



Renewable energy policy database and support – RES-LEGAL EUROPE

National profile: Finland

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Contact author: Gert Siniloo, policy@eclareon.com

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eclareon GmbH

Albrechtstraße 22
10117 Berlin
Germany
Phone: +49 30 88 66 7400
Fax: +49 30 88 66 74010
www.eclareon.com

Öko-Institut

P.O. Box 1771
79017 Freiburg
Germany
Phone : +49 761 45295-30
Fax: +49 761 45295-88
www.oeko.de

ECN

P.O. Box 1
1755 ZG Petten
The Netherlands
Phone : +31-224-564450
Fax: +31-224-568486
www.ecn.nl



TABLE OF CONTENTS

TABLE OF CONTENTS	3
FINLAND – SUMMARY TEXT	4
RES-E SUPPORT SCHEMES	5
<i>Summary of support schemes</i>	<i>5</i>
<i>Basic information on legal sources</i>	<i>6</i>
<i>Further information</i>	<i>8</i>
<i>Support schemes</i>	<i>9</i>
RES-E GRID ISSUES.....	21
<i>Overview.....</i>	<i>21</i>
<i>Basic information on legal sources.....</i>	<i>22</i>
<i>Further information.....</i>	<i>24</i>
<i>Grid issues.....</i>	<i>25</i>
RES-H&C SUPPORT SCHEMES	32
<i>Summary of support schemes</i>	<i>32</i>
<i>Basic information on legal sources.....</i>	<i>33</i>
<i>Further information.....</i>	<i>37</i>
<i>Support schemes</i>	<i>38</i>
RES-H&C GRID ISSUES	49
<i>Overview.....</i>	<i>49</i>
<i>Basic information on legal sources.....</i>	<i>50</i>
<i>Further information.....</i>	<i>51</i>
<i>Grid issues.....</i>	<i>52</i>
RES-T SUPPORT SCHEMES	54
<i>Summary of support schemes</i>	<i>54</i>
<i>Basic information on legal sources.....</i>	<i>55</i>
<i>Further information.....</i>	<i>58</i>
<i>Support schemes</i>	<i>59</i>
POLICIES.....	64
<i>Summary of policies</i>	<i>64</i>
<i>Basic information on legal sources.....</i>	<i>65</i>
<i>Further information.....</i>	<i>67</i>
<i>Policy categories.....</i>	<i>68</i>



Finland – summary text

In Finland, electricity from renewable energy sources is mainly promoted through a premium tariff. The tariff applies to electricity produced from wind, biomass and biogas. Additionally, investments in RES are supported through state subsidies. The main support mechanism for heat produced from RES is a “heat bonus” allocated to CHP plants working on biogas and wood fuel. In transport, the main incentive for renewable energy use is a quota system.

Access to the grid by electricity produced from renewable energy sources follows the principle of non-discrimination and electricity produced from RES is not given priority. The connection of a heat generation plant to the grid is market oriented and priority is not granted to heat produced from RES.

In addition to the methods listed, there is a number of policies in place aiming to promote the development, installations and use of RES installations.



RES-E support schemes

Summary of support schemes

Overview	In Finland, electricity from renewable sources is promoted through a premium tariff for electricity from wind, biomass and biogas. Apart from the tariff, Finland provides subsidies for investment and research projects.
Summary of support system	<ul style="list-style-type: none"> • Subsidies. The state of Finland provides subsidies for investment and research projects in the field of sustainable energy generation. • Premium tariff. The producers of electricity from wind, biomass and biogas sell their electricity in the market and receive a variable bonus, which is paid on top of the market price and is equal to the difference between a target price and the market price.
Technologies	In general, Finland promotes all renewable energy generation technologies.
Statutory provisions	<ul style="list-style-type: none"> • Act No. 1396/2010 (Laki uusiutuville energialähteillä tuotetun sähkön tuotantotuesta 30.12.2010/1396 – Act on Production Subsidy for Electricity Produced from Renewable Energy Sources) Government Decree No. 1397/2010 (Valtioneuvoston asetus uusiutuville energialähteillä tuotetun sähkön tuotantotuesta 30.12.2010/1397 – Regulation on Production Subsidy for Electricity Produced from Renewable Energy Sources) Decree No. 1063/2012 (Valtioneuvoston asetus energiätuen myöntämisen yleisistä ehdoista 27.12.2012/1063 – Regulation on the Allocation of Subsidies) • Act No. 688/2001 (Valtionavustuslaki 27.7.2001/688 – Act on the Allocation of Subsidies)

**Basic information on legal sources**

Name of legal source (original language)	Laki uusiutuville energialähteillä tuotetun sähkön tuotantotuesta 30.12.2010/1396	Valtioneuvoston asetus uusiutuville energialähteillä tuotetun sähkön tuotantotuesta 30.12.2010/1397	Valtioneuvoston asetus energiatauen myöntämisen yleisistä ehdoista 27.12.2012	Valtionavustuslaki 27.7.2001/688
Full name				
Name (English)	Act No. 1396/2010 on the Production Subsidy for Electricity Produced from Renewable Energy Sources	Government Decree No. 1397/2010 on Production Subsidy for Electricity Produced from Renewable Energy Sources	Government Decree on General Conditions for Granting Energy Aid	Act on the Allocation of State Grants
Abbreviated form	Act No. 1396/2010	Decree No. 1397/2010	Decree No. 1063/2012	Act No. 688/2001
Entry into force	01.01.2011	01.01.2011	01.01.2013	01.09.2001
Last amended on	23.10.15	20.3.14	30.12.14	18.9.15
Future amendments			01.01.2018	
Purpose	This act aims to provide incentives for renewable energy generation, improve the competitiveness of energy produced from renewable	This regulation updates existing legislation concerning subsidies on electricity produced from RES and provides detailed figures for	Establishing conditions for the allocation of subsidies for investment and development projects.	The Act regulates the allocation of state subsidies.



RES-LEGAL EUROPE – National Profile Finland



	energy sources, and increase the diversification of electricity generation to improve Finland's energy independence.	calculating certain subsidies.		
Relevance for renewable energy	Framework to support electricity from wind, biogas, biomass and hydro power.	Refines the terms and conditions of the scheme.	This regulation establishes provisions for the allocation of financial aid for investment and research projects that promote the use of renewable energy.	The Act is the basis for the issue of Regulation No. 1313/2007 on General Conditions for the Allocation of Subsidies for Energy Use.
Link to full text of legal source (original language)	http://www.finlex.fi/fi/laki/ajantasa/2010/20101396	http://www.finlex.fi/fi/laki/ajantasa/2010/20101397	http://www.finlex.fi/fi/laki/ajantasa/2012/20121063	http://www.finlex.fi/fi/laki/ajantasa/2001/20010688
Link to full text of legal source (English)	https://www.energiavirasto.fi/documents/10179/0/Act_1396_2010+EN+20+10+2014.pdf/a3efca1c-42a6-4721-9397-82875495e25a Please note: this is an unofficial translation made available by the Finnish Energy Authority Energiavirasto.	https://www.energiavirasto.fi/documents/101091/0/Decree+1397_2010+EN.pdf/6c081c13-6e5d-469d-85ec-00bc35542375 Please note: this is an unofficial translation made available by the Finnish Energy Authority Energiavirasto.		

Further information

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Työ- ja elinkeinoministeriö (TEM) – Ministry of Employment and the Economy	http://www.tem.fi/en		+358 295 16001	kirjaamo@tem.fi
Energiavirasto (EV) - Energy Authority	https://www.energiavirasto.fi/en/web/energy-authority/		+358 29 5050 000	kirjaamo@energiavirasto.fi
TEKES – Finnish Funding Agency for Technology and Innovation	http://www.tekes.fi/en/		+358 2950 55000	kirjaamo@tekes.fi

Support schemesSubsidy (Energy Aid)

Abbreviated form of legal source(s)	<ul style="list-style-type: none"> Act No. 688/2001 Decree No. 1063/2012 	
Contact Authority	http://www.tem.fi/en	
Summary	<p>The so-called "energy aid" is a state grant for investments in RES production facilities and research projects related to it. Grants are available for projects, which promote the use or production of renewable energies, advance energy efficiency and reduce the environmental effects caused by energy production and use (§3, §5 Decree No. 1063/2012). At least 25% of the projects' financing must come from non-governmental funds. Energy aid may be granted to companies, municipalities and other communities.</p>	
Eligible technologies	General information	<p>According to the Ministry of Employment and the Economy, II technologies are eligible for grants. Grants are available for investments in renewable energy generation facilities and to conduct research related to different environmental and energy projects, such as energy audits, analysis of the new methods and development of services. (§3 Decree No. 1063/2012). The projects need to either promote the use or production of renewable energies; advance energy efficiency and energy saving or reduce the environmental effects caused by energy production and use (§5 Decree No. 1063/2012). Among other costs, the costs for preparation, administrative planning and employment are eligible for subsidies (§ 10 Decree No.1063/2012).</p>



	Wind energy	Eligible.
	Solar energy	Eligible.
	Geothermal energy	Eligible.
	Biogas	Eligible.
	Hydro-power	Eligible.
	Biomass	Eligible.
Amount	The amount of subsidy depends on the aim of the project in question. The support allocated to investments in renewable energy production facilities can make up to 30% of the project’s overall cost, but can increase up to 40% in case the project involves the use of new technology. The support allocated to research can make up to 40% of the project’s total cost (§7 Decree No. 1063/2012). A company or entity receiving the subsidy has to finance at least 25% of the total project costs from non-state funding (§ 5 Decree No. 1063/2012).	
Addressees	<p>Entitled party. The entities entitled to subsidies are companies, municipalities and communities (“Yhteisö”). Support cannot be allocated to farms, housing corporations, residential properties and construction projects benefiting from state aid. If the project is carried out in cooperation between several companies, municipalities or communities, the support will be allocated to the entity, which has the role of the coordinator (§ 6 Decree No. 1063/2012). According to the Ministry of Employment and the Economy, both private organisations and legal entities like strategic alliances, federations, associations and foundations are eligible.</p> <p>Obligated party. Responsible body is Ministry of Employment and the Economy or The Centre for Economic Development, Transport and the Environment (ELY Centre) (§ 4 Decree No. 1063/2012). The Ministry of Employment and Economy is responsible for investment projects where costs exceed € 5,000,000 and for research projects with costs beyond € 250,000. The Ministry equally deals with projects using new technologies. Other project applications are dealt by the Centre for Economic Development, Transport and the Environment (§4 Decree No. 1063/2012).</p>	
Procedure	Procedure	<ul style="list-style-type: none"> • Application for subsidy. Applications shall be submitted to the regional Centre for Economic Development, Transport and the Environment, where most part of the projects’



		<p>activity is taking place (ELY Centre) (§ 8 Decree No. 1063/2012).</p> <ul style="list-style-type: none"> • Selection. Applicants are selected by the ELY Centre according to certain criteria. The Centre has some degree of freedom in the decision-making process. However, if the costs of the project exceed € 5,000,000 (in case of investments into renewable energy generation technologies) or € 250,000 (in case of research projects) or if the project aims to take up a new energy production technology, the selection is done by the Ministry of Employment and Economy (§ 4 Decree No. 1063/2012). • Allocation of subsidies. Subsidies are awarded to the selected projects. • Project implementation. According to the Ministry of Employment and the Economy. Applicants are informed of the decision concerning the subsidy and of the requirements for project implementation, which are a prerequisite for receiving energy aid. • Payment of the subsidy. Support is paid after the start of the project based on the application and actual cost documents. The subsidy is paid either in one or several parts based on the decision allocating the support. Projects that include leasing or partial payments, can be paid in one part after the completion of the project (§ 12 Decree No. 1063/2012).
	<p>Competent authority</p>	<p>The Competent Authority is the Ministry of Employment and the Economy.</p>
<p>Flexibility mechanism</p>		



Distribution of costs	State	The cost of the subsidy is borne by the state (§ 1 Decree No. 1063/2012).
	Consumers	
	Plant operator	
	Grid operator	
	European Union	
	Distribution mechanism	



Premium tariff

<p>Abbreviated form of legal source(s)</p>	<ul style="list-style-type: none"> Act No. 1396/2010 Decree No. 1397/2010 	
<p>Contact Authority</p>	<p>Energy Authority (Energiavirasto)</p>	
<p>Summary</p>	<p>Producers of electricity from wind, biogas and biomass receive a variable premium tariff on top of the wholesale electricity price for a period of 12 years. The generators get a fixed target price for their electricity. Wind energy plants are eligible for an increased target price until the end of 2015.</p>	
<p>Eligible technologies</p>	<p>General information</p>	<p>All technologies used for the generation of electricity from wind, biogas, wood chips or wood fuels are eligible if they meet the following requirements:</p> <ul style="list-style-type: none"> The plant/system must be located in Finland or in Finnish waters and be connected to the grid (§ 7 Act No. 1396/2010). The project must meet economic and technical requirements for electricity generation (§ 7 Act No. 1396/2010). <p>In addition, generators must meet certain requirements according to the technology employed (see below).</p>
	<p>Wind energy</p>	<p>Both onshore and offshore generation is eligible as long as the following criteria are met:</p> <ul style="list-style-type: none"> The plant must not have received other state grants (§ 9 Act No. 1396/2010; § 1 Decree No. 1397/2010). The plant must be built entirely from new parts (§ 9 Act No. 1396/2010; § 1 Decree No. 1397/2010). The nominal capacity of the generator must be at least 500 kVA (§ 9 Act No. 1396/2010).



	Solar energy	
	Geothermal energy	
	Biogas	<p>Eligible under the following conditions:</p> <ul style="list-style-type: none"> • The plant must not have received other state grants (§ 10 Act No. 1396/2010; § 1 Decree No. 1397/2010). • The plant must be built entirely from new parts (§ 10 Act No. 1396/2010; § 1 Decree No. 1397/2010). • The biogas used must have been produced in a plant which was not government-subsidised and was built entirely from new parts (§ 10 Act No. 1396/2010). • The nominal capacity of the generator must be at least 100 kVA (§ 10 Act No. 1396/2010). <p>Electricity generated by a biogas plant may be eligible for an increased "heat bonus" if the following conditions are met:</p> <ul style="list-style-type: none"> • The plant must produce both electricity and usable heat. • The plant must achieve an efficiency rate of at least 50%, or even 75% if the capacity of the generators is equal to or exceeds 1 MVA (§ 10 Act No. 1396/2010).
	Hydro-power	
	Biomass	<p>Wood-chip plants are eligible if they meet the following conditions:</p> <ul style="list-style-type: none"> • The plant must not have received the premium tariff before (§ 8 Act No. 1396/2010). • The nominal capacity of the generator must be at least 100



		<p>kVA (§ 8 Act No. 1396/2010).</p> <p>Electricity generated by a wood-chip plant may be eligible for an increased "heat bonus" if the plant includes a pulverized coal boiler that uses wood-chips for fuel.</p> <p>Wood fuel plants are eligible if they meet the following conditions:</p> <ul style="list-style-type: none"> • The plant must not have received other state grants (§ 11 Act No. 1396/2010; § 1 Decree No. 1397/2010). • The plant must be built entirely from new parts (§ 11 Act No. 1396/2010; § 1 Decree No. 1397/2010). • The nominal capacity of the generator must be between 100 kVA and 8 MVA (§ 11 Act No. 1396/2010); • The plant must produce both electricity and usable heat. • The plant must achieve an efficiency rate of at least 50%, or even 75% if the capacity of the generators is equal to or exceeds 1 MV (§ 11 Act No. 1396/2010).
<p>Amount</p>	<p>General information</p>	<p>The premium tariff is equal to the difference between the fixed target price and the average market price of the previous three months. However, if the market price for the previous three months is below € 30, the premium will be fixed at target price minus € 30 (§ 25 Act No. 1396/2010).</p>
	<p>Wind energy</p>	<p>The target price is € 83.5 per MWh (§ 23 Act No. 1396/2010). Until 31.12.2015 (for three years at maximum), there will be an "early bird rate", i.e. an increased target price of € 105.3 per MWh (§ 62 Act No.</p>



		1396/2010).
	Solar energy	
	Geothermal energy	
	Biogas	The target price is € 83.5 per MWh (§ 23 Act No. 1396/2010). Plants that qualify for the heat bonus receive € 50 per MWh on top of the target price (§ 26 Act No. 1396/2010).
	Hydro-power	
	Biomass	<p>The target price is € 83.5 per MWh for electricity from wood fuels (§ 23 Act No. 1396/2010). The premium tariff allocated to electricity and CHP plants working on wood chips is variable and is calculated according to the cost-effectiveness of peat and wood-chips in power production; the applicable taxation to peat and the emissions allowance costs applicable on the market (§25 Act No 1396/2010). The exact figures taken as a basis for calculating the premium tariff are provided in § 4 of the Decree No. 1397/2010). Plants that qualify for the heat bonus receive € 20 per MWh on top of the target price (§ 26 Act No. 1396/2010).</p> <p>According to the Energy Authority, as of 1 January 2015, the premium tariff changes according to the price of the emission allowance and the peat tax. The basic subsidy ranges from € 0 to € 15.87 per MWh. A condition for receiving the subsidy is that the plant has not been included in the premium tariff scheme.</p>



		<p>A possibility for an additional subsidy is available, if the power plant contains a gasifier where timber chips are gasified into a pulverised fuel boiler. This additional subsidy amounts to € 2.74 per MWh on top of the basic subsidy. There are several limits for receiving the subsidy:</p> <ul style="list-style-type: none"> • When production exceeds the amount confirmed in the acceptance decision • No basic subsidy is paid if the subsidy is less than € 1/MWh • Subsidy is not paid per hour when the price of electricity is negative <p>The amount of the subsidy and the conditions of receiving it are in force until 29 February 2016.</p>
Degression	General information	
	Wind energy	
	Solar energy	
	Geothermal energy	
	Biogas	
	Hydro-power	
	Biomass	



<p>Cap</p>	<p>Premium tariffs will be available only until the total capacity installed and/or the number of generators installed reaches a certain maximum. This maximum depends on the technology used. The following caps apply:</p> <ul style="list-style-type: none"> • Wind energy: 2,500 MVA • Biogas: 19 MVA • Energy from wood fuel: more than 50 generators with a nominal capacity of 150 MVA <p>(§ 6 Act No. 1396/2010).</p> <p>In case the market price for electricity for the previous three months is below 30 €, the tariff will be capped at target price minus € 30 , i.e.€ 53.5 per MWh (§ 25 Act No. 1396/2010).</p>	
<p>Eligibility period</p>	<p>Eligibility ceases after 12 years of operation or</p> <ul style="list-style-type: none"> • for wind, biogas and wood-chip plants if the amount specified in the grant award notification is reached, • for wood fuel plants, if a plant has produced gains of more than € 750,000 in four consecutive obligation periods (§ 16 Act No. 1396/2010). 	
<p>Addressees</p>	<p>Entitled party. Producers who use wind, biogas, wood chips or wood fuels for the generation of electricity and whose plant is connected to the grid and located in Finland or in Finnish waters are entitled to receive the premium tariff (§6 , §7 Act No. 1396/2010).</p> <p>Obligated party. The support system is financed by the state budget and managed by the Ministry of Employment and the Economy (§2, §4 Act No. 1396/2010).</p>	
<p>Procedure</p>	<p>Process flow</p>	<ul style="list-style-type: none"> • Advance notification. Within one month of its decision to install a plant, a given electricity producer shall inform the Energy Authority about its plans and about the technical specifications of the plant including its capacity in writing (§ 13 Act No. 1396/2010). • Application. A given producer shall apply to the Energy



		<p>Authority for the premium tariff. All applications except applications regarding wood-chip plants must be submitted before the plant starts commercial operation. The application must contain certain information specified by law (§ 14 Act No. 1396/2010).</p> <ul style="list-style-type: none"> • Allocation of support. The Energy Authority awards a premium tariff if the applicant meets the formal and technical requirements (§ 15 Act No. 1396/2010).
	<p>Competent authority</p>	<p>The Ministry of Employment and the Economy manages, supervises and assesses the premium tariff scheme. The Energy Authority assesses compliance with all legal requirements (§ 14 Act No. 1396/2010).</p>
<p>Flexibility Mechanism</p>		
<p>Distribution of costs</p>	<p>State</p>	<p>The Energy Authority pays the tariffs and bonuses (§ 29 Act No. 1396/2010). These costs are covered by the state budget (§ 2 Act No. 1396/2010).</p>
	<p>Consumers</p>	
	<p>Plant operator</p>	
	<p>Grid operator</p>	
	<p>European Union</p>	



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	Distribution mechanism	
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RES-E grid issues

Overview

Overview of grid issues	In Finland, the use of the grids for the transmission of electricity from renewable sources is regulated by the general legislation on energy (Electricity Market Act - Sähkömarkkinalaki - 588/2013). There are no special provisions for electricity from renewable sources.
Connection to the grid	Plant operators are contractually entitled against the grid operator to connection to the grid. The grid operator is obliged to enter into an agreement with a plant operator following the non-discriminatory principle in regards to other plant operators. Detailed provisions regarding the connection of a particular plant are specified in a connection agreement.
Use of the grid	A plant operator is contractually entitled to connection to the use of the grid against the grid operator. The grid operator is obliged to grant access to the grid according to non-discriminatory criteria until the grid is used to full capacity.
Grid development	The grid operator shall expand his grid according to the reasonable needs of his customers without discriminating against certain plant operators. The operators of plants whose capacity exceeds 2 MW have to bear part of the costs of the connection works.
Statutory provisions	<ul style="list-style-type: none">Act No. 588/2013 (Sähkömarkkinalaki 9.8.2013/588 – Electricity Market Act)

**Basic information on legal sources**

Name of legal source (original language)	Sähkömarkkinalaki 9.8.2013/588		
Full name			
Name (English)	Electricity Market Act (Law no. 588/2013)		
Abbreviated form	Act No. 588/2013		
Entry into force	01.09.2013		
Last amended on	30.12.14		
Future amendments			
Purpose	Regulating the electricity market, cf. § 1 Act No. 588/2013.		
Relevance for renewable energy	The Act also lays down provisions concerning the generation and sale of renewable energy sources within the electricity market.		
Link to full text of legal source (original language)	http://www.finlex.fi/fi/laki/ajantasa/2013/588		



RES-LEGAL EUROPE – National Profile Finland



	3/20130588		
Link to full text of legal source (English)			



Further information

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Työ- ja elinkeinoministeriö (TEM) – Ministry of Employment and the Economy	http://www.tem.fi/en		+358 29 506 0000	kirjaamo@tem.fi
Energiavirasto (EV) - Energy Authority	http://www.energiavirasto.fi/web/energy-authority		+358 29 505 00 00	kirjaamo@energiavirasto.fi
Fingrid – transmission system operator	http://www.fingrid.fi/en/Pages/default.aspx		+358 303 955 000	

Grid issuesConnection to the grid

Abbreviated form of legal sources	<ul style="list-style-type: none"> Act No. 588/2013 	
Contact Authority	http://www.fingrid.fi/en/Pages/default.aspx	
Overview	<p>A plant operator is statutorily entitled to connection to the grid against the grid operator. The grid operator is obliged to enter into an agreement with the plant operator if the plant in question meets the technical requirements of the grid operator. The connection conditions shall be objective and have non-discriminatory criteria and take into account the effectiveness and reliability of the electrical system (§ 20 Act No. 588/2013). Detailed provisions regarding the connection of a particular plant to the grid are specified in a connection agreement between the plant operator and the grid operator.</p> <p>Entitled party. Every operator of a plant that generates electricity from renewable sources is entitled to connection as long as he meets the conditions for connection and the technical requirements specified by the grid operator (§ 20 Act No. 588/2013).</p> <p>Obligated party. The party obliged to grant connection to the grid is the licensed grid operator whose area the plant is located in (§ 20 Act No. 588/2013). The grid operator's area of operation is determined by his licence (§ 9 Act No. 588/2013).</p>	
Procedure	Process flow	<p>The grid connection procedure is not regulated by law. According to the grid operator, projects must usually adhere to the following procedure:</p> <ul style="list-style-type: none"> Informal negotiations between plant operator and grid operator. The plant operator describes his project (location and capacity of the plant) and the grid operator conducts a grid capacity study to find out whether grid capacity is sufficient. Assignment of grid connection point. The grid operator assigns a connection



		<p>point to the plant operator.</p> <ul style="list-style-type: none"> • Investment plan. The plant operator sets up an investment plan. • Letter of intent. The grid operator declares that he will reserve a certain capacity for a certain period of time to connect the plant. Within the specified period of time, the plant operator must comply with certain requirements (e.g. he must obtain full building permission). • Planning and building permission. The plant operator must obtain planning and building permission. • Grid upgrade agreement. • Grid expansion or upgrade (if grid capacity is insufficient). • Connection agreement. The connection agreement sets out the technical conditions for the connection of the plant to the grid. <p>• The plant is connected and electricity is exported to the grid.</p>
	<p>Deadlines</p>	<p>The Act does not lay out a time frame within which a plant is to be connected to the grid. Nevertheless, the plant operator suffering from loss due to the unreasonable delay concerning the connection to the grid has the right for compensation by the grid operator (§ 95 Act No. 588/2013). The compensation size is fixed at 5% of the connection fee for the first two weeks of delay. Thereafter the fee is 10% of the connection fee for each beginning week of the delay. The maximum compensation is 30% of the connection fee, it can nevertheless not exceed € 3,000 (§ 95 Act No. 588/2013).</p>
	<p>Obligation to inform</p>	<p>Before concluding a contract, the plant operator needs to receive information concerning the principal conditions to be applied to the contract. The exact details are given in § 86 Act No. 588/2013.</p> <p>Moreover, the grid operator has to publish the technical requirements for connection, react to inquiries concerning connection within a reasonable time and, upon request, provide the plant operator a comprehensive and sufficiently detailed estimate of</p>



		connection costs and an assessment of when a connection is available (§ 86 Act No. 588/2013).
Priority to renewable energy (qualitative criteria)	() Priority to renewable energy (x) Non-discrimination	The grid operator is obligated to grant connection to the grid according to non-discriminatory criteria (§ 20 Act No. 588/2013). Electricity generated from renewable sources is not given priority.
Capacity limits (quantitative criteria)		
Distribution of costs	State	
	Consumers	
	Grid operator	
	Plant operator	The plant operator shall pay to the grid operator the reasonable cost for the connection of his plant to the grid. It may request from the grid operator a detailed list of the costs incurred by the connection of his plant to the grid (§ 20 Act No. 588/2013). In case a grid upgrade is necessary to connect the plant, small plant operators (capacity < 2MW) are not obliged to pay this part of the connection costs (§ 56 Act No. 588/2013).
	European Union	
	Distribution mechanism	



Use of the grid

Abbreviated form of legal sources	<ul style="list-style-type: none"> Act No. 588/2013 	
Contact Authority	http://www.fingrid.fi/en/Pages/default.aspx	
Overview	<p>The system operator shall sell electricity transmission and distribution services to those who need them (§ 21 Act No. 588/2013).</p> <p>Entitled party. Entitled party for electricity and distribution services are everyone who need them (§ 21 Act No. 588/2013). This includes every plant operator whose plant has been connected to the grid and who requires grid capacity.</p> <p>Obligated party. The party obliged to grant connection to the grid is the licensed grid operator whose area the plant is situated in. The grid operator's area of operation is determined by his licence (§ 9 Act No. 588/2013).</p>	
Procedure	Process flow	<p>The plant operator is contractually entitled to grid access against the grid operator. The claim arises at the date of conclusion of the agreement between the plant operator entitled and the grid operator. The grid operator is obliged by law to enter into this agreement. Plant operators are entitled to compensation for damage caused by a breach of duty by the grid operator (§ 107 Act No. 588/2013).</p>
	Deadlines	<p>The Act does not lay out a time frame for the process of grid usage.</p>
	Obligation to inform	
Priority to renewable energy (qualitative criteria)	<input type="checkbox"/> Priority to renewable energy <input checked="" type="checkbox"/> Non-discrimination	<p>The grid operator is obliged to grant access to the grid according to non-discriminatory criteria unless the grid is used to full capacity (§§ 21, 18 Act No. 588/2013). Electricity from renewable sources is not given priority.</p>



Curtailment	The grid operator shall provide its services only within the limits of the transmission capacity of the grid (§ 21 Act No. 588/2013). Apart from this principle, grid stability is not regulated by law.	
Distribution of costs		
	State	
	Consumers	According to the Energy Authority, the cost of use of the grid is borne by the consumers.
	Grid operator	
	Plant operator	
	European Union	
Distribution mechanism	The grid operator may charge a reasonable fee for the use of his grid (§ 21 Act No. 588/2013). According to the Energy Authority his fee is passed on to the consumers in the form of grid use charges.	

Grid development

Abbreviated form of legal source	<ul style="list-style-type: none"> Act No. 588/2013 	
Contact Authority	http://www.fingrid.fi/en/Pages/default.aspx	
Overview	<p>The grid operator shall expand its grid according to the needs of its customers (§ 19 Act No. 588/2013). According to the Ministry of Employment and the Economy and the Finnish transmission This obligation includes upgrading the grid if the upgrade is required to connect a renewable energy plant to the grid and if the upgrade is economically and technically reasonable.</p> <p>Entitled party. All customers of the grid operator are entitled to the expansion of the grid. According to the Ministry of Employment and the Economy, the term 'customers' also refers to the plant operators.</p> <p>Obligated party. The grid operator has the obligation to develop the grid (§ 19 Act No. 588/2013).</p>	
Procedure	Process flow	Expansion works for the connection of a plant must be based on a grid upgrade agreement and must be implemented prior to the connection of the plant.
	Enforcement of claims	Whether and when the grid operator is obliged to expand his grid depends on the reasonable needs of his customers (§ 19 Act No. 588/2013).
	Deadlines	The Act does not stipulate a time frame within which the grid shall be expanded.
	Obligation to inform	
Regulatory incentives for grid		



<p>expansion and innovation</p>		
<p>Distribution of costs</p>	<p>According to the Ministry of Employment and Economy, the cost of a grid expansion is borne either by the grid operator or by the plant operator.</p>	
	<p>State</p>	
	<p>Consumers</p>	
	<p>Grid operator</p>	<p>According to the Ministry of Employment and the Economy, the grid operator shall bear the cost of the expansion of his grid if it is carried out to satisfy the needs of more than one grid user. The grid operator shall also bear the cost if the capacity of the plants does not exceed 2MW (§ 56 Act No. 588/2013).</p>
	<p>Plant operator</p>	<p>According to the Ministry of Employment and the Economy, the operator of a plant or plant shall bear the cost of installing a transformer if it is to his own benefit only.</p>
	<p>European Union</p>	
<p>Distribution mechanism</p>		
<p>Grid studies</p>	<p>Nordic Grid Development Plan 2012 (multiregional planning project report combining all the Nordic countries). Available at: http://www.statnett.no/Documents/Nyheter_og_media/Nyhetsarkiv/2012/Nordic%20Grid%20Development%20Plan%20Complete.pdf</p>	



RES-H&C support schemes

Summary of support schemes

Overview	In Finland, the main measure through which heat produced from RES is promoted, is a “heat bonus” allocated to CHP plants working on biogas and wood fuel. In addition to that, various investment supports are made available.
Summary of support schemes	<p>In Finland, the production of heat from renewable energies is subsidised through various support schemes and investment aids.</p> <ul style="list-style-type: none"> • A fixed “Heat bonus” is paid for heat produced by CHP plants working on biogas and wood fuel. • Investment supports are available for the construction of production facilities using renewable energies. • Investment support is available for farmers to support the construction of heat plants working on renewable energy.
Technologies	“Heat bonus” is allocated to heat produced by CHP plants working on biogas and wood fuel. In case of other support schemes, subject to certain conditions, all RES technologies may be eligible.
Statutory provisions	<ul style="list-style-type: none"> • Act No. 1396/2010 (Laki uusiutuvilla energialähteillä tuotetun sähkön tuotantotuesta – Act on the Production Subsidy for Electricity Produced from Renewable Energy Sources)Decree No. 1397/2010 (Valtioneuvoston asetus uusiutuvilla energialähteillä tuotetun sähkön tuotantotuesta – Regulation on Production Subsidy for Electricity Produced from Renewable Energy Sources)Decree No. 241/2015 (Valtioneuvoston asetus maatalan investointituen kohdentamisesta – Government Decree on the Allocation of Farm Investment Aid) • Regulation No. 1063/2012 (Valtioneuvoston asetus energiatuen myöntämisen yleisistä ehdoista – Government Decree on General Conditions for Granting Energy Aid)

**Basic information on legal sources**

Name of legal source (original language)	Laki uusiutuville energialähteillä tuotetun sähkön tuotantotuesta 30.12.2010/1396	Valtioneuvoston asetus uusiutuville energialähteillä tuotetun sähkön tuotantotuesta 30.12.2010/1397	Valtioneuvoston asetus vuonna 2014 myönnettävän maatalan investointituen kohdentamisesta
Full name			
Name (English)	Act No. 1396/2010 on the Production Subsidy for Electricity Produced from Renewable Energy Sources	Government Decree No. 1397/2010 on Production Subsidy for Electricity Produced from Renewable Energy Sources	Government Decree No. 241/2015 on the Allocation of Farm Investment Aid
Abbreviated form	Act No. 1396/2010	Decree No. 1397/2010	Decree No. 241/2015
Entry into force	01.01.2011	01.01.2011	24.3.15
Last amended on	23.10.15	20.3.14	
Future amendments			
Purpose	This act aims to provide incentives renewable energy generation, improve the competitiveness of energy produced from renewable energy sources, and increase the diversification of energy generation to	This regulation updates existing legislation concerning subsidies on electricity produced from RES and heat produced by CHP plants.	This regulation sets the conditions for the allocation of investment support for farmers.



	improve Finland's energy independence.		
Relevance for renewable energy	Framework to support electricity from wind, biogas, biomass and heat produced by CHP plants.	Refines the terms and conditions of the scheme.	Investment aid also concerns the construction of heating plants working on renewable energy sources.
Link to full text of legal source (original language)	http://www.finlex.fi/fi/laki/ajantasa/2010/20101396	http://finlex.fi/fi/laki/ajantasa/2010/20101397	http://www.finlex.fi/fi/laki/ajantasa/2015/20150241
Link to full text of legal source (English)	https://www.energiavirasto.fi/documents/10179/0/Act_1396_2010+EN+20+10+2014.pdf/a3efca1c-42a6-4721-9397-82875495e25a Please note: this is an unofficial translation made available by the Finnish Energy Authority Energiavirasto.	https://www.energiavirasto.fi/documents/101091/0/Decree+1397_2010+EN.pdf/6c081c13-6e5d-469d-85ec-00bc35542375 Please note: this is an unofficial translation made available by the Finnish Energy Authority Energiavirasto.	



Name of legal source (original language)	Valtioneuvoston asetus energiatuen myöntämisen yleisistä ehdoista
Full name	
Name (English)	Government Decree on General Conditions for Granting Energy Aid
Abbreviated form	Government Decree No. 1063/2012
Entry into force	01.01.2008
Last amended on	30.12.14
Future amendments	1.1.18
Purpose	Establishing conditions for the allocation of subsidies for investment and development projects.
Relevance for renewable energy	This regulation establishes provisions for the allocation of financial aid for investment and research projects that promote the use of renewable energy
Link to full text of legal source (original language)	http://www.finlex.fi/fi/laki/ajantasa/2012/20121063



RES-LEGAL EUROPE – National Profile Finland



Link to full text of legal source (English)



Further information

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Työ- ja elinkeinoministeriö – Ministry of Employment and the Economy	http://www.tem.fi/?l=en		+358 29 506 0000	kirjaamo@tem.fi
Maa- ja metsätalousministeriö – Ministry of Agriculture and Forestry	http://mmm.fi/en/frontpage		+358 (0) 295 16 001	kirjaamo@mmm.fi
Elinkeino-, liikenne- ja Ympäristökeskus – Centre for Economic Development, Transport and the Environment	https://www.ely- keskus.fi/web/ely-en		+358 29 502 1000 (Helsinki office)	

Support schemesSubsidy I (State grant for investment in RES)

Abbreviated form of legal source(s)	<ul style="list-style-type: none"> Regulation No. 1063/2012 	
Contact Authority	http://www.tem.fi/?l=en	
Summary	<p>The so-called "energy aid" is a state grant for investments in RES production facilities and research projects related to it. Grants are available for projects, which promote the use or production of renewable energies, advance energy efficiency and reduce the environmental effects caused by energy production and use (§3, §5 Decree No. 1063/2012). At least 25% of the projects' financing must come from non-governmental funds. Energy aid may be granted to companies, municipalities and other communities.</p>	
Eligible technologies	General information	<p>According to the Ministry of Employment and the Economy, all technologies are eligible for grants. Grants are available for investments in renewable energy generation facilities and to conduct research related to different environmental and energy projects, such as energy audits, analysis of the new methods and development of services. (§3 Decree No. 1063/2012). The projects need to either promote the use or production of renewable energies; advance energy efficiency and energy saving or reduce the environmental effects caused by energy production and use (§5 Decree No. 1063/2012). Among other costs, the costs for preparation, administrative planning and employment are eligible for subsidies (§ 10 Decree No.1063/2012).</p>
	Aerothermal	Eligible



	<p>Hydrothermal</p>	<p>Eligible</p>
	<p>Biogas</p>	<p>Eligible</p>
	<p>Biomass</p>	<p>Eligible</p>
	<p>Geothermal energy</p>	<p>Eligible</p>
	<p>Solar Thermal</p>	<p>Eligible</p>
<p>Amount</p>	<p>The amount of subsidy depends on the aim of the project in question. The support allocated to investments in renewable energy production facilities can make up to 30% of the project’s overall cost, but can increase up to 40% in case the project involves the use of new technology. The support allocated to research can make up to 40% of the project’s total cost (§7 Decree No. 1063/2012).</p> <p>A company or entity receiving the subsidy has to finance at least 25% of the total project costs from non-state funding (§ 5 Decree No. 1063/2012).</p>	
<p>Addressees</p>	<p>Entitled party. The entities entitled to subsidies are companies, municipalities and communities (“Yhteisö”). Support cannot be allocated to farms, housing corporations, residential properties and construction projects benefitting from other state aid measures. If the project is done in cooperation between several companies, municipalities or communities, the support will be allocated to the entity, which has the role of the coordinator (§ 6 Decree No. 1063/2012). According to the Ministry of Employment and the private organisations and legal entities like strategic alliances, federations, associations and foundations are eligible.</p> <p>Obligated party. Responsible body is Ministry of Employment and the Economy or The Centre for Economic Development, Transport and the Environment (ELY Centre) The Ministry of Employment and Economy is responsible for investment projects where costs exceed € 5,000,000 and for research projects with costs beyond € 250,000 . The Ministry equally deals with projects using new technologies. Other project applications are dealt by the Centre for Economic Development,</p>	



	Transport and the Environment (§4 Decree No. 1063/2012).	
Procedure	Process flow	<ul style="list-style-type: none"> • Application for subsidy. Applications shall be submitted to the regional Centre for Economic Development, Transport and the Environment (ELY Centre), where most of the project’s activities take place (§ 8 Decree No. 1063/2012). • Selection. Applicants are selected by the ELY Centre according to certain criteria. The Centre has some degree of freedom in the decision-making process. However, if the costs of the project exceed € 5,000,000 (in case of investments into renewable energy generation technologies) or € 250,000 (in case of research projects) or if the project aims to take up a new energy production technology, the selection is done by the Ministry of Employment and Economy (§ 4 Decree No. 1063/2012). • Allocation of subsidies. Subsidies are awarded to the selected projects. • Project implementation. According to the Ministry of Employment and applicants are informed of the decision concerning the subsidy and of the requirements for project implementation, which are a prerequisite for receiving energy aid. • Payment of the subsidy. Support is paid after the start of the project based on the application and actual cost documents. The subsidy is paid either in one or several parts based on the decision allocating the support. Projects that include leasing or partial payments, can be paid in one part after the completion of the project (§ 12 Decree No. 1063/2012).
	Competent authority	The Competent Authority is the Ministry of Employment and the Economy.
Flexibility mechanism		
Distribution of costs	State	The cost of the subsidy is borne by the state (§ 1 Decree No.1063/2012).



RES-LEGAL EUROPE – National Profile Finland



	Consumers	
	Plant operator	
	Grid operator	
	European Union	
	Distribution mechanism	



**Subsidy II (Investment support for farmers)**

Abbreviated form of legal source(s)	Decree No. 241/2015	
Contact Authority	https://www.ely-keskus.fi/web/ely-en/frontpage	
Summary	Decree No. 241/2015 states the conditions for the allocation of investment support for farmers, which can be used for the construction of heating facilities working on renewable energies.	
Eligible technologies	General information	The support can be allocated for the construction, expansion or renovation of heating facilities used for agricultural production. The condition for the allocation of the grant is that the plant needs to work on either waste, aerothermal, geothermal, solar thermal, biomass or any other renewable source.
	Aerothermal	Eligible.
	Hydrothermal	Eligible.
	Biogas	Eligible. Support is eligible for new biogas plant, which produces biogas from biomass with a purpose of heating or other energy. Biomass in this case is considered raw material growing on the farm or the by-products, organic waste and sewage sludge from sparsely populated areas. Heating facility and biogas plant are eligible for only the part it uses heat or energy for its own use. At least 10 per cent of the total energy production has to be used for producing heat (Decree No. 241/2015 §16)
	Biomass	Eligible.



	Geothermal energy	Eligible.
	Solar Thermal	Eligible.
Amount		
Addressees	The support scheme is addressed to farmers. (§1 Decree No. 241/2015.	
Procedure	Process flow	
	Competent authority	The responsible authority is the Ministry of Agriculture and Forestry, the allocation of support is administered by the Centre for Economic Development, Transport and the Environment.
Flexibility mechanism		
Distribution of costs	State	According to Decree No. 241/2015, the costs of the subsidy are borne by the state (§19 Decree No. 241/2015).
	Consumers	
	Plant operator	
	Grid operator	
	European Union	
	Distribution mechanism	



Price-based mechanisms (“Heat bonus” for CHP plants)

<p>Abbreviated form of legal source(s)</p>	<ul style="list-style-type: none"> Act No.1396/2010 Decree No. 1397/2010 	
<p>Contact Authority</p>	<p>http://www.tem.fi/?l=en</p>	
<p>Summary</p>	<p>In Finland, the cogeneration of heat and electricity is promoted by giving CHP plants working on biogas and wood fuel the right for an increased fixed “heat bonus”. The granting of the support is subject to certain conditions.</p>	
<p>Eligible technologies</p>	<p>General information</p>	<p>Eligible for an increased “heat bonus” are CHP plants working on biogas or wood fuel. In addition, the plant must be located in Finland or in Finnish waters and be connected to the grid (§ 7 Act No. 1396/2010). CHP plants must meet certain requirements according to the technology employed (see below) (§26 Act No. 1396/2010).</p>
	<p>Aerothermal</p>	
	<p>Hydrothermal</p>	
	<p>Biogas</p>	<p>CHP plant working on biogas is eligible for an increased "heat bonus" if the following conditions are met:</p> <ul style="list-style-type: none"> The plant must produce both electricity and usable heat. The plant must achieve an efficiency rate of at least 50%, or even 75% if the capacity of the generators is equal to or exceeds 1 MVA (§ 10 Act No. 1396/2010).



	Biomass	<p>Wood fuel plants are eligible for an increased “heat-bonus” if they meet the following conditions:</p> <ul style="list-style-type: none"> • The plant must produce both electricity and usable heat. <p>The plant must achieve an efficiency rate of at least 50%, or even 75% if the capacity of the generators is equal to or exceeds 1 MVA (§ 11 Act No. 1396/2010).</p> <p>Electricity generated by a wood-chip plant may be eligible for an increased "heat bonus" if the plant includes a pulverized coal boiler that uses wood-chips for fuel</p>
	Geothermal energy	
	Solar Thermal	
	General information	
Amount	Aerothermal	
	Hydrothermal	
	Biogas	The bonus is fixed at € 50 per MWh for CHP plants working on biogas



		(§26 Act No. 1396/2010).
	Biomass	The bonus is fixed at € 20 per MWh for CHP plants working on wood fuel (§26 Act No. 1396/2010).
	Geothermal energy	
	Solar Thermal	
Degression	General information	The law foresees no degression mechanism for the heat bonus.
	Aerothermal	
	Hydrothermal	
	Biogas	
	Biomass	
	Geothermal energy	
	Solar Thermal	
Cap		
Eligibility period		
Addressees	Entitled party. Energy producers who produce heat and energy in a CHP plant working on biogas or wood fuel.	
Procedure	Process flow	<ul style="list-style-type: none"> Advance notification. Within one month of the decision to install a plant, the electricity producer using biogas and wood fuel in CHP plant shall inform the Energy Authority about his



		<p>plans and about the technical specifications of the plant (including heat utilization, plant efficiency and total capacity) in writing (§ 13 Act No. 1396/2010).</p> <ul style="list-style-type: none"> • Application. A given producer shall apply to the Energy Authority for the “heat bonus”. All applications except applications regarding wood-chip plants must be submitted before the plant starts commercial operation. The application must contain certain information specified by law (§ 14 Act No. 1396/2010). • Allocation of support. The Energy Authority awards the “heat bonus” if the applicant meets the formal and technical requirements (§ 26 Act No. 1396/2010).
	Competent authority	The responsible authority is the Ministry of Employment and the Economy, the supervision of the support scheme is done by the Energy Authority (§4 Act No. 1396/2010).
Flexibility Mechanism		
Distribution of costs	State	The Energy Authority pays the bonuses (§ 29 Act No. 1396/2010). These costs are covered by the state budget (§ 2 Act No. 1396/2010).
	Consumers	
	Plant operator	
	Grid operator	



RES-LEGAL EUROPE – National Profile Finland



	European Union	
	Distribution mechanism	





RES-H&C grid issues

Overview

Overview of grid issues	There is no specific law regulating heating and cooling. This also means that in the case of heating and cooling grid access, grid use and grid development obligations are not regulated by law. The approach is market orientated, meaning that different heat providers are in competition with each other. In Finland, the most common form of heating is district heating. District heating companies are supervised by general legislation like competition and consumer protection legislation and related authorities (Consumer Agency, Finnish Competition Authority and Energy Authority).
Connection to the grid	
Use of the grid	In Finland, grid use is not regulated by law.
Grid development	
Statutory provisions	



Basic information on legal sources

Name of legal source (original language)			
Full name			
Name (English)			
Abbreviated form			
Entry into force			
Last amended on			
Future amendments			
Purpose			
Relevance for renewable energy			
Link to full text of legal source (original language)			
Link to full text of legal source (English)			



Further information

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Kilpailuvirasto – Finnish Competition and Consumer Authority	http://www.kkv.fi/en/		+358 29 505 3000	Tiedotus@kilpailuvirasto.fi
Energiavirasto – Energy Authority	http://www.energiavirasto.fi/en/web/energy-authority/		+358 29 5050 000	kirjaamo@energiavirasto.fi



Grid issues

Use of the grid

Abbreviated form of legal sources		
Contact Authority	http://www.energiavirasto.fi/en/web/energy-authority/	
Overview	In Finland grid use is not regulated by law.	
Procedure	Process flow	
	Deadlines	
	Obligation to inform	
Priority to renewable energy (qualitative criteria)	<input type="checkbox"/> Priority to renewable energy <input type="checkbox"/> Non-discrimination	
Curtailement		
Distribution of costs	State	
	Consumers	
	Grid operator	
	Plant operator	
	European Union	
	Distribution mechanism	

Grid development

Abbreviated form of legal source		
Overview	In Finland, grid development obligations are not regulated by law.	
Procedure	Process flow	
	Enforcement of claims	
	Deadlines	
	Obligation to inform	
Regulatory incentives for grid expansion and innovation		
Distribution of costs	State	
	Consumers	
	Grid operator	
	Plant operator	
	European Union	
	Distribution mechanism	
	Grid studies	



RES-T support schemes

Summary of support schemes

Overview	In Finland, the main support scheme for renewable energy sources used in transport is a quota system. This system obliges fuel vendors to ensure that biofuels make up a defined percentage of the company's total annual sale of fuel. Furthermore, the use of biofuels is supported through tax regulation.
Summary of support schemes	<ul style="list-style-type: none"> • Biofuels quota. The main scheme used to support renewable energies in the transport sector is a quota obligation. This mechanism obliges companies selling petrol or diesel fuels to ensure that biofuels compose a defined percentage of the company's total annual sale of fuel. • Tax Regulation mechanism. In Finland, the taxation of liquid fuels is carried out as taxation of separate fuel components based on their energy content and carbon dioxide emission, meaning reduced taxation for biofuels.
Technologies	The biofuels quota and the tax regulation mechanism apply to biofuels only.
Statutory provisions	<ul style="list-style-type: none"> • Act No. 446/2007 (Laki biopolttoaineiden käytön edistämisestä liikenteessä – The Act on the Promotion of the Use of Biofuels in Transport) • Act No. 1472/1994 (Laki nestemäisten polttoaineiden valmisteverosta – Act on Excise Duty on Liquid Fuels) • Act No. 182/2010 (Valmisteverotuslaki – Excise Tax Act) • Act No. 393/2013 (Laki biopolttoaineista ja bionesteistä – Act on Biofuels and Bioliquids)

**Basic information on legal sources**

Name of legal source (original language)	Laki biopolttoaineiden käytön edistämisestä liikenteessä 13.4.2007/446	Laki nestemäisten polttoaineiden valmisteverosta 29.12.1994/1472	Valmisteverotuslaki 19.3.2010
Full name			
Name (English)	The Act on the Promotion of Biofuels in Transport	Act on Excise Duty on Liquid Fuels	Excise Tax Act
Abbreviated form	Act No. 446/2007	Act No. 1472/1994	Act No. 182/2010
Entry into force	01.01.2008	01.01.1995	01.04.2010
Last amended on	01.09.2014	30.12.15	7.8.15
Future amendments			
Purpose	The aim of the act is to support the use of biofuels in the transport sector.	The act sets out the taxation levels on liquid fuels.	Sets out the provisions for excise duty.
Relevance for renewable energy	The act sets out the obligation for retailers to distribute biofuels.	It shows how the taxation of fuels is dependent on the energy content and carbon dioxide emission, thereby creating favourable tax conditions to biofuels.	Sets the framework for the taxation of liquid fuels, including biofuels.
Link to full text of legal source (original language)	http://www.finlex.fi/fi/laki/ajantasa/2007/20070446	http://www.finlex.fi/fi/laki/ajantasa/1994/19941472	http://www.finlex.fi/fi/laki/ajantasa/2010/20100182



Link to full text of legal source (English)			
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Name of legal source (original language)	Laki biopolttoaineista ja bionesteistä 7.6.2013/393		
Full name			
Name (English)	Act on Biofuels and Bioliquids		
Abbreviated form	Act No. 393/2013		
Entry into force	01.07.2013		
Last amended on			
Future amendments			
Purpose	This act defines the sustainability criteria for biofuels and bioliquids		
Relevance for renewable energy	The act sets out the sustainability criteria for biomass to be eligible for support		
Link to full text of legal source (original language)	http://www.finlex.fi/fi/laki/alkup/2013/201		



	30393		
Link to full text of legal source (English)			



Further information

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Valtiovarainministeriö – Ministry of Finance	http://vm.fi/en/frontpage		+358 295 16001	valtiovarainministerio@vm.fi
Tulli (Finnish Customs)	http://www.tulli.fi/en/index.jsp		+358 295 527 000	kirjaamo@tulli.fi

Support schemesTax regulation mechanism (Excise duty on liquid fuels)

Abbreviated form of legal source(s)	<ul style="list-style-type: none"> Act No. 1472/1994 Act No. 393/2013 	
Contact Authority	http://www.tulli.fi/en/index.jsp	
Summary	In Finland, fuels are taxed according to their use. Excise duty on liquid fuels is collected on all types of fuels, including biofuels. The latest amendment to the Act of Excise Duty on Liquid Fuels sets out a taxation system, according to which each component of a liquid fuel is taxed separately, based on its energy content and carbon dioxide emission, meaning reduced taxation for biofuels (§1 Act No. 1472/1994).	
Eligible technologies	General information	Subject to tax allowances are biofuels, which comply with the requirements defined in the Act on Biofuels and Bioliquids (§2 par. 27 a Act No 1472/1994, § 5 Act No. 393/2013).
	Biofuels	Eligible.
	Electricity	
	Hydrogen	
Amount	The tax on petrol released for consumption is at least €ct 35.9 per litre, for diesel the amount is at least €ct 33 per litre (§4 Act no. 1472/1994). The exact excise duty rates of the different components of the liquid fuels are shown in the annexed table of the Act No. 1472/1994. For information in Finnish concerning the exact rates, please refer to the Amendment No. 1721/2015 to Act No.	



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	1472/1994 : http://www.finlex.fi/fi/laki/alkup/2015/20151721	
Addressees	According to the Finnish Customs, the party obligated to pay the excise duty on liquid fuels is the supplier. The supplier of biofuels or fuels blended with biofuels has to pay the reduced tax (§6 Act No. 1472/1994).	
Procedure	Process flow	The authorised fuels suppliers must keep account of the quantities released for consumption (§6 Act No. 1472/1994) and submit a tax return for the fiscal year by the 18 th of the following month to the district customs authority (§ 31 Act No. 182/2010).
	Competent authority	The Finnish Customs Authority.
Flexibility Mechanism		
Distribution of costs	State	The costs of tax relief are borne by the state.
	Consumers	
	Plant operator	
	Grid operator	
	European Union	
	Distribution mechanism	



Biofuel quota (Distribution obligation system)

<p>Abbreviated form of legal source(s)</p>	<ul style="list-style-type: none"> • Act No. 446/2007 • Act No. 393/2013 		
<p>Contact Authority</p>	<p>http://www.tulli.fi/en/index.jsp</p>		
<p>Summary</p>	<p>The Act on the Promotion of Biofuels in Transport obliges vendors of petrol and diesel to fulfil a defined quota of biofuels. The amount of biofuels has to be increased year by year to make up 20% of the total sales by the year 2020 (§ 5 Act No. 446/2007).</p>		
<p>Eligible technologies</p>	<p>General information</p>	<p>This obligation only applies to biofuels.</p>	
	<p>Biofuels</p>	<p>Biofuels have to comply with the requirements defined in the Act on Biofuels and Bioliquids (§ 5 § 2 Act No. 446/2007, § 5, Act No. 393/2013).</p>	
	<p>Electricity</p>		
	<p>Hydrogen</p>		
<p>Amount</p>	<p>Amount of quota and period of application</p>	<p>Obligation period</p>	<p>Quota obligation</p>
		<p>2011-2014</p>	<p>6.0 %</p>
		<p>2015</p>	<p>8.0%</p>
		<p>2016</p>	<p>10.0%</p>
		<p>2017</p>	<p>12.0%</p>



		<table border="1"> <tr> <td>2018</td> <td>15.0%</td> </tr> <tr> <td>2019</td> <td>18.0%</td> </tr> <tr> <td>2020 and afterwards</td> <td>20.0%</td> </tr> </table> <p>When biofuel is produced from waste, residues or inedible cellulose or lignocelluloses, its energy content is counted as double when calculating the final amount of biofuels (§5 Act No.446/2007).</p>	2018	15.0%	2019	18.0%	2020 and afterwards	20.0%
	2018	15.0%						
	2019	18.0%						
2020 and afterwards	20.0%							
Adjustment of quotas								
Fees and penalty charges	<p>If the retailer fails to fulfil the quota, a fine will follow. The penalty payment will be calculated based on the amount by which the retailer has failed to fulfil the quota, where each mega joule (MJ) is charged € 0.04 (§ 11 Act No. 446/2007).</p>							
Addressees	The quota obligation applies to fuel retailing companies (§ 3 Act No. 446/2007).							
Procedure	Process flow	<ul style="list-style-type: none"> • The obligated company has to send an annual report to the local customs authority showing the part of petrol, diesel and biofuels in their annual sales and thereby proving the fulfilment of obligation. The report has to be sent by March for the previous calendar year (§ 7 Act No. 446/2007). • If the company fails to fulfil the quota the local customs authority is entitled to charge a penalty payment (§ 11 Act No. 446/2007). • In case where the obligated company presents false or otherwise incomplete data about their sales, the customs authority has the right to impose an error payment up to € 						



		<p>5000 (§ 12 Act No. 446/2007).</p> <ul style="list-style-type: none"> If the fuel retailing company has exceeded the quota of biofuels during one calendar year, it shall be taken into account for the following calendar year (§5 b Act No.446/2007).
	Competent authority	The Finnish Customs Authority
Flexibility Mechanism		
Distribution of costs	State	
	Consumers	The costs are borne by the consumers.
	European Union	
	Others	
	Distribution mechanism	The obliged companies pass on the costs arising from the quota obligation to the consumers by adding a surcharge to their fuel.



Policies

Summary of policies

Overview	In Finland, state grants are made available to support research and development in the field of renewable energies. RES-H infrastructure development is supported through available investment subsidies. In other areas, such as the building sector and certification and training programmes, the development of specific regulatory measures is still in the process.
Summary of policies	<ul style="list-style-type: none">• In 2013, the Finnish government introduced a training and certification programme for installers which is carried out by the energy agency MOTIVA OY. Concerning the building sector, new legislation regulating energy efficiency requirements for new buildings entered into force in 2015.• Research and development in relation to renewable energies is supported by the state through grants.• RES-H infrastructure development is also supported through investment subsidies.
Statutory provisions	<ul style="list-style-type: none">• Regulation No. 1063/2012 (Valtioneuvoston asetus energiätuen myöntämisen yleisistä ehdoista 1063/2012 – Government Decree on General Terms and Conditions for Granting Energy Aid)

**Basic information on legal sources**

Name of legal source (original language)	Valtioneuvoston asetus energiatuen myöntämisen yleisistä ehdoista		
Full name			
Name (English)	Government Decree on General Conditions for Granting Energy Aid		
Abbreviated form	Regulation No. 1063/2012		
Entry into force	01.01.2008		
Last amended on	30.12.14		
Future amendments	31.12.2017		
Purpose	Establishing conditions for the allocation of subsidies for investment, research and development projects that promote the use of renewable energies and support RES-H infrastructure development.		
Relevance for renewable energy	The regulation sets out provisions for the allocation of finances concerning		



RES-LEGAL EUROPE – National Profile Finland



	research and development projects that promote the use of renewable energies and support the relevant infrastructure development		
Link to full text of legal source (original language)	http://www.finlex.fi/fi/laki/ajantasa/2012/20121063		
Link to full text of legal source (English)			



**Further information**

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Ympäristöministeriö – Ministry of the Environment	http://www.ym.fi/en-us		+358 2952 50000	kirjaamo.ym@ymparisto.fi
Työ- ja elinkeinoministeriö (TEM) – Ministry of Employment and the Economy	http://www.tem.fi/?l=en		+358 29 516001	kirjaamo@tem.fi

Policy categoriesTraining programmes for Installers

Abbreviated form of legal source(s)		
Sectors	Electricity, Heating & Cooling	
Contact Authority	MOTIVA OY	
Description	In 2013, the Finnish government introduced a training and certification programme for installers. The programme is carried out by the energy agency MOTIVA OY. The certifications are not compulsory for installers or construction companies.	
Addressees	Construction and installation companies	
Competent authority	Ministry of the Environment.	
Further information	http://www.motiva.fi/toimialueet/uusiutuva_energia/sertifioidut_asentajat/sertifiointikoulutus	
Distribution of costs	State	
	Private Financing	Costs of the courses are carried by the construction companies.



RES-LEGAL EUROPE – National Profile Finland



	European Union	
	Others	



**Certification Programmes for RES installations**

Abbreviated form of legal source(s)		
Sectors	None (Electricity, Heating & Cooling, Transport)	
Contact Authority	-	
Description	In Finland, there is currently no certification or standardisation in place concerning RES installations. However, support schemes supporting renewable energy require that RES-technologies comply with various EU and national level legislation (environmental law, building regulation, land use).	
Addressees		
Competent authority		
Further information		
Distribution of costs	State	
	Industry	
	Plant Producers	
	European Union	



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	Others	
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**Exemplary role of public authorities in accordance with Art. 13 par. 5 RES Directive**

Abbreviated form of legal source(s)	
Sectors	Electricity, Heating & Cooling
Contact Authority	http://www.ymparisto.fi/en-US
Description	<p>There is no law obliging to use/promote the use of RES in state owned public buildings. However, through the Real Estate and Energy Efficiency Agreement, which brings together different ministries and building sector representatives, all participating sides commit to achieving greater energy efficiency and better spatial planning.</p> <p>In 2015, Act No. 50/2013 on the Energy Certificate of Buildings was entered into force. This law is intended to increase the opportunities for promoting energy efficiency in buildings and to promote the use of renewable energy. According to the law, a building owner is responsible for ensuring that an energy certificate for the building is acquired. Exempt from this requirement are owners of buildings that:</p> <ul style="list-style-type: none">• cover an area less than 50 square meters;• rental houses that are not used for business accommodation;• temporary buildings with a “life expectancy” of up to two years• industrial and workshop buildings;• farm buildings;• buildings which are architectural heritage sites;



RES-LEGAL EUROPE – National Profile Finland



	<ul style="list-style-type: none">• buildings owned by the Church or other religious communities;• a building used by the Ministry of Defence whose use might be associated with confidential information. <p>An energy certificate may be valid for up to seven years.</p>
Addressees	Building owners
Competent authority	Ministry of the Environment
Further information	http://www.ym.fi/en-US

**RD&D Policies**

Abbreviated form of legal source(s)	Decree No. 1063/2012
Sectors	Electricity, Heating & Cooling, Transport
Contact Authority	https://www.ely-keskus.fi/en/web/ely-en/
Description	Grants are available for research and development projects that involve the generation of renewable energy or the application of RES technologies (§ 5 Decree No 1063/2012). Among other costs, the costs for preparation, administrative planning costs are eligible for subsidies (§ 6 ff. Regulation No. 1063/2012).
Addressees	The entities entitled to subsidies are companies, municipalities and communities (“Yhteisö”). Support cannot be allocated to farms, housing corporations, residential properties and construction projects benefiting from state aid. If the project is carried out in cooperation between several companies, municipalities or communities, the support will be allocated to the entity, which has the role of the coordinator (§ 6 Regulation No. 1063/2012). According to the Ministry of Employment and the Economy private organisations and legal entities like strategic alliances, federations, associations and foundations are eligible.
Competent authority	The Ministry of Employment and Economy is responsible for investment projects where costs exceed € 5,000,000 and for research projects with costs beyond € 250,000. The Ministry equally deals with projects using new technologies. Other project applications are dealt by the Centre for Economic Development, Transport and the Environment (§4 Decree No. 1063/2012).
Further information	Centre for Economic Development, Transport and the Environment https://www.ely-keskus.fi/en/web/ely-en/ TEKES – Finnish Funding Agency for Technology and Innovation http://www.tekes.fi/en/



RES-H building obligations

Abbreviated form of legal source(s)	
Sectors	
Contact Authority	
Description	
Further information	For an energy smart built environment 2017 is one of such long-term co-operation projects, which brings together public, private and research sectors with the goal to improve the energy efficiency of buildings and to promote the use of renewable energies – http://era17.fi/en/
Obligation on regional level	Finnish building code is nationwide, so centralised rules apply also on the regional level.



Support of RES-H infrastructure (Investment Support)

Abbreviated form of legal source(s)	
Sectors	
Contact Authority	
Description	
Further information	
Obligation on regional level	