

Will the new subsidy scheme boost Finnish wind power market

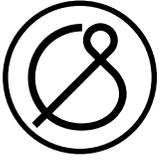
Miika Pinomaa

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Agenda

- Current wind power status
- Electricity Consumption vs Production
- Expectations to wind power development
- New Support Scheme
 - Facts
 - Possible impacts to the market & Considerations
- Conclusions
- Q&A

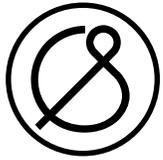


Current wind power status

- Currently approximately 2000MWs
- Approximately 4,8TWh
- Approximately 5,5% of Finland's electricity production

- In development 12000MW
- Several large wind farms developed

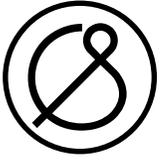
Finland needs at least 3000MWs additional electricity to be self-sufficient!



Electricity Consumption vs Production

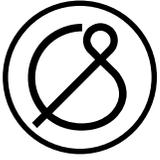


Source: 16.3.2018 // <https://www.fingrid.fi/en/electricity-market/power-system/>



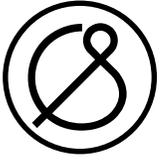
Expectations to wind power development

- Likely to grow especially large wind power portfolios
- New type of WTG are demanding additional wind power development
- Excess of 2000MWs to be built by 2022
- Energy Storage may become relevant



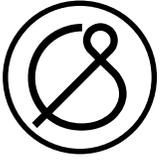
New Support Scheme / facts

- Act on Subsidies for Electricity Produced from Renewable Energy Sources (1396/2010)
- The proposed process would be open to **wind, biogas, wood fuel, solar and wave** power investment projects
- The tender process would be held in 2018–2019, during which time a total of 2 TWh would be subject to tender
- The subsidy paid to the producer would be determined based on the premium of the winning tender and the amount of electricity produced and average market price of electricity during the tariff period. The maximum duration of the subsidy period is the same as in the current fee-in tariff system, i.e. 12 years.



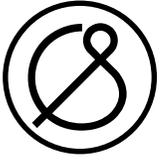
New Support Scheme / Possible impacts to the market

- May provide certain boost market
- Likely not to bring additional investors to Finnish wind power market
- Likely to divide the wind power market
- Further considerations



Conclusions

- Wind power market will grow materially
- New support scheme is likely to divide the wind power market
- Likely to confuse the wind power market
- Likely not to benefit all developers equally



Q&A