Energy policy in Sweden and France

What could we learn from each other?

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There are many similarities…

- High per capita consumption of energy and electricity
- Well-integrated systems
- Ambitious energy policy programs
- Important role for nuclear
- Major political agreements have been made recently

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…but also dissimilarities

- Sweden has a higher degree of interconnection
- Nuclear´s share is higher in France
- Sweden has a higher degree of renewables
- The market dominance is stronger in France
- Different forms of subsidies and taxes have been chosen

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The Energy Policy Commission (May, 2015)

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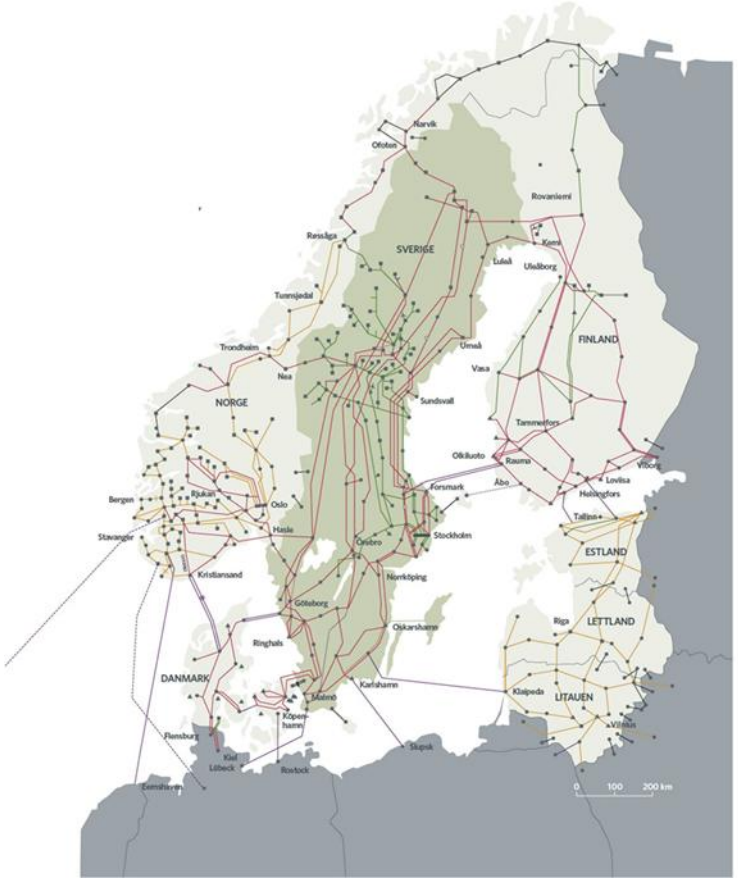
The background

- Stalling electricity demand
- Ageing nuclear
- Strong and subsidized growth of renewables
- Highly integrated market
- Market-based electricity certificate system

- => Persistently low electricity prices, low certificate prices, low profitability, low investment rate



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The political situation in the Parliament

- Red-green minority Government (since 2014)
- 8 Parties, three political blocks
- Nuclear issue contentious (also within blocks)

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The terms of reference

Task:

- Propose the basis for a broad agreement on long term energy policy, with particular emphasis on the electricity sector.
- Time horizon : 2025/2030 and beyond.

Work divided into three phases :

- Knowledge phase
- Analytical work
- Negotiations

Timeline: 1st of January 2017

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The role of nuclear

- 10 existing reactors, accounting for some 40 per cent of electricity production
- New Post-Fukushima safety standards calling for major investments
- Owners decided that four reactors will be closed before 2020
- Tax on nuclear capacity
- Investments in new nuclear?

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Broad process, including ”all” stakeholders

The June 2016 Agreement

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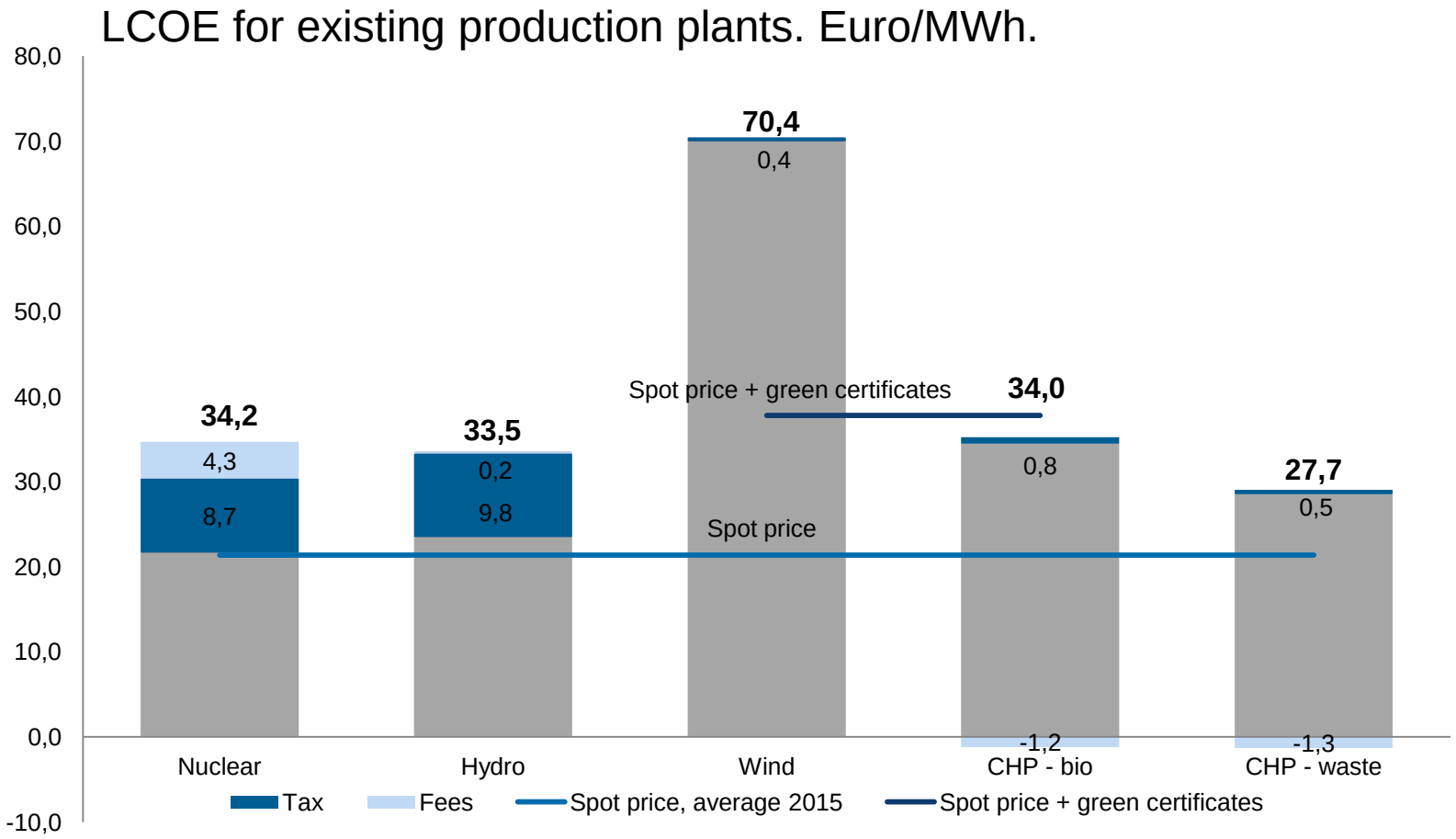
Production cost for new electricity



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Content of the agreement

- Agreement between five Parties, representing 70% of Parliament
- 2040:100 % renewable electricity production (but no ban on nuclear)
- Tax cuts on nuclear and hydro
- Prolongation and raised ambition of green certificate system until 2030
- New goal for energy efficiency (half energy-intensity 2005-2030)
- Market design to be further considered

No net emission of greenhouse gases after 2045, decline thereafter

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The implications

- Broad agreement – gives certainty to actors
- Orderly transition – security of electricity supply not jeopardized
- Reasonable prospects for nuclear
- Continued support to renewables - low electricity prices to be expected
- Strong signal to further interconnection
- No (additional) intervention in the electricity market

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Matters for discussion

- Both countries have ambitious approaches:
  - Ambitious goals for GHG reduction
  - Ambitious goals for energy efficiency
  - Strong programs for renewables
  - A reluctant attitude towards (new) nuclear

  - What is the future of nuclear?
  - Will renewables become self-sustained?
  - How do we combine competitiveness, security of supply and low emissions?
  - How do we set up a good political process?

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Thank you!

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