

Dear Prime Minister Löfven,
Dear Prime Minister Løkke Rasmussen,
Dear Prime Minister Sipilä,
Dear Prime Minister Solberg,

21st of March 2019

Call for Nordic support for ambitious EU climate policy

The 2050 climate strategy presented by the European Commission in November 2018 is a significant step towards a carbon neutral European economy. After a thorough analysis of all sectors of the European economy, the Commission presents a vision of a carbon neutral European economy by 2050.

The Nordic Energy Associations warmly support this vision.

For the vision to become reality, strong political commitment is necessary. We therefore **encourage the Nordic Prime Ministers to fully support the vision of a carbon neutral EU by 2050** at the European Council on the 21st and 22nd of March.

Substantial electrification will be of key importance. In the Commission's 2050 analysis it is stated that:

"This analysis shows that the most important single driver for a decarbonised energy system is the growing role of electricity, both in final energy demand and in the supply of alternative fuels, ..."

Already today, most of the electricity supply in the Nordic region is carbon free, at low marginal cost.

However, we would like to **highlight three regulatory levers** crucial for electricity to fulfill its potential to decarbonize other parts of the European economy (notably transport, heating and industry):

- A **strong and robust CO2 price** incentivizing investments in carbon free electricity generation
- Further **development of the internal energy market**
- Incentives for **building the necessary infrastructure** to support electrification

Furthermore, it is crucial that the analytic framework forming the basis for political decisions on climate change, is based on the most updated technology assumptions. In the Commission's 2050 strategy, the costs of renewable energy are severely overestimated for the period 2020 – 2030.

Taking into account also the agreed 2030 targets for renewable energy and energy efficiency, the EUs 2030 climate target of 40 % is not sufficiently ambitious.

To be in line with latest market developments, the EU **should increase its 2030 climate target to be aligned with 2050 climate neutrality**. This should be implemented mainly through a tightening of the EU ETS.

The Nordic region is already leading in Europe in low-cost, carbon free electricity. With ambitious climate targets that role could be further enhanced to the benefit of the Nordic region and Europe as a whole.

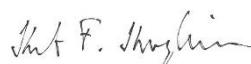
Best Regards,



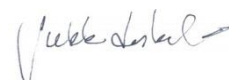
Lars Aagaard, CEO
Danish Energy



Pernilla Winnhed, CEO
Swedenergy



Knut Kroepelien, CEO
Energy Norway



Jukka Leskelä, CEO
Finnish Energy