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19.5.2026

Outlook of green investments in Finland in the light of ever-evolving EU climate policies

Finland is well-positioned in the sustainability transition

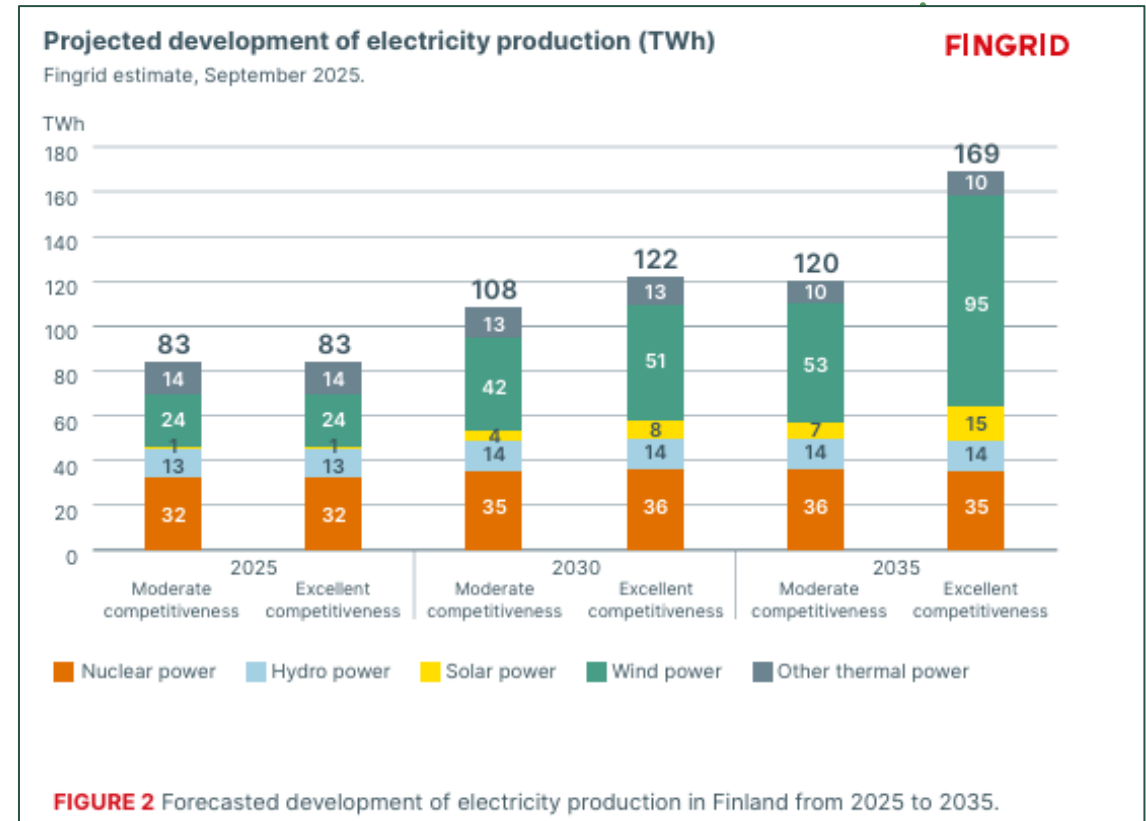
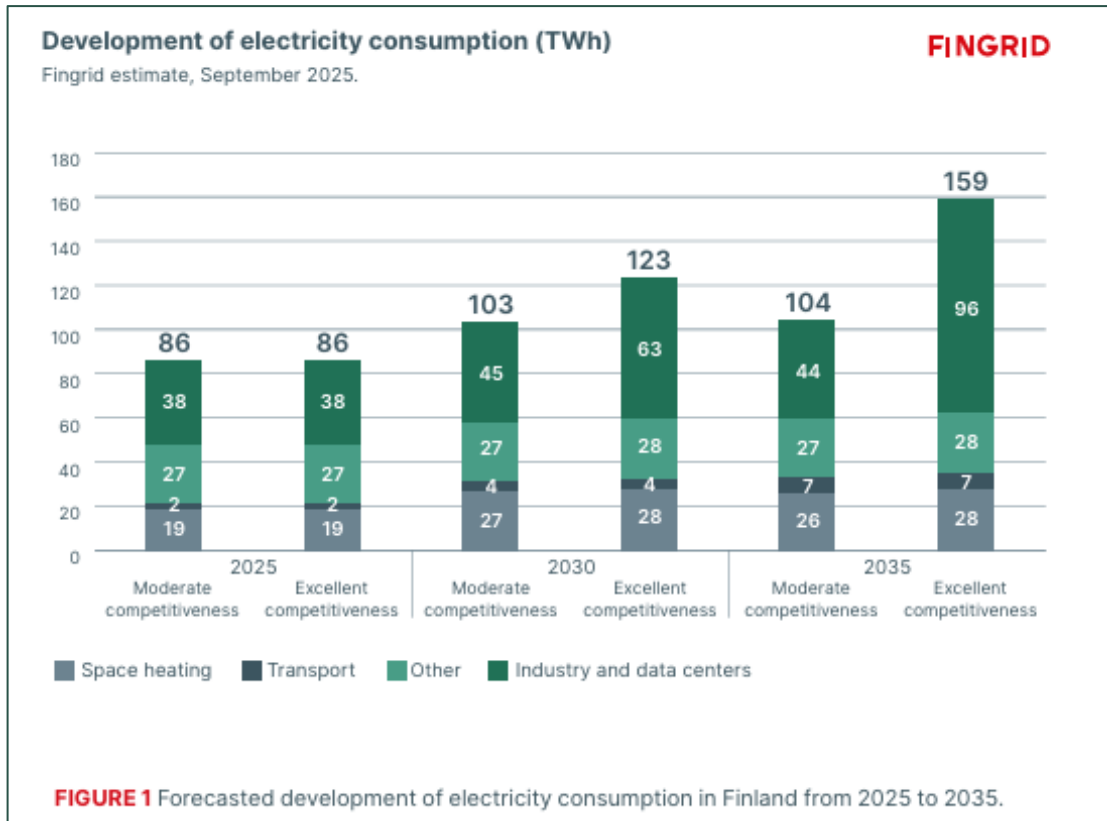
- Strong national climate policy targets:
 - 2035 carbon-neutrality
 - Capturing point source CO2 emissions (fossil&biogenic)
 - Doubling clean electricity
 - Halting biodiversity loss
- Energy sector fit for future:
 - Strong transmission grids
 - Excellent wind power conditions on- and offshore
 - 96% of power production fossil-free
- Business sector committed to ambitious climate targets



Source: CLC&BCG: Finland's Moonshots for Green Growth (2023)



Finland is a showcase of electrification – driven by industry demand, supplied by renewables & nuclear.



Source: Fingrid forecast Q3/2025

96 %

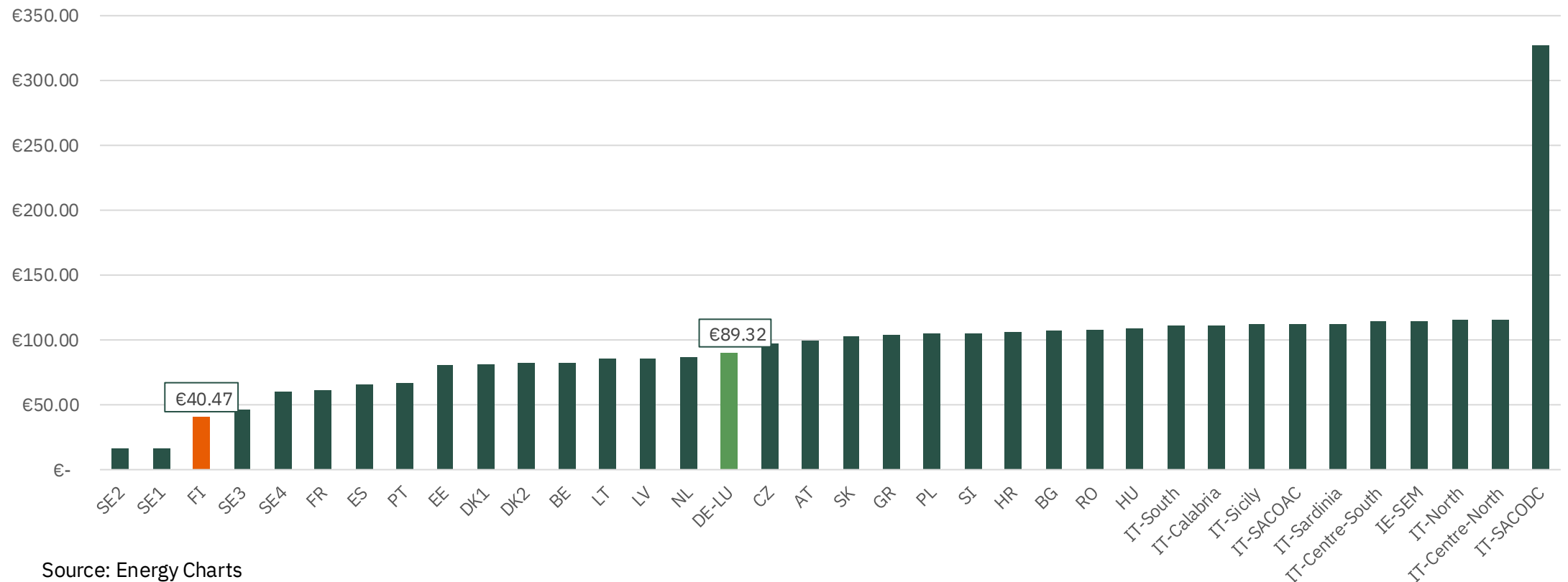
of power generation fossil-free (2025)

1st

cheapest electricity in Europe (2025)

Finland had the cheapest electricity in the EU in 2025 (when comparing capital regions).

Average electricity day ahead price in 2025 (€/MWh)



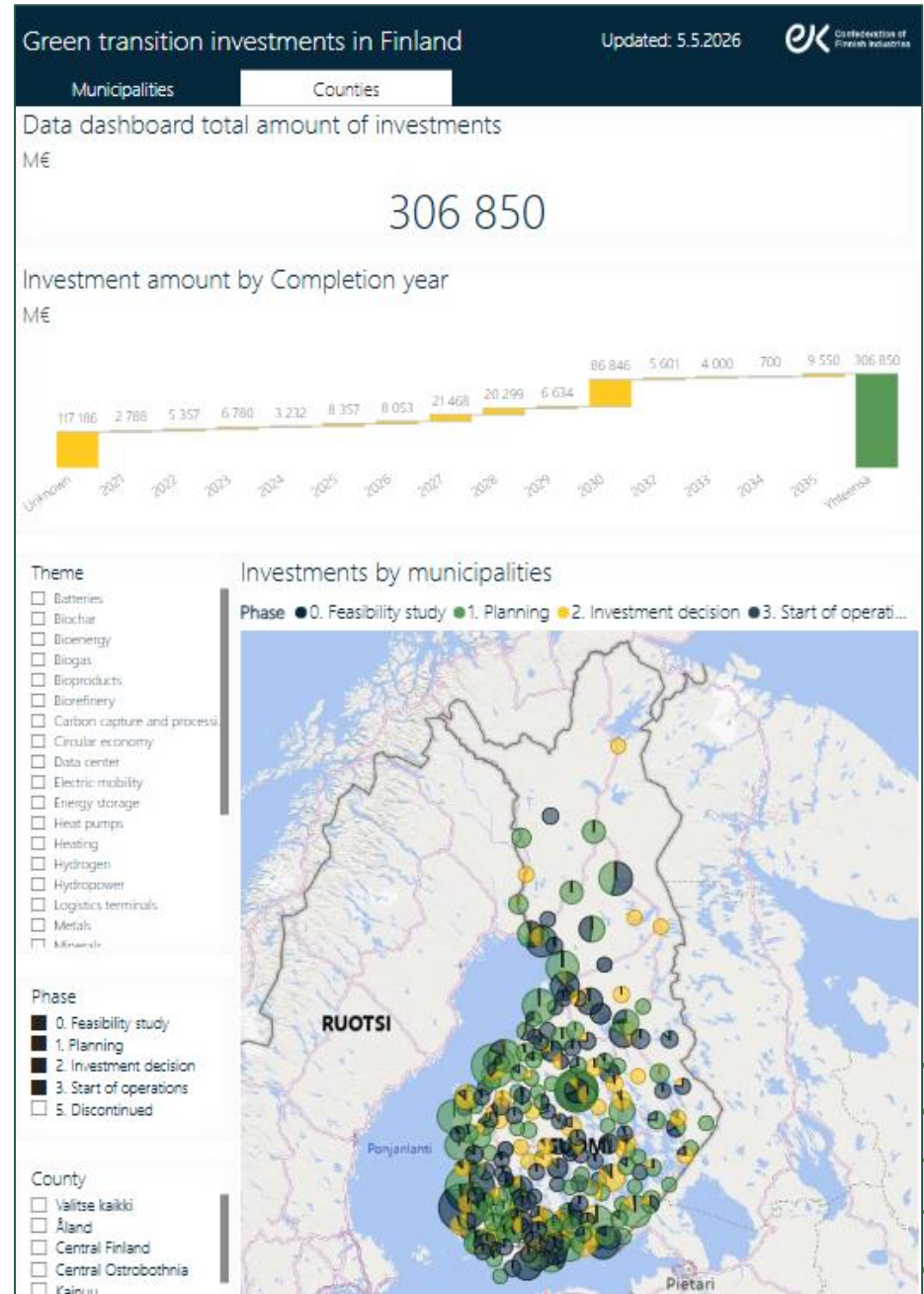
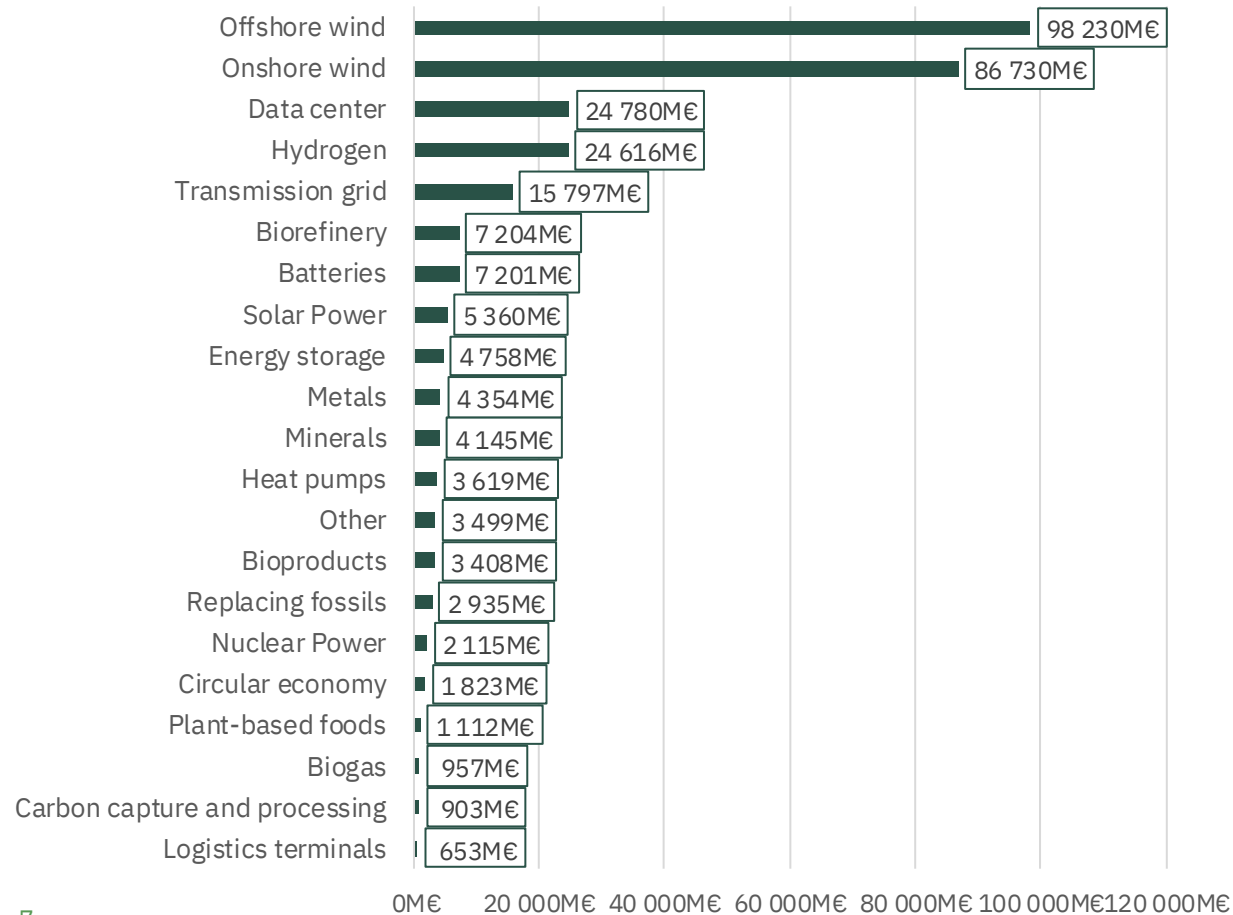
Source: Energy Charts

€300 billion

of planned green investments in Finland

Over €300bn in green investment projects

Investment plans (M€)

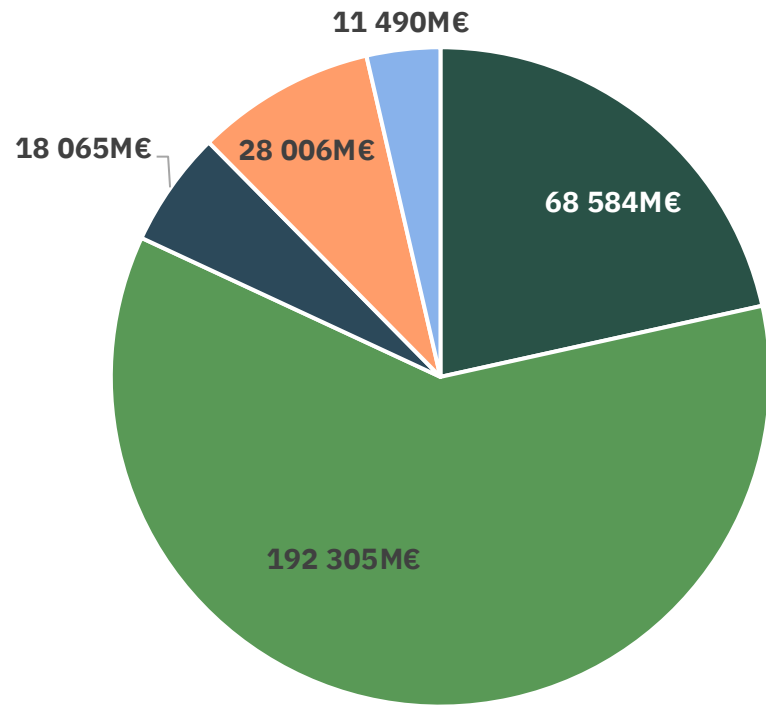


Source: EK Data Dashboard of Green Investments in Finland



>10% of the investment pipeline already materialized:
28bn€ investments ready, 18bn€ reached FID stage

Investment plans by phase (M€)



- 0. Feasibility study
- 1. Planning
- 2. Investment decision
- 3. Start of operations
- 5. Discontinued

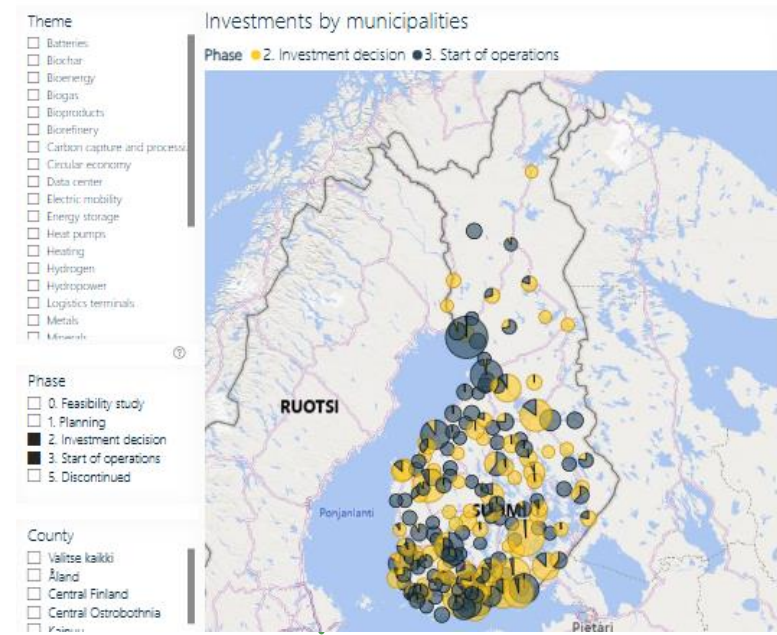
Green transition investments in Finland Updated: 5.5.2026

Municipalities Counties

Data dashboard total amount of investments

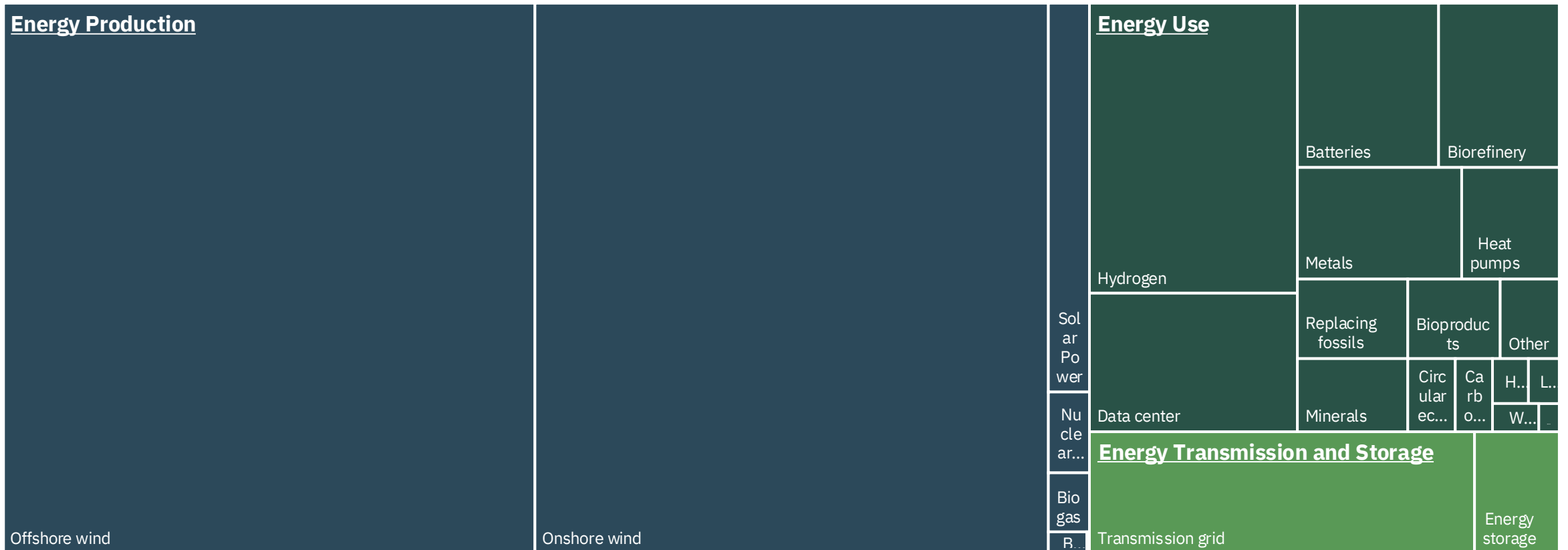
M€

45 961



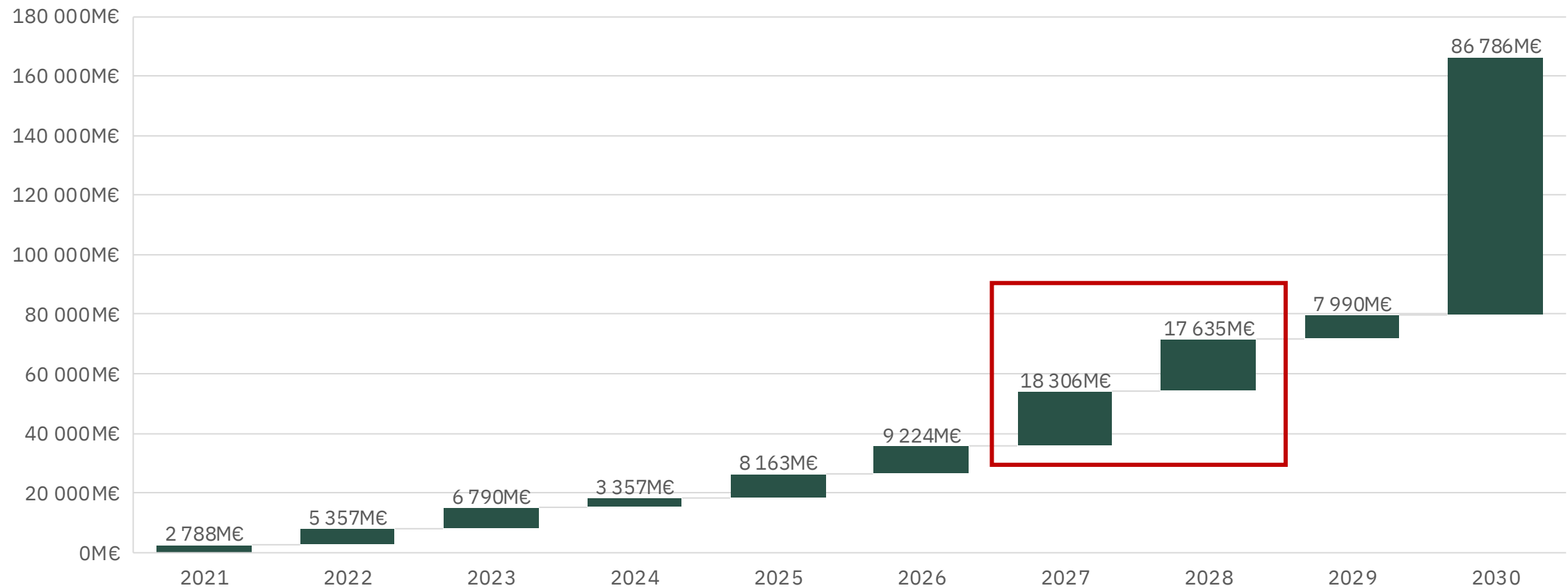
63% of the projects relate to energy production,
30% to energy use and 7% to transmission

■ Energy Use ■ Energy Transmission and Storage ■ Energy Production



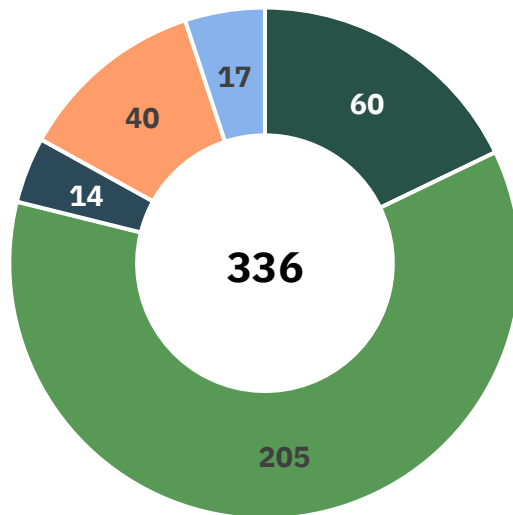
The coming years hold a promise for growth in Finland's green economy

Investment plans by estimated completion year (M€)

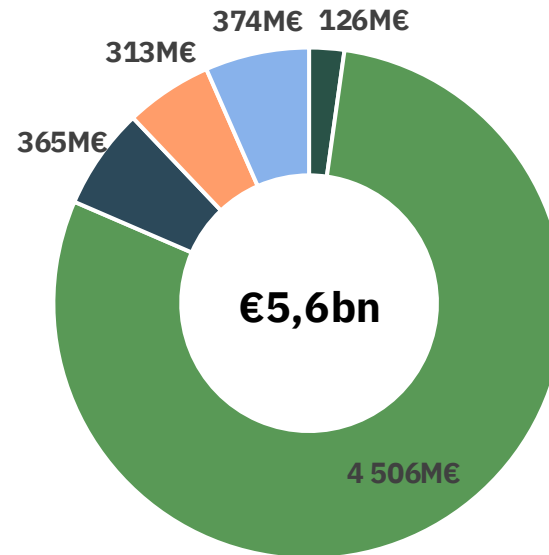


Finland boasts an admirable solar project portfolio with almost 25GW of projects

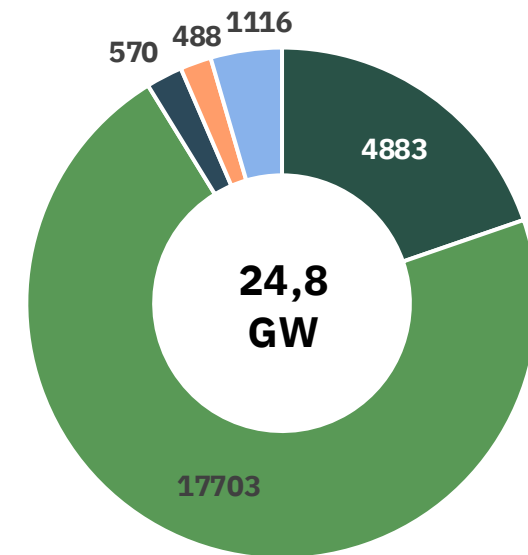
Number of projects



Investment (M€)



Capacity (MW)



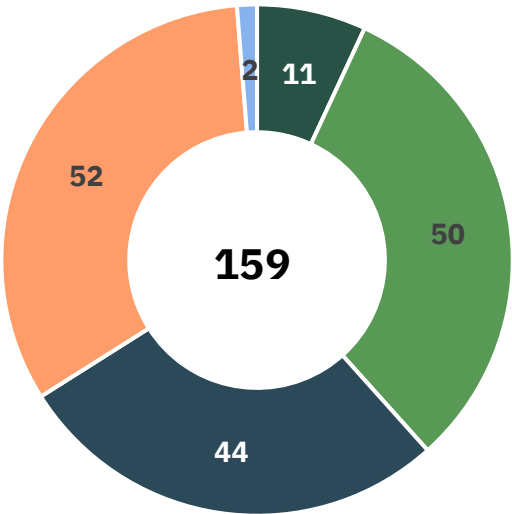
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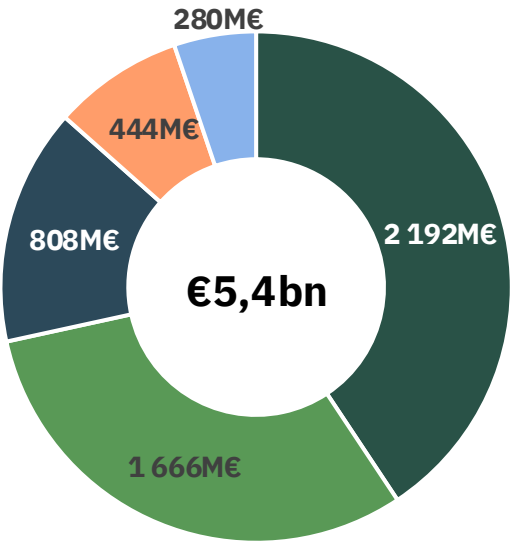
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Energy storages booming in Finland – BESS capacity to double to 2GW this year

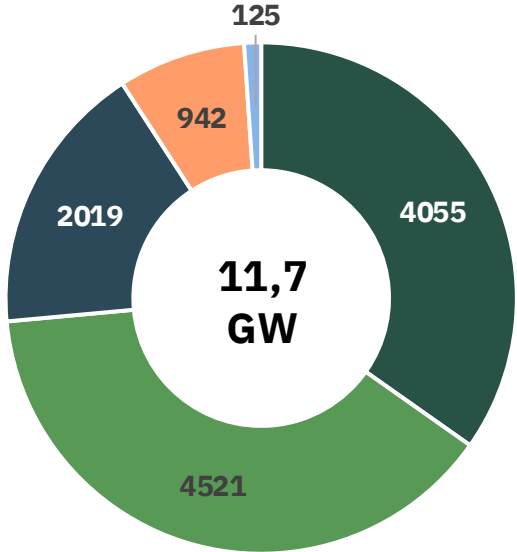
Number of projects



Investment (M€)



Capacity (MW)



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- 2. Investment decision
- 3. Start of operations
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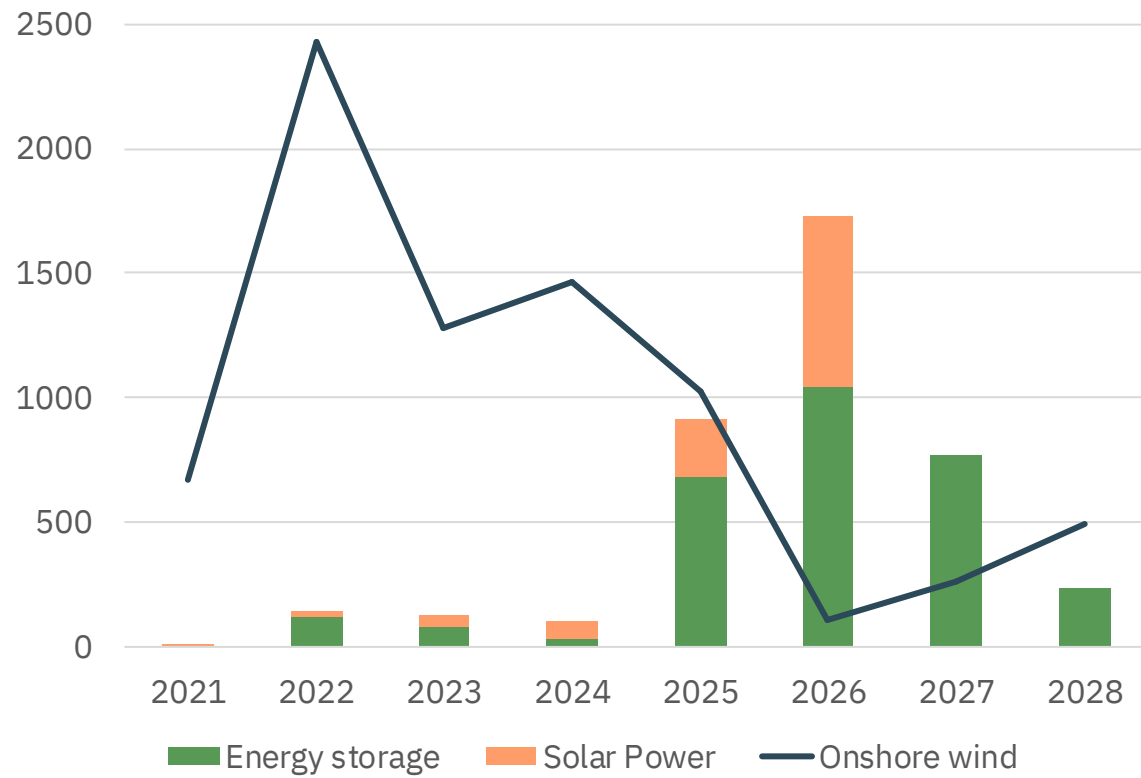
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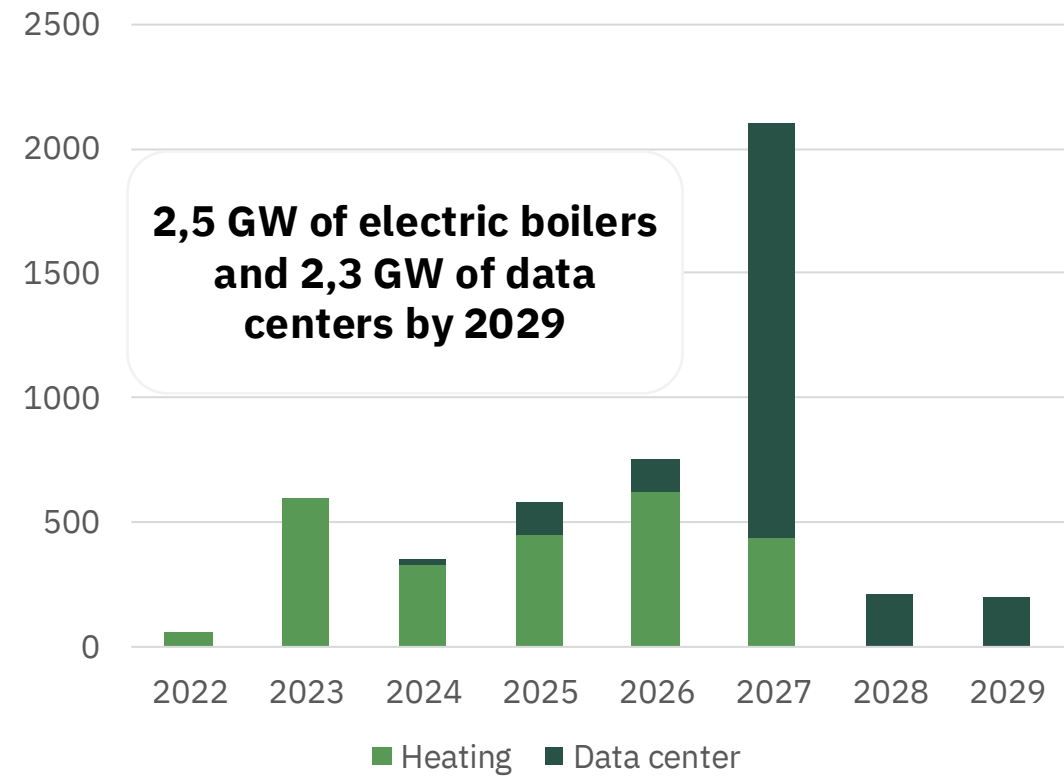


Solar&BESS overtake wind this year; electric boilers and data centers growing rapidly

Wind, solar and storage projects (FID&COD, MW)



Data centers and electric boilers (FID&COD, MW)



From Brussels with love

EU ETS
review

EU 2040
Climate
target

EU RFNBO
criteria

Grids
package and
bottleneck
revenues

EU data
center
labelling

State aid
competition

EU climate policy architecture to 2030;

net greenhouse gas emission target **55 % (vs 1990)**

Emissions trading sector ETS1

Energy intensive industry, energy production, maritime transport and aviation

62% (vs 2005)

EU ETS1 allowances to be exhausted by 2039 under current trajectory

Effort sharing regulation ESR

Binding national targets: transport, buildings, small industry, agriculture, waste management etc.

30% (vs 2005);

Finland -50%

ETS2 for transport, buildings etc. initiated in 2028: **-42%** (vs 2005)

Land use, land use change, and forestry (LULUCF)

The target for net removals of the European Union as a whole for 2030 is **310 MtCO₂eq (+15 % compared to 2016-2018)**

- EU agreed on a **90% climate target for 2040** at the end of 2025, , but the debate has remained heated, particularly around carbon pricing and energy prices. E.g. the start of ETS2 was postponed by one year.
- Discussions are intensifying as the Commission prepares **a reform of the EU ETS for the 2031–2040 period**. Proposal is expected in Q3 (July?), after which it will move on to consideration by the Parliament and the Member States.
- A key question is, **what kind of architecture and pace the EU will adopt in moving towards the 2040 target?**

The future and predictability of EU climate policy determines if and how fast investments materialize

- Robust climate policy framework essential for investments, resilience and climate.
- We strongly support the 90% EU 2040 climate target. ETS is the cornerstone of EU climate policy, and should be aligned with the headline target.
- At the same time, Europe should refrain from state aid competition, which unfortunately has increased since COVID-crisis.
- **If EU climate policy fails, Finland will lose billions in investments.**

Joint Industry Declaration – A 2040 Climate Target for a competitive EU

10.07.2025

For the EU to successfully achieve the commission’s proposed 90% reduction in net greenhouse gas emissions by 2040, it is essential to outline the enabling conditions in order to meet these targets realistically. Therefore, Finnish Industries EK and our counterparts in Germany, Denmark, Ireland, France, Norway and Sweden, have published a joint declaration.

We urge European leaders to

- 1 Enable high-quality international carbon credits and incentives for carbon removals
- 2 Maintain global leadership to advance ambition, investments and level the playing field
- 3 Ensure effective carbon leakage protection and prepare a regulatory architecture that is fit for post-2030
- 4 Implement and review fit-for-55 instruments
- 5 Support technological neutrality

23. February 2026

Confederation of Finnish Industries NHO Confederation of Norwegian Enterprise SVENSKT NÄRINGSLIV Dansk Industri

Dear President of the European Commission von der Leyen, dear Commissioner Hoekstra

First, we want to congratulate you on the 2040 climate agreement. In these challenging geopolitical times, it is crucial to maintain a clear and strategic focus on the European Union’s long-term objectives. A predictable business environment is key for European competitiveness and for realizing the significant investment needed to strengthen the EU’s resilience and deliver on agreed decarbonization ambitions.

It is appropriate to acknowledge the significant competitive challenges that the EU is facing, as highlighted by several reports and recognized by the European Commission. Initiatives such as the Clean Industrial Deal are timely steps in the right direction. At the same time, it is essential to maintain an open and constructive dialogue concerning the specific obstacles before us.

We would like to take this opportunity to reiterate our strong support for the EU Emissions Trading System (EU ETS). For over two decades, the ETS has played a pivotal role as a market-based and technology-neutral instrument, driving investment, addressing carbon leakage, and supporting innovation and modernization across the energy sector through dedicated funding mechanisms.

Strengthening the EU’s energy security, competitiveness, and resilience will depend on decisive investments in clean energy production, critical infrastructure and further electrification and decarbonization of industry. Efficient use of the EU’s own resources is central to achieving almost all the Union’s major strategic aims, and these efforts require reliable access to both public and private financing.

ETS is vital in this regard, and any weakening of the system would significantly undermine not only future initiatives but also the viability of existing and planned investments. Without a robust carbon price signal at the EU level, there will be increased pressure on national budgets or the broader EU financial framework.

Finland has excellent fundamentals in the green transition, and can be a showcase of the future ahead

- 1** **Energy transition is a megatrend of our time** – with electrification at its core. Finland is leaps ahead in this, yet just in the beginning.
- 2** EU needs to balance **competitiveness, security and climate** action. **Long-term climate targets, predictable and reliable regulation is essential.**
- 3** **Finland is a future lab of the energy transition**, with **fundamentals well in place**: clean and efficient electricity system, good grid connections, significant bio and mineral reserves, plus technological know-how.
- 4** Need for innovation and R&D, also in commercialization and in building new industrial clusters.
- 5** **EU policies and EU's economic competitiveness are central** in determining how fast Finland's green transition accelerates. **Need to limit state aid competition** within EU and allow markets to function.