

CCUS approach of the Finnish government

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1. Climate and energy policy and development of emission
2. The role of CCUS in emission reductions and measures needed to boost the development

Finland's climate policy



National climate act:

- Finland carbon neutral by 2035 at the latest
- The emission reduction targets are -60% by 2030, -80% by 2040 and -90 % but aiming at -95 % by 2050, compared to the levels in 1990.

EU climate policy:

- EU aims for climate neutrality by 2050
- By 2030 emissions reduced by at least 55% compared to 1990
- Emission reduction targets are divided between the emissions trading system (EU ETS), national targets for sectors excluded from EU ETS (effort sharing) and obligations concerning the land use sector (LULUCF)
- Commission communication on 2040 climate target (90%) + Communication on industrial carbon management

Three dimensions of energy policy in the Government Programme

Doubling electricity production

- Industrial processes will be electrified and the demand for electricity will increase.
- Doubling the production of clean electricity is a requirement for the growth of clean industry.
- Clean and reliable electricity will attract industrial investors to Finland.

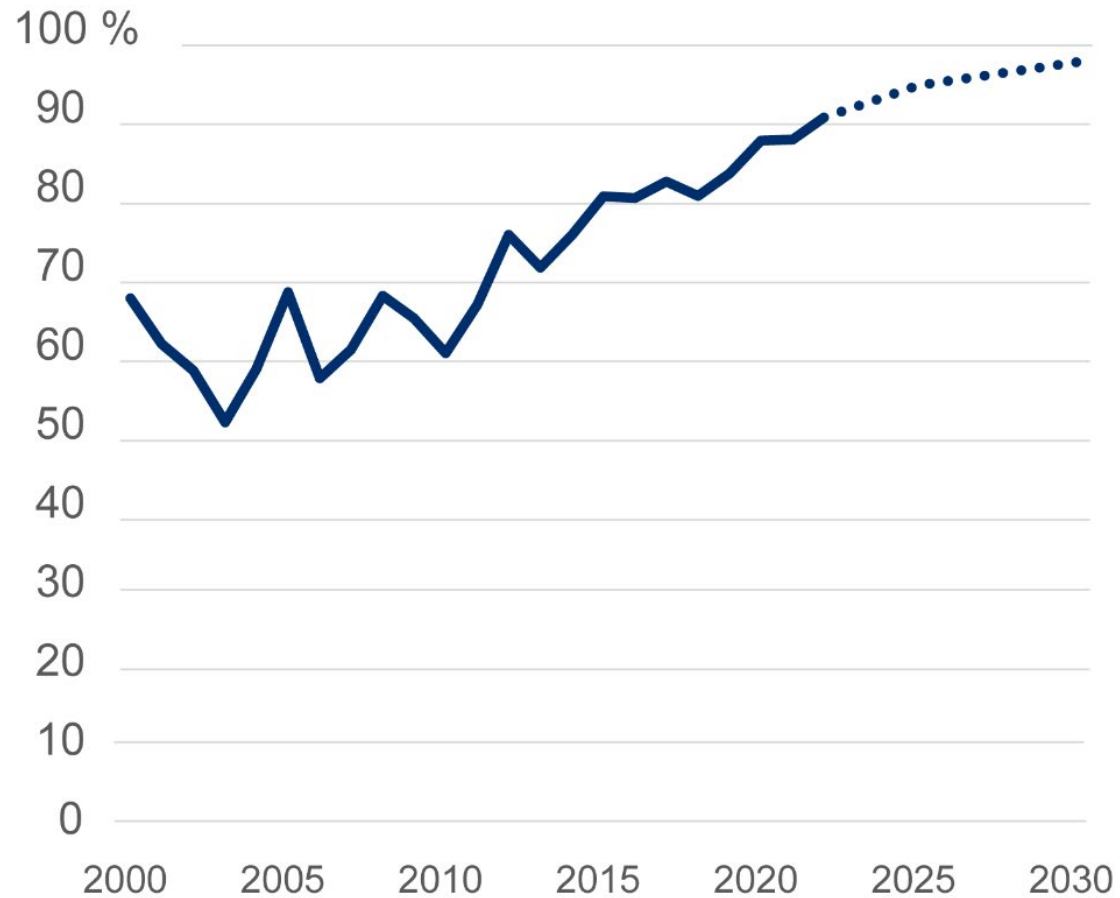
Electricity transmission

- Ensuring the development and construction of transmission networks so the doubled electricity volume can be reliably supplied to electricity users.

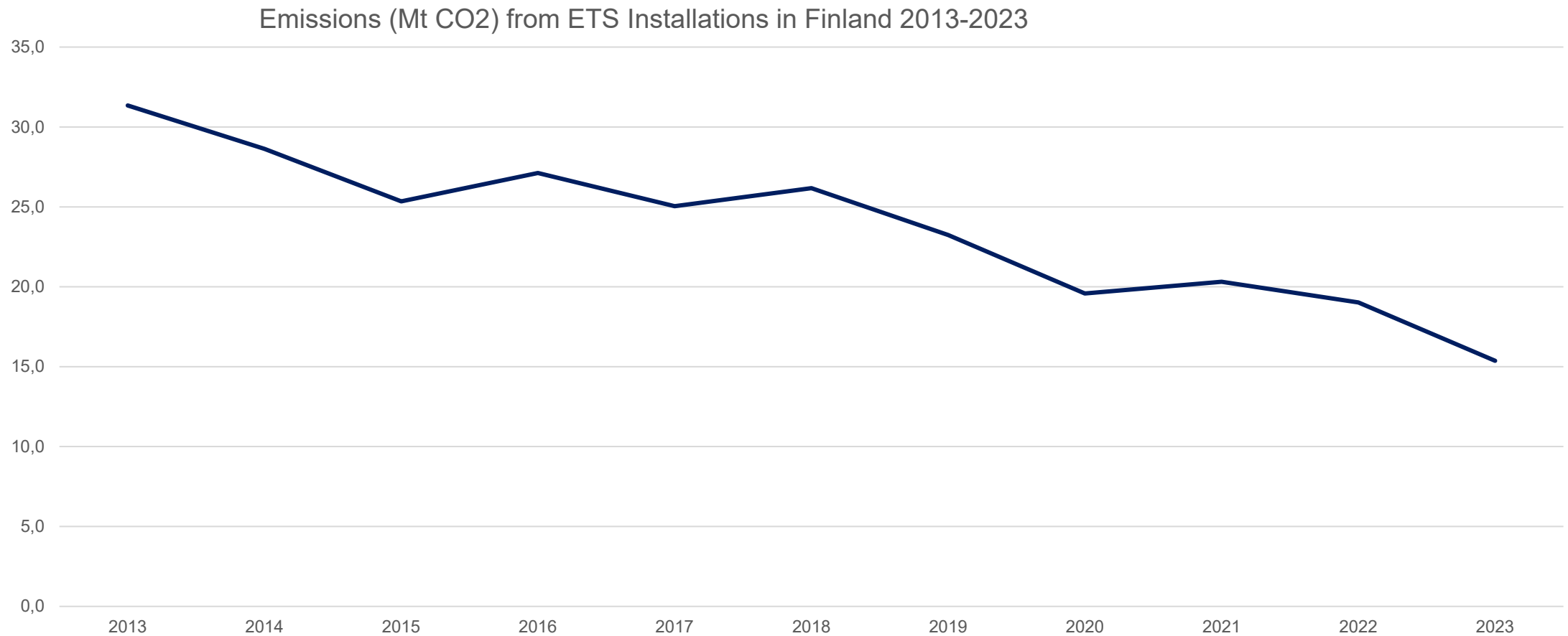
Streamlined permit procedure

- A streamlined permit procedure is a requirement for investments and especially for the transition to a clean economy. The smoothness and predictability of the investment permit procedure will be improved as one of Finland's key competitive advantages.
- The permit procedure related to industrial permit projects, electricity network investments and environmental legislation will be streamlined.

Share of zero-emission electricity in production



Emissions from installations in the emissions trading sector in 2013-2023 (million t CO₂)



The role of CCUS in emission reductions and measures needed to boost the development



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After 2030 CCUS needed to achieve climate goals



- 2040 and 2050 targets will require rapid reduction of emissions in all sectors
- In some industrial processes and other sectors challenging to reduce emissions. CCUS needed to complement emission reductions
- Modelling results for the 2040 Communication indicate that approximately 280 million tonnes would need to be captured by 2040 and around 450 mtpa by 2050
- The EU already has a number of policies in place to support carbon management. However, additional measures are needed to significantly scale up CCUS

Communication on industrial carbon management



A comprehensive framework:

- **Enabling conditions** (storage capacity, development of transport infrastructure and permitting procedures)
- **Necessary funding** (Innovation fund, Horizon Europe ja Connecting Europe Facility)
- **Creating a commercial market** (complement the current EU climate and energy legislation framework)



Developing EU climate and energy legislation

How to integrate negative emissions (BECCS, DACCS) in EU legislation:

- **ETS1**
- **ETS2**
- **Something else?**

How to further promote use of captured carbon in products:

- **ETS (price of emissions)**
- **Blending mandates for fuels**
- **Identifying legal barriers**

Next steps



- 1. Investment funding as part of the General Government Fiscal Plan (2025-28). At a later stage, a decree on the terms of the funding**
- 2. Preparation of Finland's Energy and Climate Plan. The plan includes targets and measures to promote CCUS**
- 3. Influencing the upcoming EU-legislation. A more detailed plan on the concrete measures in preparation**

Close cooperation with stakeholders necessary to boost the uptake on CCUS

Questions?



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