

The EU 2030 Framework on Climate and Energy – Implications for Norway

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February 2015

European Council decisions, October 2014

- **40% emission reduction target** – compared with 1990 level
 - Binding
 - Emission reductions partly through the EU ETS: 43% reduction compared with 2005
 - The cap will be by 2.2% annually from 2021 onwards, instead of 1.74% up to 2020
 - Partly through the non-EU ETS sector: 30% reduction compared with 2005
 - Effortsharing decision in the non-EU ETS sector, based on GDP
 - Flexibility also within the EU ETS sector
- **27% renewable energy target**
 - Binding at the EU level, in contrast to the present renewable target which is binding at national level
- **27% energy efficiency target**
 - An indicative target – to be reviewed in 2020 with the 30% target in mind
- **15% interconnectivity target**

Frontrunners and laggards

- Traditionally, North-South, East-West (New versus old member states)



Nordic countries, UK and Germany, but not consensus with regard to the number of targets + binding versus non-binding

vs. Poland – willing to veto



Member state	GG: Binding 40%	GG: At least 40%	EE: Binding 30%	EE: Non-binding (30%)	EE: 25% non-binding	EE: No target	R: Binding 27%	R: Non-binding 27%	R: At least 27% binding	R: 30% binding	R: At least 27% non-binding
Austria	Yes	No	No	Yes	No	No	No	No	Yes	No	No
Belgium	(Yes)	No	No	(Yes)	No	No	No	No	(Yes)	No	No
Bulgaria	Yes	No	No	No	Yes	No	No	Yes	No	No	No
Croatia	Yes	No	No	No	Yes	No	Yes	No	No	No	No
Cyprus	Yes	No	No	No	No	Yes	No	No	No	No	Yes
Czech	Yes	No	No	No	Yes	No	No	Yes	No	No	No
Denmark	No	Yes	Yes	No	No	No	No	No	No	Yes	No
Estonia	Yes	No	No	Yes	No	No	No	No	Yes	No	No
Finland	Yes	No	No	Yes	No	No	No	No	Yes	No	No
France	(Yes)	No	No	(Yes)	No	No	No	No	(Yes)	No	No
Germany	No	Yes	Yes	No	No	No	No	No	No	Yes	No
Greece	Yes	No	No	Yes	No	No	No	No	Yes	No	No
Hungary	Yes	No	No	No	Yes	No	No	Yes	No	No	No
Ireland	Yes	No	No	Yes	No	No	No	No	Yes	No	No
Italy	(Yes)	No	No	(Yes)	No	No	No	No	(Yes)	No	No
Latvia	Yes	No	No	No	Yes	No	No	No	Yes	No	No
Lithuania	Yes	No	No	Yes	No	No	No	No	No	No	Yes
Luxembourg	No	Yes	Yes	No	No	No	No	No	No	Yes	No
Malta	Yes	No	No	Yes	No	No	No	No	No	No	No
Netherlands	(Yes)	No	No	(Yes)	No	No	No	No	No	(Yes)	No
Poland	(Yes)	No	No	No	(Yes)	No	No	(Yes)	No	No	No
Portugal	No	Yes	Yes	No	No	No	No	No	Yes	No	No
Romania	Yes	No	No	No	Yes	No	No	Yes	No	No	No
Slovakia	Yes	No	No	No	Yes	No	No	Yes	No	No	No
Slovenia	Yes	No	No	Yes	No	No	No	No	Yes	No	No
Spain	Yes	No	No	Yes	No	No	No	No	Yes	No	No
Sweden	No	(Yes)	(Yes)	No	No	No	No	No	No	(Yes)	No
UK	No	Yes	No	No	No	Yes	No	Yes	No	No	No

Implications for Norway

- Parts of the package is EEA relevant, and apply to the European Economic Area countries - Norway, Iceland and Lichtenstein - after negotiations with the EU
- EEA relevant?
 - The 40% emissions reduction target – NO
 - The EU ETS - YES
 - The effort sharing decision in the non-EU ETS sector – NO
 - Renewable energy target – YES
 - 67,5% by 2020
 - Only binding at EU level from 2020
 - Energy efficiency target – YES
 - 15% interconnectivity target – YES

The EU targets from October a challenge for Norway

- The level of ambitiousness – politically difficult to be less ambitious than the EU
 - The Minister of Climate and Environment was not willing to confirm the 40% promise she gave earlier this year
- The type of targets
 - CDM not allowed in the EU ETS post-2020, nor other flexible mechanisms under UNFCCC
 - Only if EU commits to more than 40% reduction under UNFCCC
- A challenge to for Norway to reach 40% - as the emissions have continued to rise since 1990
- The EU has decreased their emissions

The Norwegian targets – February 2015

- The Government chose the «EU solution» – a bilateral agreement with EU
- Norway will reduce its emissions as if it was a full EU member
- 43% reductions compared with EU's emissions in 2005 within the EU ETS
- Non-EU ETS sector
 - 30% reductions in the non-EU ETS sector compared with EU's emissions in 2005
 - Norway will have to reduce its emissions by more than 30% - due to high GDP – probably 40%



Setting the targets

- Same methodology to set the national reduction targets for the non-ETS sectors, as for the 2020-targets
- Relative GDP per capita
- Spanning from 0-40% compared to 2005
- Relatively adjusted to reflect cost-effectiveness
- 40% in non-EU ETS sector not enough to reach 40% compared to 1990 level in Norway

Flexibility

- Already existing flexibility will be significantly enhanced
 - to ensure cost-effectiveness of the collective EU
 - effort and convergence of emissions per capita by 2030
- New flexibility “through a limited, one-off, reduction of the ETS allowances, to be decided before 2020, while preserving predictability and environmental integrity”

Conclusions

- An interesting political compromise between H, Frp, V and KrF
- EU climate policy not enough
- UK, Denmark, Sweden, Germany: strong domestic energy and climate policies
- Challenges for Norway

- Photo: Gateavisa

