly 100 certified RES installers related to the law on approving the trainer of installers of certain energy systems using renewable energy sources (38/2015) and 40 authorised farm energy advisers, just to list the most relevant.</p>
Article 18	<p>The existing situation is satisfactory. Requires continuous work, which is being carried out.</p> <p>No legislation.</p>
Article 19	<p>Existing situation is satisfactory. Requires continuous work and follow-up. Implementation is described in the NEEAP-3 (Unofficial unchecked translation by the COM, chapter 4.4).</p> <p>No legislation.</p>

EED Article	Implementation status
Article 20	<p>Constitution limits the possibility to establish funds in Finland.</p> <p>Promoting ways to make better use of energy audits under Article 8 in companies and communities has been one part of support and communication activities in the Voluntary Energy Efficiency Agreement Scheme since it started 1997 [Article 20 (3)(c)(a)].</p> <p>Financing energy efficiency has been raised as a separate target area of operation in the Energy Work Programme, which the Energy Authority commissions annually from Motiva. Motiva and the Energy Authority have been actively cooperating with the financial sector (FA) and financial institutions. The SEI Forum was held in Finland in autumn 2020. The first public sector ESCO model was published in Finland already in 2003 [Article 20 (3)(c)(b)].</p>

2.2. Non-legislative provisions

Finland does not implement every article of the EED via legislation and mandatory measures. Since the previous table covers all articles, a brief answer has been given there. The following non-legislative provisions are those with significance in relation to the national transposition of the EED.

The broad [Voluntary Energy Efficiency Agreement Scheme](#) (2008-2016, 2021-2025) is the main instrument in Finland to implement Article 7 obligations. Voluntary Agreements have been the main energy efficiency policy in Finland since 1997 and continuation of the current period is planned. Energy Efficiency Agreements also serve the implementation of other EED articles related to e.g. energy management systems, energy audits, communication and information, and energy-efficient procurement in companies and municipalities. More comprehensive information is available on the Finnish [website](#).

3. Future activities

Currently Finland's new Energy and Climate Strategy [is being prepared](#) in parallel and in coordination with the [Medium-term Climate Change Policy Plan](#) preparation. The latter includes an action programme to reduce emissions in the non-emissions trading sectors, i.e., the effort-sharing sector. Medium-term Climate Policy Plan is based on the Climate Law ([609/2015](#)) that came into force in 2015 and is also currently under [reform preparation](#). The new strategy and Medium-term Climate Change Policy Plan will be submitted to the Parliament in autumn 2021.

4. Relevant information

Ministry of Employment and the Economy www.tem.fi

The Energy Authority/Energy Efficiency Group <https://www.energiavirasto.fi/fi/energiatehokkuus>

Motiva www.motiva.fi

In 2018, the Ministry of Economic Affairs and Employment placed an energy efficiency working group in charge of preparations for implementation of the revised Energy Efficiency Directive (EU) 2018/2002. Five sectoral working groups worked in conjunction with the energy efficiency working group. [Final report 10/2019](#) (only FI).

The Government works to ensure that Finland is carbon neutral by 2035 and carbon negative soon after that. In accordance with the Government Programme, sectoral [low-carbon roadmaps 2035 \(additional material in Finnish\)](#) were drawn up in cooperation with companies and organisations in the relevant sectors during the years 2019-2020 and were published in 2020. A [summary of sectoral low-carbon road maps](#) in English was published in February 2021.

The Ministry of Economic Affairs and Employment appointed in 2020 a working group on energy sector integration tasked with presenting concrete solutions on how to promote sector integration. Sectoral integration describes the development made possible and required by increasing zero-emission energy production, in which energy is transferred, used and transformed into new ones in new ways. The working group's [final report](#) (only FI) was [handed over to the ministry responsible](#) in June 2021.