

SWEDEN

Energy Policy Programme

Under the Swedish government's energy policy programme, a number of grants are available for renewables:

- 25% for investments in CHP plants based on biomass, with a 5-year budget of 450 million SEK
- 15% for wind turbines over 200 kW, with a 5-year budget of 300 million SEK
- 15% for small (< 1.5 MW) hydro plants, with a 5-year budget of 150 million SEK

Effective date: July 1997

Biomass Support

In the 1990s, biomass started to receive government support in the form of favourable tax treatment. Largely as a result, its share of national TPES rose from 12% in 1990 to 16% in 2001. Government policies will become increasingly favourable towards biomass as the "green tax shift" continues and the introduced certificate system provides another revenue source for biomass-fired electricity. Investment support for biomass-based CHP was available from 1991 until it was discontinued in 2002 and replaced by the certificate scheme.

More Information: *Renewable Energy: Markets and Policies*

Feed-in tariffs

The liberalisation of the Swedish electricity market provides straightforward access for small independent generators to be connected to the grid. Swedish utilities were obliged to purchase all electricity generated by projects of less than 1,500 kW within their service territories. Since the end of 1998, biomass and wind power has been sold at the market price plus a temporary support of SKr 0.09/kWh (€0.009/kWh) provided by the state.

Effective date: 1998

Investment subsidy for setting up wind plants in different types of locations

The Swedish government intends to work together with the industry on gaining experience with building wind farms built in difficult areas like sea or mountain locations.

Funding: SEK 350 million

Effective date: 2003 – 2008

Renewables Tax Exemption: Act 1776

Small-scaled renewable energy based electricity production is partially or totally exempt from the energy tax levied on households and the service sector; this gives a tax benefit of €0.1-2/kWh. Furthermore, producers and consumers of biomass-based electricity are exempt from various environmental taxes, such as the CO₂ tax, sulphur tax and NO_x levy.

Effective date: 1994

Transitional subsidies/environmental bonus

Creates a transitional subsidy for wind electricity until 25,000 equivalent full load hours are reached. This transitional subsidy will gradually be phased out.

Funding: In 2003 the subsidy will be 1.63 ct/kWh, in 2004 1.3 ct/kWh, in 2005 and 2006 0.65 ct/kWh and in 2007 0.33 ct/kWh.

Effective date: January 2003 – 2008.

Green Certificates

Effective from: 2003

A law instituting a green certificate system in Sweden came into force on 1 May 2003. Under the scheme, generators using solar, wind, biomass geothermal, wave or small hydro (< 1.5MW) are awarded one certificate for each 1 MWh produced, and all consumers are obliged to buy these certificates to cover a set proportion of their use. This requirement started at 7.4% in 2003, and will rise to 16.9% in 2010. Energy-intensive industry is exempt from the requirement. There is a floor and a ceiling set on certificate prices. Should generators find no buyers for their certificates; the government is obliged to buy them. The price was SKr 60/MWh (€6.6/MWh) in 2003, with the price falling in future years. For consumers who fail to buy enough certificates, there is a penalty of SKr 175/MWh (€19.3/MWh) in 2003 and SKr 240/MWh (€26.5/MWh) in 2004.

More information: <http://www.stem.se>