Vattenfall a state-owned power enterprise – sustainability targets

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Auditing state-owned enterprises

- Swedish NAO has audited state-owned enterprises since 2003
- A strategy on the government’s role in the market, included for example
  - Train delays – causes, responsibilities and measures (RiR 2013:18)
  - The government and the telecom market (RiR 2013:5)
  - The State in the Electricity Market – Interventions for a Functional Electricity Transmission System (RiR 2013:3)
Audit questions

› Are Vattenfall’s sustainability targets, plans and implementation directed towards being a commercially and leading company in developing environmentally sustainable energy production?

› Is the Governments’ management and monitoring of Vattenfall’s commitment and sustainability targets designed so that conditions are created for generating a rate of return in the long term for the State?

› Has the Government informed the Parliament of Vattenfall’s strategies for fulfilling their commitment and contribution to the EU targets?
Audit criterias

› Vattenfall’s Articles of Association
› The Swedish State’s Ownership Policy
› The UN two degree target and EU targets
› Vattenfall’s sustainability targets
Vattenfall’s sustainability targets

› Lower carbon dioxide (CO₂) exposure
› Growth in renewable electricity generation
› Energy efficiency (*not included in the audit*)
Methods

› Interviews and document studies

› Consultant
Vattenfall a state-owned power enterprise – sustainability targets

**CO₂ emissions**

<table>
<thead>
<tr>
<th>Year</th>
<th>Emissions (million tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>80</td>
</tr>
<tr>
<td>2010</td>
<td>80</td>
</tr>
<tr>
<td>2011</td>
<td>76</td>
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<tr>
<td>2012</td>
<td>72</td>
</tr>
<tr>
<td>2013</td>
<td>68</td>
</tr>
<tr>
<td>2014</td>
<td>64</td>
</tr>
</tbody>
</table>

**Target:** 65 million tonnes by 2020

**Average growth in renewable capacity**

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vattenfall average 2013-2014</td>
<td>6</td>
</tr>
<tr>
<td>Market 2013¹</td>
<td>15</td>
</tr>
</tbody>
</table>

¹: Data source not specified.
Main results

› Relevant sustainability targets
› The CO$_2$ target doesn’t lead to actual emission reductions
› The renewable energy target doesn’t increase produced renewable energy
› Insufficient measures to reduce carbon dioxide
› No clear strategy
› Insufficient R&D
Lessons learned

› Business confidentiality
› Consultant preparations and checks