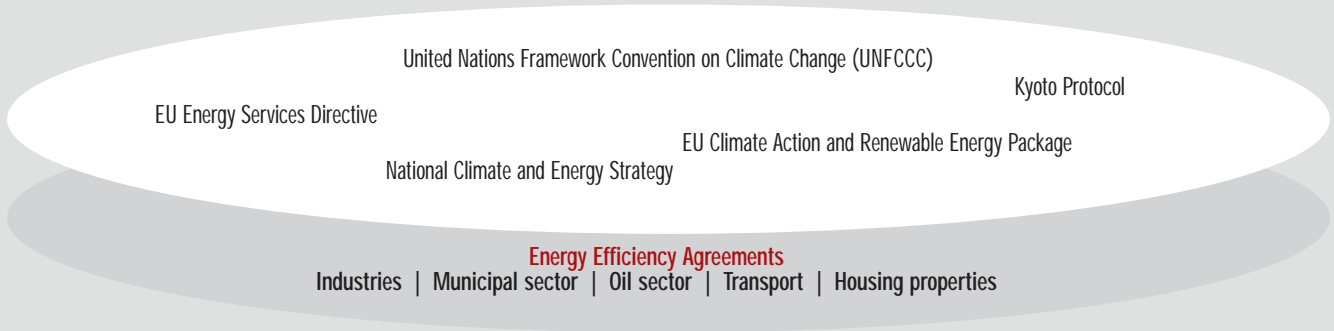




Finland

**Energy Efficiency Agreements 2008–2016**

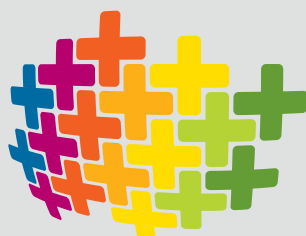
## Background to the Energy Efficiency Agreements



## Ministry of Employment and the Economy Energy Efficiency Agreements 2008–2016

INDUSTRIES			MUNICIPAL SECTOR		OIL SECTOR	
Energy Efficiency Agreement			Municipal Sector Energy Efficiency Agreement	Energy Programme	Höylä III	
Framework Agreement						
Action Plans						
<b>Energy-intensive industry</b> <ul style="list-style-type: none"> <li>• Industry</li> <li>• Energy production</li> </ul>	<b>Medium-sized energy users</b> <b>Industry:</b> <ul style="list-style-type: none"> <li>• Food and drink industries</li> <li>• Chemical industries</li> <li>• Plastic industries</li> <li>• Technology industries</li> <li>• Wood product industries</li> </ul> <b>Private service sector:</b> <ul style="list-style-type: none"> <li>• Commerce sector</li> <li>• Hotel and restaurant sector</li> </ul>	<b>Energy services</b> <ul style="list-style-type: none"> <li>• Electricity transmission, distribution and retail</li> <li>• District heating and cooling</li> </ul>	Large cities, municipalities and joint municipalities	Small municipalities and joint municipalities	Oil-heated buildings	Distribution of liquid heating and transport-fuels

----- Under the EU Energy Services Directive



**ENERGY EFFICIENCY**  
agreements



### **Voluntary agreement scheme works well**

From as early as the 1990s, Finland has employed a voluntary agreement scheme in a drive to promote energy efficiency.

The practical measures boosted by the agreements, such as energy audits and analyses subsidised by the government, provide companies and communities with an excellent means of ascertaining their own energy usage and the scope for improving it, as well as integrating improvements in energy efficiency in their daily operation. The government also subsidises certain related investments.

By rationalising energy consumption and reducing emissions we can avert climate change, improve competitive edge and public image.

### **Wide-ranging energy efficiency**

The Energy Efficiency Agreements for industries and the municipal and oil sectors, mainly

the responsibility of the Ministry of Employment and the Economy, were signed for the period 2008–2016. They follow on from the Energy Conservation Agreements that were in force in 1997–2007.

Additional Energy Efficiency Agreements currently in force are those for goods transport and logistics, and public transport. The housing property sector has a current Energy Conservation Agreement.

The goods transport, logistics and public transport Energy Efficiency Agreements are under the responsibility of the Ministry of Transport and Communications, and the housing property sector agreement is under the governance of the Ministry of the Environment.

### **New dimensions of the agreements**

The Energy Efficiency Agreement on the Improvement of Energy Efficiency in Industries consists of a framework agreement and action



plans of the various sectors. A company joining the agreement scheme makes a commitment to implementing them. Depending on the need and the type of its operation, a company may join several action plans.

The Energy Efficiency Agreement in Industries covers the energy-intensive sector within emissions trading (industry and energy production), medium-sized energy users (industry and the private service sector), and energy services (electricity transmission, distribution and retail, and district heating and cooling).

One of the goals of the action plan for energy services is improving the efficiency of consumer energy usage.

The Municipal Sector Agreement includes both the Energy Efficiency Agreement of large cities, municipalities and joint municipalities and an energy programme for smaller municipalities and joint municipalities.

The Höylä III Energy Efficiency Agreement covers distribution of liquid heating

and transport fuels as well as oil-heated properties.

**Agreements implement EU requirements**

The requirements set on its member countries by the EU have influenced the agreement contents.

The Energy Efficiency Agreements play a central role in implementation in Finland of the EU Energy Services Directive (Directive on the Promotion of End-use Efficiency and Energy Services, 2006/32/EC). Its target is a nine percent saving by 2016 on the 2001–2005 average final consumption outside emissions trading.

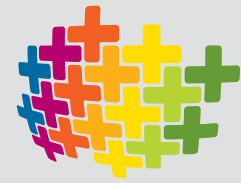
Moreover, the Energy Efficiency Agreements are a part of the implementation of the EU climate action and renewable energy package. It requires the EU member countries to considerably reduce their greenhouse emissions and to improve their energy efficiency, and to significantly increase their

use of renewable energies and the share of biofuels in transport.

The contents of the Agreements have been drafted in cooperation between the relevant ministries, industry associations, Motiva, and representatives of companies and communities. The end result was influenced by the evaluations of the Energy Conservation Agreements that were in force in 1997–2007. The most important targets for development were achieving commitment by organisations to energy efficiency, advisory services, and continuity of energy efficiency work.

**Focusing on continuous improvement**

Improving the efficiency of energy use requires constant control of one's own energy usage, as well as systematic monitoring and consideration of energy efficiency in practices, procurements, uptake and maintenance. Everything is founded on commitment by the management.



## ENERGY EFFICIENCY agreements

Voluntary approach, an alternative and complementary method to regulations and taxation

Creates the foundations for appropriate energy use and control of energy costs

Flexible tool for improving energy efficiency and its integration as a part of the environmental and management systems of a company or community

The government subsidises energy audits, analyses and energy efficiency investments of companies and communities signed up to the agreement scheme

Enables implementation of the obligations under the Energy Services Directive and monitoring of results

Effective means of reducing emissions

The principle of constant improvement is a vital element of all the Agreements. It is emphasised particularly in the energy-intensive sectors, where companies are expected to adopt the Energy Efficiency System (EES). The system, developed in collaboration with enterprises, promotes continuous maintenance, improvement and a systematic approach to energy efficiency.

Continuous development of the activity helps energy efficiency to become an integral part of principal management systems.

### Uptake of latest technology and technical know-how

An important goal of the agreement scheme is promoting adoption of latest energy-efficient techniques and services.

Agreement parties are encouraged to build up networks with developers and suppliers of energy-efficient innovations, so that new techniques and services may be demonstrated,

tested and disseminated. Such activity also creates a foundation for exporting energy-efficient know-how.

The Ministry of Employment and the Economy may grant higher subsidies than usual to energy efficiency investments utilising latest technology.

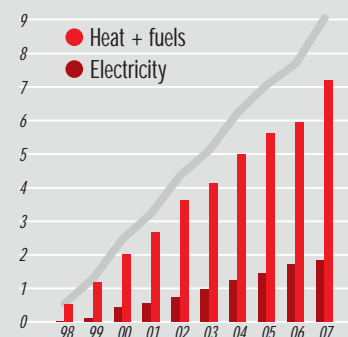
### Reporting highly beneficial

A company or community joining the agreement scheme submits an annual report on the previous year's energy use and any related efficiency measures. The information is collected in a joint Internet-based monitoring system.

The monitoring system provides information for the Ministry of Employment and the Economy, the industry associations, and organisations participating in the Agreements.

Reporting of the results is also fundamental in monitoring the targets of the EU Energy Services Directive.

### Results of Energy Conservation Agreements 1997–2007, TWh/a



The total energy savings achieved (9 TWh/a) from measures reported as implemented under the Energy Conservation Agreement scheme (industry, energy sector, municipal sector, property and building sector) are equivalent to the annual electricity and thermal energy consumption of more than 450,000 average single family houses and to more than 2 percent of Finland's total energy consumption in 2007.

# Parties and functions of Energy Efficiency Agreements

## Companies and communities

Identify their energy use and possibilities of improving efficiency e.g. by commissioning energy audits and -analyses

Set targets for increasing efficiency of energy use

Implement planned energy efficiency improvement measures

Monitor their energy use and realisation of set targets

Consider energy efficiency in planning and procurements

Utilise new energy-efficient technology and innovative practices

Ensure training and communication to support energy-efficient operation

Report annually on energy consumption and measures implemented to improve energy efficiency

Implement measures and targets of sector-specific action plan

## Industry associations

Promote the agreement scheme to their memberships

Participate in development, marketing and dissemination of measures improving energy efficiency

Guide their members in reporting and take part in preparation of an annual summary report

Take part in development and pilot projects related to implementation of the Agreement

Take part in development of agreement scheme

### Energy Efficiency Agreement in Industries

- Confederation of Finnish Industries EK
- Finnish Food and Drink Industries' Federation
- Finnish Energy Industries
- Finnish Chemical Industry
- Finnish Hospitality Association
- Finnish Forest Industries Federation
- Finnish Plastic Industries Federation
- Federation of Finnish Commerce
- The Federation of Finnish Technology Industries

### Municipal Sector Energy Programme

- The Association of Finnish Local and Regional Authorities

### HÖYLÄ III Energy Efficiency Agreement

- The Finnish Petrol and Traffic Service Retailers Organisation SBL
- Finnish Oil and Gas Federation
- Finnish Oil and Gas Heating Association
- The Oil Industry Service Centre

## Ministry of Employment and the Economy

Subsidises energy audits and analyses of companies and communities signed up to the agreement scheme

Subsidises energy efficiency investments of companies and communities signed up to the agreement scheme

Takes part in development and pilot projects related to implementation of the Agreements

Takes part in development of agreement scheme

## Motiva

Promotes implementation of the Agreements by participating in marketing, development and pilot projects and production of publicity and educational material

Responsible for development of monitoring systems

Monitors implementation of action plans

Participates in collation of annual summary report

Takes part in development of agreement scheme