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Swedenergy position on the on the renewable energy framework for the decade ahead

Swedenergy represents around 500 companies that produce, distribute, sell and store energy. Our goal is to develop the energy industry – for the benefit of all, based on knowledge, an overall view of the energy system and in cooperation with our environment.

Summary

- The revised Renewable Energy Directive (RED III) has been effective in accelerating renewable deployment and setting a clear direction for 2030. Future progress will largely depend on Europe's ability to scale up deep electrification across the economy. Electrification should be a top EU priority. For the post-2030 framework, it is therefore essential that fossil-free energy supply and electricity demand develop broadly in parallel.
- Policy frameworks should focus on enabling this balance, ensuring that increasing fossil-free deployment is matched by demand growth and system flexibility, so that Europe can reduce its dependence on fossil fuels and move towards a more competitive and resilient economic position.
- As RED III was recently implemented, the review of the post-2030 renewable energy framework should prioritize regulatory stability, simplification and coherence. Before initiating any revisions, the Commission should allow sufficient time to stabilize implementation and evaluate the effects of RED III on markets, investment conditions and the functioning of the internal market.
- Implementation of existing rules and regulatory stability are crucial for meeting the 2030 targets – especially given the fact that most Member States missed the REDIII transposition deadline.
- In Sweden, the sustainability criteria are embedded in well-functioning national legislation and support extensive use of sustainable bioenergy in district heating and CHP. The existing sustainability criteria for biofuels and biomass should therefore not be reopened.

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Introduction

The severe consequences of energy crisis 2022 and the war in Iran has amplified the need and indicated the urgency of becoming independent from imported fossil fuels.

Severe weather events made more extreme by climate change in the last years have been extremely costly, both regarding casualties and monetary costs.

Furthermore, European competitiveness is under severe pressure. Not because of carbon pricing but because of high costs of imported fossil fuels. It is now obvious that the EU will not be competitive in a fossil-depending economy.

Hence, the only way forward is to accelerate efforts to decarbonize Europe and reduce fossil dependencies. To do so, electrification must be promoted to create demand for clean electricity. And the most potent and scalable way is increasing production and use of fossil-free energy sources.

The revised Renewable Energy Directive (RED III) has been effective in accelerating renewable deployment and setting a clear direction for the 2030 timeframe, with renewables generating nearly 50% of the EU's electricity in 2025.

Importantly, future progress will also depend on Europe's ability to consider the parts of the energy system other than electricity supply: scaling up deep electrification across the economy – transport, industry, heating & cooling where district heating is not an option, etc. Electrification should be a top EU priority.

For the post-2030 framework, it is therefore essential that fossil-free energy supply and electricity demand develop broadly in parallel. If this balance is not maintained, the market signals needed to support sustained investment in new generation and grids weaken. Faster uptake of electrification across industry and transport is therefore critical to underpin the investment case for fossil-free energy and to limit overall system costs. Policy frameworks should focus on enabling this balance, ensuring that increasing fossil-free deployment is matched by demand growth and system flexibility, so that Europe can reduce its dependence on fossil fuels and move towards a more competitive and resilient economic position.

Taking into account that the RED III was recently implemented, the review of the post-2030 renewable energy framework should prioritize regulatory stability, simplification and coherence. Before initiating any revisions, the Commission should allow sufficient time to stabilize implementation and evaluate the effects of RED III on markets, investment conditions and the functioning of the internal market. In the current geopolitical context, policy predictability is also a prerequisite for maintaining and scaling dispatchable renewable energy and strengthening Europe's security of supply. Against this background, it is of utmost importance to recognize the role of mature and well-functioning RES and also bioenergy systems in Member States in the Nordic-Baltic region.

With this paper, Swedenergy aims to constructively contribute to the renewable energy framework for the decade ahead. To provide regulatory stability and

enhance investment certainty, it should build on existing achievements without reopening well-functioning parts of the legal framework, and instead focus on fine-tuning rules, strengthening implementation and enabling faster more cost-efficient renewable rollout across the EU.

RES is strongly incentivized by ETS1 and 2

An EU-wide RES target was more justified and useful in the past (e.g. 2020 framework) when RES needed an extra push, and it more clearly replaced coal. Since then, it has also become more important that the new fossil-free production is delivered at times when it's really needed and that there is a clear demand for the electricity so that it reduces CO2 emissions in other sectors. Investors need more certainty about demand. Hence, there is no need for more incentives as ETS1 and ETS2 are strong renewable drivers. Therefore, the Commission should look beyond the renewable targets. For member states with nuclear power, a RES-target could constitute an obstacle for further decarbonization, especially when nuclear power is projected to grow in combination with an ambitious RES target.

The Governance Regulation provides the appropriate framework to steer overall ambition, track progress and improve transparency on delivery across Member States. Governance means early intervention not passive monitoring - greater emphasis should be placed on its role in monitoring implementation, establishing key performance indicators and identifying persistent gaps. If there is a political will to have another target in addition to the GHG target, Swedenergy suggests an indicative target that includes both renewables and nuclear to be established in the EU Governance Regulation.

A well-designed policy framework must ensure that demand and supply evolve in a balanced and coordinated way. When targets push one side of the market far ahead of the other, it creates inefficiencies, investment uncertainty, and unnecessary cost pressures. To be effective, policy ambition must therefore be matched with enabling conditions—such as timely infrastructure development, supportive market design, and predictable investment frameworks—that allow both demand and supply to scale in tandem. This alignment is essential for a stable, cost-efficient, and future-proof energy transition towards net-zero. Grid infrastructure, system integration and flexibility are most effectively addressed through electricity market legislation and the already taken grid initiatives. A clear allocation of roles between policy instruments helps avoid duplication, preserves regulatory clarity and supports faster delivery in practice.

What to keep in the post-2030 renewable energy framework

Implement REDIII

Implementation of existing rules and regulatory stability are crucial for meeting the 2030 targets – especially given the fact that most Member States missed the REDIII transposition deadline.

Permitting

Swedenergy supports the permitting provisions in REDIII and advocates for them to be kept, as well as the proposed updates as part of the Grids Package. They constitute a crucial, robust set of rules to streamline renewable energy permitting across Europe, including through binding deadlines, one-stop shops, digitalized processes and the overriding public interest principle. Any future renewable energy framework must preserve them.

Ensure renewables acceleration areas (RAAs) genuinely accelerate deployment and do not result in exclusion zones that restrict renewable energy development.

Improve transparency and monitoring of permitting processes to identify and address remaining bottlenecks and enhance efficiency by introducing a permitting KPI as part of the Governance Regulation.

Insufficient resources have been identified as one of the key permitting bottlenecks. It should be ensured that authorities have the funding necessary for the offices in charge of permitting so they can count with the necessary technical and personnel resources.

In many Member States, developers must engage with many different entities to obtain a permit. The one-stop shop should become a reality as soon as possible. This process ought to be streamlined, simplified and digitized.

State aid

State Aid rules should remain streamlined and aligned with Union priorities, such as the need to ensure a clean transition and in line with REDIII framework while continuing to meet the criteria of necessity and proportionality. Continued support for renewable energy projects beyond 2030 will likely be necessary to meet our Climate Law obligations and must fully remain possible.

Maintain the REDIII framework that ensures predictable, market-based and cost-effective support for renewable electricity. Articles 4 and 6, for example, guarantee competitive and transparent support schemes, integration of renewables into the market, and long-term stability of financial support without retroactive changes, thereby safeguarding investor confidence and the economic viability of ongoing and future projects.

When applying non-price criteria as mandated by the Net Zero Industry Act, Member States should strive to harmonize auction criteria, avoid adding new documentation requirements by relying on existing regulations, minimizing

administrative burden, and ensure that these criteria do not create competitive distortions between public and private procurers.

Facilitating system integration of renewable electricity

Keep Article 20a and related provisions facilitating renewable integration, including requirements for smart charging and bidirectional charging to unlock flexibility in the transport sector.

Preserve the framework enabling hybridization, co-location, storage integration and demand-side flexibility.

What to change in the post-2030 renewable energy framework if it is reopened

Simplification

If reopening the renewable energy framework, it must promote streamlined, practical and implementable rules, accompanied by stronger enforcement mechanisms and simplified compliance obligations to ensure that Member States actually deliver on what is already agreed. It should prioritize effective and timely implementation of existing provisions over new layers of regulation.

Sub-targets for the use of renewable energy in transport, heating & cooling, and industry must be removed for the post-2030 period, as they risk resulting in solutions that are not cost-effective.

The overall aim should be to develop a leaner, more coherent framework that enables faster deployment of renewables rather than fragmenting the policy landscape with multiple technology- or sector-specific targets.

Strengthen readiness of issuing bodies for future market developments

Member States should be required to ensure that issuing bodies are technically capable of issuing hourly guarantees of origin (GOs), preparing Europe's accounting system for future shifts in demand.

GOs themselves should remain a voluntary instrument, with no obligation on consumers or producers to adopt more granular certificates.

Renewables in heating and cooling

The goal structure on increased share of renewable heating and cooling should be streamlined where the sub targets could be replaced by KPIs to follow up the sectoral transition towards the overarching goal to achieve a more cost-efficient policy approach. Furthermore, waste heat should be counted on equal terms with renewable energy aligned with the definitions of efficient heating and cooling in art. 26 in EED and without the current restrictions set in RED on increased contributions when counting increased use of waste heat and cold. The targets

should also take into account the opportunities for increased use of heat from SMR nuclear installations as waste heat sources.

Clarify the framework for 'innovative renewables'

The updated renewable energy framework should provide clearer definitions and legal certainty for innovative renewable solutions such as agrivoltaics, floating solar or novel geothermal applications.

Focus the Renewables Financing Mechanism on innovative renewable technologies, to ensure a dedicated and more efficient use of this mechanism.

Public acceptance

Developers already deliver strong benefit-sharing in practice, offering a wide range of financial and non-financial measures – from community funds and bill -discounts to training programs and co-ownership models – tailored to local needs and built on long-standing community engagement. These existing efforts should be recognized.

The existing EU-level framework already provides a solid basis to address public acceptance of renewable energy projects, and we do not see a clear need for additional EU-level measures. Public acceptance is highly context-specific and depends on local conditions, project characteristics and community engagement.

Benefit-sharing should therefore be enabled instead of mandated, as public acceptance is context-specific. One-size-fits-all requirements risk slowing renewable deployment, adding administrative burdens and imposing disproportionate obligations.

The Commission should focus on guidance and best-practice sharing, helping Member States design proportionate, flexible and effective approaches, while leaving developers and communities the space to tailor solutions locally.

The existing sustainability criteria for biofuels and biomass should not be reopened

In Sweden, the sustainability criteria are embedded in well-functioning national legislation and support extensive use of sustainable bioenergy in district heating and CHP. The existing sustainability criteria for biofuels and biomass should therefore not be reopened. Reopening the criteria would increase uncertainty, create investment risk, and could unintentionally constrain an important domestic energy source that contributes to system flexibility and security of supply. Policy efforts should instead focus on effective application of existing rules whilst recognizing differences between local and regional prerequisites.

The use of biomass is the backbone of regional bioeconomy clusters. What may be regarded as efficient or optimal use of biomass depends on local and regional conditions, such as the regional energy system, existing industries, available biomass resources use and infrastructure. Extraction and transport of biomass are generally high in relation to other energy sources and hence local utilization and upgrading is preferred. There is no need to regulate what may be deemed as

"rational" use of bioenergy since market forces and pricing will steer towards the most bankable options for the use of regional available biomass resources. It is of utmost importance that EU Policies recognize regional diversity and support efficient biomass use based on regionally rooted value networks as intended in the European Bioeconomy Strategy.

Sustainable bioenergy in district heating and Combined Heat and Power (CHP) play a critical role in energy efficiency, system flexibility and security of supply. A predictable and coherent EU framework is therefore essential to safeguard these contributions and support a resilient energy system. It is also essential to include common definitions and sustainability principles to avoid fragmentation and competitive distortions. The current EU sustainability framework for biomass sourcing provides a solid and workable basis for responsible use of biomass for energy. Existing rules already ensure climate integrity, protection of biodiversity and responsible sourcing, while allowing national circumstances to be taken into account.

Simplification should strive to implementation that is proportionate and risk-based, reducing administrative burden while maintaining harmonized EU outcomes. Where robust national frameworks already exist, reporting and verification should be simplified and duplication avoided—for example through greater reliance on established national systems and mutual trust in competent authorities. This approach supports a level playing field in the internal market while ensuring regulation remains targeted and effective.

Furthermore, the regulatory framework affecting bioenergy needs better alignment. Biofuels and biomass are subject to multiple directives, including the Renewable Energy Directive and the Energy Efficiency Directive. Overlapping obligations should be addressed to improve clarity and reduce complexity, particularly for district heating and CHP operators.

Other elements to consider in the post-2030 renewable energy framework

Energy taxation

Align energy taxation with decarbonization and electrification objectives and level the playing field with fossil fuels by lowering the electricity-to-fossil price ratio and phasing out fossil fuel subsidies.

Enable geographically optimized development, allowing generation, grids and demand to be coordinated based on actual regional conditions

Future frameworks would benefit from also enabling geographically optimised development, allowing generation, grids and demand to be coordinated based on actual regional conditions.

Greater emphasis should therefore be placed on *system value*, *local balance* and *industrial integration*—for example by incentivising projects that enable efficient use of electricity surpluses, which in turn will reduce the need for long-distance grid expansion.