

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Clean energy generation	Support with major exceptions	Fortum has engaged in close collaboration with the European Commission in particular. Fortum has also been active in the Union of the Electricity Industry – eurelectric, which represents the common interests of the whole European electricity industry, and has participated in discussions with national authorities and other stakeholders.	In Fortum's view: - Well-functioning and efficient internal energy market is essential for reaching the de-carbonisation target in the most cost-efficient way, lowering the overall social costs of de-carbonisation. - The focus should be placed on carbon emission reduction. We welcome that the EU 2030 framework sets the emissions reduction target as the headline target. - The EU ETS is the most efficient tool to be used to meet this target. Additional targets for renewable energy or energy efficiency should focus on non-ETS sectors. Measures promoting these targets should not water down the CO2-price incentive or undermine the functioning of the internal energy market, and they should be harmonized to the extent possible. - European policy needs European implementation measures. Complementary national policies (CO2 taxes etc.) must be avoided in order to secure a level playing field in the common market as these would lead to unnecessarily high costs.

## C12.3b

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

## C12.3c

**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

### Trade association

Eurelectric

### Is your position on climate change consistent with theirs?

Consistent

### Please explain the trade association's position

Eurelectric is strongly committed to reducing carbon emissions and meeting the EU's climate targets for 2020-2030 and its 2050 climate vision. Delivering these targets and vision depends on an appropriate policy framework that enables cost-effective investments in low-carbon technologies. Eurelectric has consistently adopted a proactive

approach in developing market-oriented policies and measures that will help to mitigate climate change. In 2018, eurelectric published the Decarbonisation Pathways Study. According to the study, at least 60% of the EU's economy should be electrified by 2050 to achieve 95% GHG emission reduction versus 1990 levels. The study also concludes that the European power sector can be fully decarbonised by 2045. In eurelectric's view, a meaningful carbon price is important to ensure decarbonisation - also beyond the power sector.

#### **How have you influenced, or are you attempting to influence their position?**

Fortum is through the national associations represented in the Working Group Climate Change and several other groups at eurelectric and has been actively contributing to the development of positions at eurelectric. Fortum has a continuous dialogue with the association almost on a daily basis.

#### **Trade association**

IETA (International Emissions Trading Association)

#### **Is your position on climate change consistent with theirs?**

Consistent

#### **Please explain the trade association's position**

The International Emissions Trading Association (IETA) is a non-profit business organisation to establish a functional international framework for trading in greenhouse gas emission reductions. IETA members seek to develop an emissions trading regime that results in real and verifiable greenhouse gas emission reductions, while balancing economic efficiency with environmental integrity and social equity. IETA supports the ETS as the cornerstone of the EU's climate policy. According to IETA, ETS has achieved emissions reductions at a low cost, given its flexibility and links to the Kyoto mechanisms. IETA believes that structural reforms to the EU ETS thus need to be discussed as part of the wider future policy framework post-2020. The EU ETS cap - and its annual linear reduction factor - should be the main tool to reach the EU 2030 target.

#### **How have you influenced, or are you attempting to influence their position?**

Fortum is represented in several climate related working groups at IETA and has been actively contributing to the development of positions at IETA. Fortum has a continuous dialogue with the association.

#### **Trade association**

Finnish Energy

#### **Is your position on climate change consistent with theirs?**

Consistent

#### **Please explain the trade association's position**

Finnish Energy (FE) is the voice of over 260 member companies that produce, acquire, transmit and sell electricity, district heat and district cooling and offer related services. FE is committed to a vision of carbon neutral electricity and district heat in Finland in 2050, supporting the EU-wide 80-95% emission reduction goal. FE sees a market-based EU ETS as the key instrument to a low carbon future in the covered sectors. FE welcomes the effort of strengthening the ETS, because alternative development would likely result

in a fragmented climate policy, disintegrated internal energy market and high cost of transformation towards a low-carbon society. The changes to the ETS should be coordinated with regard to a broader energy and climate policy framework post-2020.

#### **How have you influenced, or are you attempting to influence their position?**

Fortum is represented in the Climate Change Committee, in the Board and Energy Production Committee at FE and has been actively contributing to the development of positions at FE. Fortum has a continuous dialogue with the association almost on a daily basis.

#### **Trade association**

Swedenergy

#### **Is your position on climate change consistent with theirs?**

Consistent

#### **Please explain the trade association's position**

Swedenergy is the united voice of Swedish energy industry. Swedenergy is representing companies involved in the production, distribution and trading of electricity and heating & cooling in Sweden – with a total of 400 member companies. Swedenergy believes that the EU ETS should become the main driver for cutting GHG emissions in line with the EU's commonly agreed long-term climate objectives. EU ETS assures that emissions are reduced in a cost-efficient manner within the sectors covered by the system in the EU. The 2030 target for emission reduction together with a revised annual reduction factor in EU ETS, would help to increase the credibility of the EU Climate Change Policy and to provide the business society with visibility on the ambition levels aimed for beyond 2020 and thereby create incentives for long term investments in low carbon technology. Short term measures may however also be necessary to increase the credibility of EU ETS and to avoid introduction other, less cost-efficient measures, to rule out the role of EU ETS.

#### **How have you influenced, or are you attempting to influence their position?**

Fortum is represented in the Working Group Climate (with focus on EU ETS and other climate issues) at Swedenergy and has been actively contributing to the development of positions at Swedenergy. Fortum has a continuous dialogue with the association almost on a daily basis. Fortum is also engaged in different committees such as energy efficiency, production and infrastructure for EVs.

#### **Trade association**

Euroheat and Power

#### **Is your position on climate change consistent with theirs?**

Consistent

#### **Please explain the trade association's position**

Euroheat and Power (EHP) is a European district heating and cooling association, representing members from over 30 countries. EHP membership includes national district heating and cooling associations, district heating and cooling utilities, equipment manufacturers, academic institutions, research bodies and consultancies active in the sector. EHP strongly supports the EU long term climate ambitions. In particular, EHP advocates for more action and investments to decarbonize the heating sector in Europe,

promoting district heating and cooling as one of the vehicles to integrate more renewable and low carbon heat to the energy mix. With regards to the EU Emission Trading System, EHP called for boosting its effectiveness as a critical tool to reduce CO2 emissions in Europe. EHP sought that the EU ETS would not undermine the competitiveness of district heating as compared to other heating solutions, such as natural gas boilers, falling outside of the scope of the EU ETS. EHP long advocated that non-EU ETS heating solutions should be subject to different forms of carbon pricing e.g. carbon taxation. In addition, EHP called EU policy makers to ensure that EU ETS revenues are spent to modernize EU energy systems, including district heating networks, as well as to promote innovation. Currently, EHP is working with the EU policy makers to provide technical input and comments on a number of implementing legislation measures e.g. setting out the new benchmarks for free allowances, rules on the functioning of the Modernization Fund and others.

#### **How have you influenced, or are you attempting to influence their position?**

Fortum is represented in the Energy Policy Committee and in the Board of Directors and has been actively contributing to the development of association's positions. Fortum has a continuous dialogue with the association almost on a daily basis.

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#### **Trade association**

COGEN Europe

#### **Is your position on climate change consistent with theirs?**

Consistent

#### **Please explain the trade association's position**

COGEN Europe aligns with the importance of mitigating climate change. COGEN Europe's primary focus is on promoting the further utilization of high-efficiency co-generation for both industrial heat and district heating production. Key justification is the energy efficiency benefit of co-generation compared to separate production of required heat with heat-only boilers and separate production of electricity in a condensing power plant.

#### **How have you influenced, or are you attempting to influence their position?**

Fortum has delivered related own views and positions to COGEN Europe.

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## **C12.3d**

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### **(C12.3d) Do you publicly disclose a list of all research organizations that you fund?**

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## **C12.3f**

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### **(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**