

# Cabinet of Commissioner Kadri SIMSON - Minutes of VideoConference

## VIDEOCONFERENCE CONCLUSIONS

<b>Title</b>	<b>Meeting with Pohjolan Voima (PVO) on REDII and hydropower</b>
<b>Date</b>	10-02-2022
<b>Participants</b>	Ext : [REDACTED], PVO [REDACTED]; COM: Barbara GLOWACKA (CAB Simson), [REDACTED] (ENER C1)
	<b>Ares initial request :</b> <a href="#">(2022)330927</a>
	Disclosure authorization : <input checked="" type="checkbox"/> YES - <input type="checkbox"/> NO - <input type="checkbox"/> Partial (pls highlight unauthorized parts)
<b>Issues raised &amp; follow-up</b>	<p><b>Background on PVO:</b></p> <p>PVO is responsible for almost 20% of Finland's electricity production. 96% of PVO's power production is CO2 free, by 2025 it should be 99%. 70.1% of its power production in 2020 was nuclear, 18.8% hydropower. The operation is done at cost principle. PVO is a shareholder in the new EPR nuclear plant Olkiluoto 3 which will come online for testing this month and for market supply in July. PVO also has CHP plants, mainly used by industry. Pulp and paper industry are main owners and clients of the company (including the use of process heat and power production from forest residues). Almost half of electricity in Finland is produced subsidy-free. PVO is very interested in EU regulation affecting hydropower, is in dialogue with ENER and ENV given that there is no EU association representing the sector.</p> <p><b>Key messages/concerns of PVO:</b></p> <ul style="list-style-type: none"> <li>Hydropower is key for balancing power, especially in the Nordic market, but not always treated fairly / in a technology neutral spirit, especially the taxonomy imposed additional burden by requiring state of the art fish passes.</li> <li>Hydropower plans take a long time to construct (up to around 10 years, including 2 years for planning, 3.5 years for permitting, 3.5 years complaints/appeals procedures, and then 1-2 years construction, plus 1-2 years testing). This puts the company at a disadvantage in terms of reporting under the Taxonomy.</li> <li>Looking forward to learning more and commenting on biodiversity taxonomy DA.</li> <li>ENV considerations on taxonomy standards becoming the legislative requirements are worrying.</li> <li>Nature restoration law will pose new restrictions on hydropower. There needs to be coherence with efforts to ease permitting and laws should be implementable on the ground.</li> <li>Coherence of the proposals of the Ff55 is key. Legislative process should not affect its good balance.</li> </ul> <p><b>COM replies:</b></p> <p>Good to make the voice of hydropower heard. We see that permitting is a key challenge for all renewables. We will prepare guidance and want Council to take ownership of the problem. Hydropower has a big potential in Northern Europe, but focus is often on other technologies. We need all the renewables resources to reach EU decarbonisation targets.</p> <p>Agree that coherence of the Ff55 package is a challenge. Lowering the ambition in one place requires higher ambition in others. There needs to be a balance between environmental/biodiversity and decarbonisation goals.</p>