

The EU Commission

December 18th 2020

Dear Sirs,

Feedback on draft act Sustainable finance – EU classification system for green investments

Samfunnsbedriftene is an employer association for energy enterprises in the public sector in Norway. Our members are represented within various parts of the energy value chain, covering activities such as electricity generation, -grid and - sales to consumers.

The EU has established ambitious climate and energy targets for 2030 and from an overall perspective we are positive to the EU's initiative and focus on environmental objectives on climate change mitigation and adaptation. However, with the wording in the present draft it is our concern that the restrictive sustainability criteria for hydropower will hamper the development of renewable energy production.

We may summarise our concerns to the following three objections:

- There is a lack of a level playing field in the proposal. Various electricity generation technologies should be subjected to the same technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation. This must also apply for determining whether that economic activity causes no significant harm to any of the other environmental objectives.
- Economic activities as regulated under the Renewable Energy Directive, including hydropower, contribute substantially to climate change mitigation and technology neutrality should be a fundament within such technical screening criteria. Introducing special requirements for some of the technologies, such as hydropower, will introduce market failures and reduce the EU's efforts to meet its own environmental objectives on climate change mitigation and adaptation.
- Furthermore, hydropower is subject to a range of strict environmental rules provided by European legislation, such as the Water Protection Directive. This should suffice for assessing the sustainability of renewable hydro power production.

Samfunnsbedriftene will follow these issues through cooperation with other European organisations within the energy area. We would very much like to receive additional information on this topic, and continue the dialogue with the EU.

Yours sincerely,



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