

# **Initiatives involving the social partners in Europe on climate change and employment policies**

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## **The Swedish PFE program for energy efficiency**

**Conference of the European social partners,  
Brussels, 1 and 2 March 2011**

## → PFE Programme : context, objective, functioning

- ▶ At national level in Sweden, the social partners are active on questions related to improved energy efficiency, as seen in their participation in the follow-up and implementation of the PFE Programme (Programme for improving energy efficiency in industry), an initiative launched by the Swedish Energy Agency in January 2005 :
- ▶ The context : It was put in place in response to two essential requirements: the first concerns the reduction of CO<sub>2</sub> emissions and the second relates to rising electricity prices.
- ▶ The objective : to encourage energy-intensive industries to improve their energy efficiency through the use of incentives. The incentive measures offered as part of this programme are reductions in the level of energy taxes. (This reduction compensates for the existing electricity tax).
- ▶ Functioning of the programme : based on a long-term agreement that involves the Swedish government, energy-intensive industries and trade union organisations. The programme has been implemented over a period of 5 years.

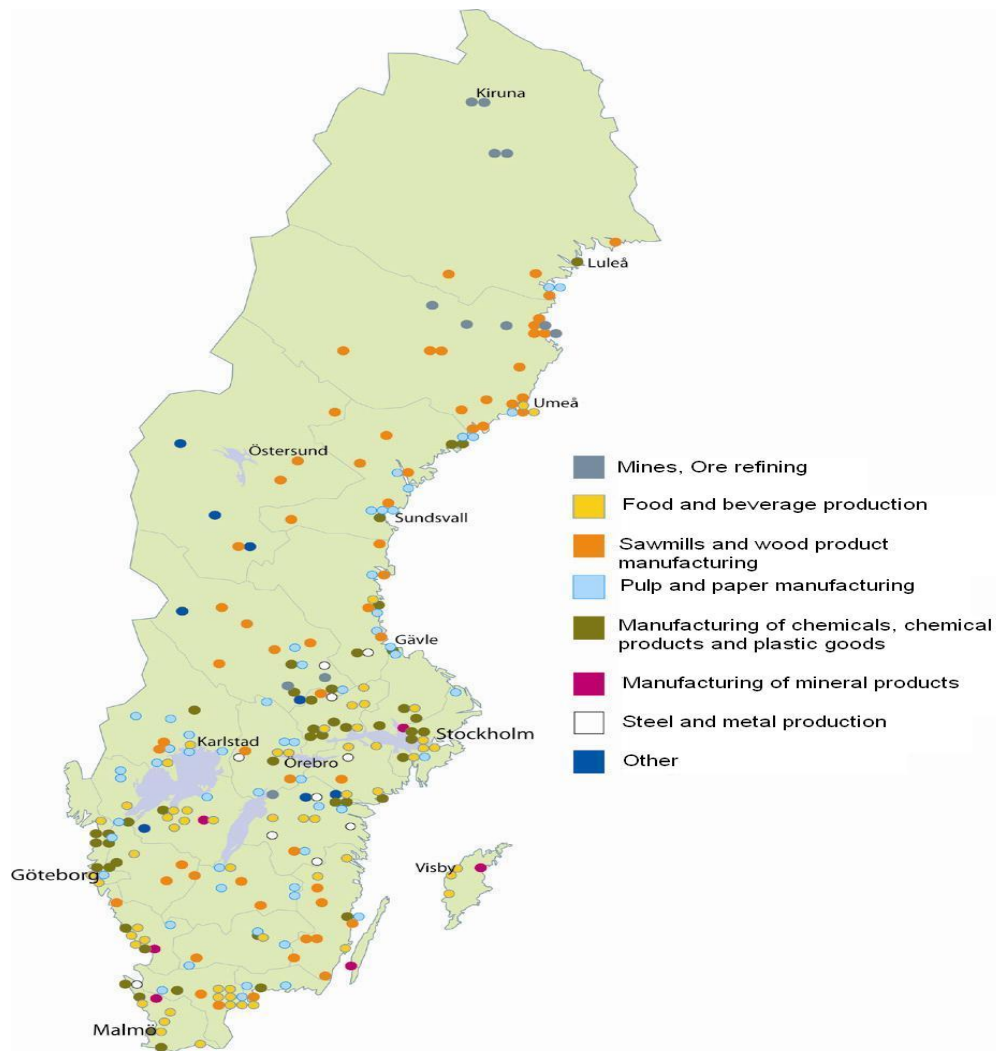
# → PFE Programme : assessment of the Swedish Energy Agency

¥ 110 participating companies

¥ 250 plants

¥ 30 TWh electricity/year

¥ Tax reduction 15 million  $\hat{U}$ /year



## → Prerequisite conditions for participating in the PFE programme:

- ▶ The PFE is a voluntary programme to improve energy efficiency. To participate, industrial companies must be energy-intensive (especially in electricity) and satisfy the economic conditions required for being part of the programme.
- ▶ In practice, participants in the programme are limited to large energy-intensive industries in the paper and pulp sectors, sawmills, chemicals, agri-food, steel and mining industries.
- ▶ Number of companies: the total number of participating industries is 117 (i.e. 250 plants).

## → Project monitoring and follow-up

- ▶ The Swedish Energy Agency is responsible for programme monitoring and follow-up. It also provides advisory services to the companies.
- ▶ The Programme Board, set up in April 2005, is made up of representatives of the State, enterprises, trade union and employers' organisations and research centres. The board is both a consultative and control body and it meets four times a year.
- ▶ The Swedish Taxation Board, attached to the Ministry of Finance, has the authority to allocate or annul tax reductions offered to companies that participate in the programme.

## → The programme's track record (1)

- ▶ After only two years of existence, more than 900 improvement measures had already been put in place or were being organised; they have cost to the companies a total of 110 million euro, with a very fast return on investment (an average of two years).
- ▶ They have also resulted in electricity savings of around 1 TWh/year; according to the Agency's calculations, this is equivalent to an emissions reduction of 0.5 to 1 million tonnes of CO<sub>2</sub> per year.
- ▶ In addition to these direct savings, the companies have received a tax reduction in the average amount of 17 million euro per year and per company for their participation in the project. In 2010, the objectives were met at the 200% level.

## → The programme's track record (2)

- ▶ The energy audit and the energy management system help to put energy savings issues at the heart of the concerns of both employers and employees, in particular through training programmes.
- ▶ This programme is considered a success not only by the social partners, but also by the public authorities and NGOs.
- ▶ However, its continuation depends on two factors:
  - First, in the absence of State support, companies will not invest.
  - Second, the programme depends on the decisions in Brussels, particularly in connection with the project for revision and harmonisation of State aid for environmental protection, governed by the EU guidelines of April 2008 (2008/C82/01).

THANK YOU FOR YOUR ATTENTION!