

Vattenfall EU Policy Position on the Nature Restoration Law Policy Paper

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Vattenfall fully supports the EU's goal of contributing to the continuous, long-term and sustained recovery of biodiverse and resilient nature across the EU's land and sea areas through the restoration of ecosystems. We firmly believe that good environmental performance is fundamental for the success of our business and put a strong emphasis on the protection of nature and biodiversity, alongside our targets to become climate neutral and to promote a sustainable use of resource. Vattenfall is already highly engaged on the topics of nature protection and biodiversity ([Environmental responsibility - Vattenfall](#)). Across the company we have committed to have a Net Positive Impact (NPI) approach to guide our work:

- Our Environmental Action Plan includes a target of implementing measures management plans in at least 70% of all the identified biodiversity hotspots in our power line corridors. Vattenfall invest heavily in biodiversity research, mainly in the wind and hydro power areas, with the aim of increasing knowledge in order to better conduct our operations with the smallest possible impact.
- We are committed to [developing projects with high environmental value](#), across all the sectors of our fossil-free energy portfolio, to enhance biodiversity and create positive impact.

Key Messages:

We highly welcome the fact that the EU Commission's proposal takes into account the renewable energy perspective, as the actions necessary for a fossil-free future go hand in hand with high environmental standards. We particularly support the Commission's vision of creating synergies between fossil-free energy production and the grid infrastructure and national restoration plan.

However, there are a few aspects that concern us with regards the implementation of the restoration plans:

- This proposal includes provisions to safeguard the development of renewable energy projects, as well as their related grid, that are currently under consideration in the Renewable Energy Directive, notably their classification as projects of "Overriding Public Interest". The language of the Regulation needs to be broadened in order to safeguard the deployment of renewable energy independently and considering the EU's energy transition goals to 2030 and 2050.
- The proposal leaves room for interpretation at the national level, which may impede the development of renewable energy projects, notably on the case-by-case derogation assessments of overriding public interest projects outside of Natura 2000 areas, and the uncertain scope of the obligation to remove river barriers.

We are calling for the specific inclusion of projects with a positive impact on biodiversity, going further than the definition of blue and green infrastructure projects. As the issues of climate change, biodiversity, and nature restoration go hand in hand, it is necessary to promote energy infrastructure projects that can have a positive impact on their environment.

Vattenfall is a European energy company with approximately 19,000 employees. For more than 100 years we have electrified industries, supplied energy to people's homes and modernized our way of living through innovation and cooperation. Our goal is to make fossil-free living possible within one generation. Everything we do and the decisions we take shall lead to this goal. This is the basis of Vattenfall's strategy, and we advocate for a regulatory environment that makes this transition possible – in the energy sector and beyond in transport, industry etc

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Background

On June 22nd, after multiple delays, the Commission adopted the Nature Restoration Package, consisting of the Nature Restoration Law and Sustainable Use of Pesticide revision. The Nature Restoration Law is the flagship legislative proposal of the EU Biodiversity Strategy, the environmental policy version of the Climate Law, and the first-ever comprehensive, EU-wide restoration law. The Nature Restoration Law includes legally binding targets for nature restoration in different ecosystems, aiming to cover at least 20% of the EU's land and sea areas by 2030 with restoration measures, and by 2050, all ecosystems in need of restoration. Currently, 81% of EU protected habitats are in poor condition, with 36% deteriorating and only 9% improving

Vattenfall welcomes the initiative by the European Commission to enhance biodiversity recovery in the EU. At Vattenfall, we have a high focus on our environmental performance, as well as the ambition to enable fossil-free living within a generation. Climate change is one of the main drivers of biodiversity loss, for example through forest fires, heat waves, droughts, and storms. The development of fossil free energy projects has a positive impact on biodiversity and biodiversity loss, as it is one of the main levers to mitigate the effects of climate change, by shifting away from fossil fuels.

In the following, we outline our detailed response to the proposal.

A. Safeguarding the EU's energy transition objectives:

We welcome the Commission's taking into account the renewable energy perspective, as well as the safeguards placed on the development of projects.

However, the safeguards placed on the development of renewable energy, rely mostly on the provisions proposed in the revision of the Renewable Energy Directive (RED), notably the classification of renewable projects, the related grid and storage as of overriding public interest. If these are not implemented in the end, we need to ensure that fossil-free energy perspective and challenges are addressed sufficiently in this legislation, in order to ensure the development of fossil-free energy projects and grid adaptation that are of vital importance for the EU's energy transition.

Moreover, we are concerned that the current definition of projects that should be classified as of Overriding Public Interest in the RED revision is too narrow to safeguard the EU's energy transition goals. The proposal should include the grid in itself (and not only linked to new energy projects), to enable grid expansion and transformation of the energy consumption that are necessary to facilitate our shift to a fossil-free living. Critical expansions of in the grid that enables avoidance of CO2 emission would not be covered in the current proposal, for instance connecting new industrial activities or enabling the change in existing processes in order to electrify them, or better connecting the transportations system. Furthermore, one should also consider social benefits of grid expansion and that it is a pre-requisite for a long-term societal growth, a way to alleviate energy poverty and that access to electricity is a basic human right.

Besides, the wording in the Nature Restoration Law needs to be broadened and should consider the mapping of the area necessary for each Member States to fulfil their energy targets, and not be solely focused on the proposed "renewable go-to-areas," in order to consider the EU's climate and energy objectives. Overall, we have a sceptical view of "renewable go-to areas" as the current RED revision proposal has vague criteria for implementation, which may end up in sub-optimal "go-to areas" that do not match the EU's energy transition's needs.

B. Harmonising the implementation of the Regulation:

The proposal leaves room for interpretation at the national level, which may impede the road to fossil-free living, notably if it creates bottlenecks to the development of new projects.

This notably concerns the case-by-case derogation assessments of overriding public interest projects outside of Natura 2000 areas, which risk delaying the development of fossil-free energy projects and the necessary changes to the grid, as well as create implementation imbalances of this Regulation between the different Member States. Evaluation on a case-by-case basis leads to different timeframes and diverging results, which could become a bottleneck to the development of new renewable energy projects and the electricity distribution network and could impede the renewable targets to 2030 and 2050.

Moreover, the obligation to remove river barriers states that it should “primarily address obsolete barriers which are no longer needed for renewable energy generation.” This formulation opens room for interpretation, and we believe clarifications should be added in the article or in the Annex to the Regulation. The definition of obsolete barriers needs to be more explicit, notably concerning the case of multifunctional river barriers, and the assessment of whether a barrier is obsolete or not should be done on a case-by-case basis with consideration of purpose of the barrier and national circumstances.

Besides, the Nature Restoration Regulation should be coherent with the Water Framework Directive, which already provides an assessment of the ecological status of surface waters and ground water in the EU. in order to not create policy overlaps and confusion. The Nature Restoration Plans from Member States should consider the river basin management plans which comprises relevant plans towards achieving good ecological status.



C. Promoting projects that can have a positive impact on their environment:

Not taking into account energy production and infrastructure projects that can have a positive impact for biodiversity or nature restoration seems to be a missed opportunity. The proposal mentions funding opportunities for “green and blue infrastructure projects” but does not put forward energy infrastructure that can also have a positive impact for biodiversity, or projects with a high environmental value. As environmental and climate issues go hand-in-hand, we firmly believe that it is necessary to promote the development of energy projects that can have a beneficial impact on their environment, or that have a high environmental value.

The EU should use this opportunity to foster R&D and measures for projects that can have a positive impact, and notably on energy projects that could tackle both the mitigation of climate change and of biodiversity loss. This legislation should provide incentives to launch new pilot projects and scale-up the development of energy projects with high environmental standards.