

Nordic CEOs call for carbon neutrality of European economy before 2050

Emissions reductions and economic growth can be combined

Fortum, Statkraft and Vattenfall are fully committed to lead the further decarbonisation of the European economy. We believe that ambitious long-term climate targets can be reached in an affordable manner by using market instruments and sector coupling.

The Nordic countries have proved that climate action, competitiveness, security of supply and affordability of low-carbon electricity can be successfully combined. In recent decades, carbon dioxide (CO₂) emissions in the Nordic countries have been decoupled from the GDP growth, thereby reducing the CO₂ intensity of the region's economy.

EU's long-term climate ambition should be aligned with the Paris Agreement and IPCC

The recent IPCC Special Report urges a reduction in global GHG emissions by around 45% until 2030 in order to keep the global temperature rise below 1.5 °C. Therefore, we call on the EU to update its long-term climate targets in alignment with the Paris Agreement and the IPCC conclusions, and to focus on early actions in order to ensure a cost-efficient decarbonisation path. The EU should achieve net-zero GHG emissions in the European economy before 2050, based on coherent intermediary targets for 2030 and 2040. In addition to other renewables, biomass from sustainable forestry can contribute to achieving this. We also ask you to forcefully engage with the international partners during the upcoming climate negotiations in order to step up their climate ambitions and deploy effective CO₂ pricing policies.

A strong EU ETS is key to driving the decarbonisation of the sectors covered by the system. The EU 2030 climate target should at least be made coherent with the recently adopted EU 2030 targets for renewable energy and energy efficiency and be increased from 40 to 45%, although even this is clearly insufficient to reach the Paris Agreement's 1.5 °C target. The need for higher ambitions is already reflected in the European Parliament's recent resolution on an increase of the EU's overall emissions reduction targets to 55% by 2030.

CO₂-free electricity is the main vehicle to decarbonise the European economy

Since electricity is clean, affordable, reliable, secure and more efficient in end use than any other fuels, electrification will be a key enabler of decarbonisation, in particular in heating and cooling, transport and industry. As an early action, it is crucial to set clear GHG emission reduction targets also for the non-ETS sectors and to strengthen the incentives for sector coupling. Increasing the electrification rate avoids a lock-in of more carbon-intensive fuels in these sectors, while also bringing significant co-benefits, such as better air quality in urban areas, lower energy import dependency, and higher energy efficiency. Barriers for electrification should be removed by putting electricity on equal footing with other fuels combined with a price on carbon where applicable.

Hydropower will be the key in meeting climate targets and integrating intermittent generation

Addressing the flexibility challenge in a cost-effective and environmentally friendly way is key to the development of a renewables dominated power system. Hydropower is one of the few CO₂-free technologies that can provide both short- and long-term flexibility in several EU countries and hereby avoid a significant amount of CO₂ emissions. Therefore, hydropower has an increasingly crucial role in facilitating the cost-efficient integration of intermittent low-carbon generation into the system, which should be duly considered. We highlight the importance of fully recognising the multiple benefits of hydropower with regard to the green transition when assessing all climate, water and environmental legislation, the first of which being the Water Framework Directive (WFD).



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