

Tekniska verken i Linköping AB:s feedback på “Sustainable finance – EU classification system for green investments”

Tekniska verken i Linköping AB (TvAB) is a supplier of resource efficient and sustainable electricity, heating, cooling and biogas. We are since many years fully focused on the transition towards a decarbonized economy and in that context, we would like to comment on the drafts delegated acts.

TvAB supplies 230 000 customers with the following products and services; district heating, district cooling, electricity, drinking water, wastewater treatment, biogas and broadband. The electricity production is generated in Combined Heat and Power plants (CHP), hydropower plants, wind turbines and PV plants. Heat is generated in resource efficient CHP plants and by use of residual heat from industries.

The use of fossil fuels has successively been replaced by biogenic waste from households and industries together with locally sourced residues from forestry operations (tops, branches, thinnings and wood that is unsuitable for construction). With this long-term stable use of renewable sources, TvAB will meet the new sustainability criteria in the Renewable energy directive (EU 2018/2001) that are yet to be implemented in Sweden. The use of bioenergy gives a substantial contribution to climate change mitigation, in accordance with article 10.1 in the regulation (EU) 2020/852. The sourcing of biofuels also contributes to the local economy and creates long term employment in rural areas.

TvAB strongly opposes the description of the use of bioenergy as a “transitional activity” as it is classified in the draft delegated acts. Resource efficient CHP-production is capital intensive and require long-term investments. Defining these activities as transitional will lead to a significantly reduced opportunity for the plants to obtain green capital. To be able to continue the transition towards a long-term sustainable future, with plans for future investments, we strongly believe the use of bioenergy is crucial. The classification as transitional also means that research, development and innovation linked to bioenergy is not considered as a sustainable activity, which we believe is not acceptable. Bioenergy that meet sustainability criteria set should be recognised as a long-term renewable source and environmentally sustainable activity.

In at least a medium-term perspective there will still be a major challenge to minimise the amount of non-recyclable household and industrial waste being put on landfills. Due to that TvAB believes that it is important that there are alternative solutions in place. Energy recovery from waste is a resource efficient solution that therefore should be included in the Taxonomy. It is not only a matter of efficiently taking care of resources that otherwise would be lost. It is also an important substitution to fossil fuels and a method to detoxify the eco-cycle.

TvAB welcomes that hydropower is considered as a sustainable technology that contributes to climate change mitigation. However, with the delegated acts proposed technical screening criteria and the general assessment there is a risk that hydropower will not be considered as fully sustainable. We also argue that the specific requirements listed under “Sustainable use and protection of water and marine resources” are removed and replaced by a reference to the Water Framework Directive.

TvAB would also like to stress that biogas is a long-term sustainable substitute to fossil gas, with an important role to play in the circular economy. It also has an important role to play in the transition of the transport sector towards a long-term sustainable situation. It is therefore not reasonable that the Taxonomy excludes technology that can have a lower LCA-impact than battery vehicles. In order to be able to use renewable and sustainable advanced fuels, such as biogas, manufacturing of efficient vehicles designed to run on these fuels need to be considered sustainable. Biogas should also be considered as enabling activity, regardless of end use.