



Press and Information

Court of Justice of the European Union
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Judgment in Case C-573/12
Ålands Vindkraft AB v Energimyndigheten

The Swedish support scheme promoting green energy production in the national territory is compatible with EU law

Member States are not required to support the production of renewable energy in other EU States

The Renewable Energy Directive¹ allows Member States to support the production of green energy. Under that directive, Member States which grant benefits to producers are not required to support the use of green energy produced in another Member State.

In Sweden, green electricity production installations located on the national territory may be awarded electricity certificates. Those certificates may then be sold to electricity suppliers or to certain users, who are under an obligation to hold a certain number (quota) of certificates, corresponding to a proportion of the total quantity of electricity supplied or consumed, failing which they must pay a fee. The sale of those certificates enables producers of green electricity to receive income additional to that derived from the sale of electricity. Accordingly, the additional cost of producing green electricity, whose production costs are still higher than those for electricity produced from non-renewable sources of energy, is borne by the suppliers and the consumers.

Ålands Vindkraft applied to the Swedish authorities for electricity certificates in respect of its wind farm in the Åland archipelago, in Finland. The application was refused on the grounds that only green electricity production installations located in Sweden may be awarded such electricity certificates.

Ålands Vindkraft challenged that administrative decision before the Swedish courts, arguing that the principle of the free movement of goods precluded the Swedish electricity certificates scheme. According to Ålands Vindkraft, the effect of the scheme is that approximately 18% of the Swedish electricity consumption market is reserved to green electricity producers located in Sweden, to the detriment of electricity imports from other Member States.

The förvaltningsrätten i Linköping (Administrative Court, Linköping, Sweden), the court hearing the action, asked the Court of Justice whether the Swedish electricity certificates scheme is compatible with EU law.

In today's judgment, the Court finds, first of all, that the Swedish green certificates scheme is a support scheme which falls within the scope of the Renewable Energy Directive in so far as it supports the production of green electricity. The Court notes that the directive does not require Member States which have opted for a support scheme to extend that scheme to cover green electricity produced on the territory of another Member State. Accordingly, **the Swedish support scheme is compatible with the directive.**

Secondly, the Court notes that the support scheme at issue **is capable of hindering imports of electricity from other Member States**, especially green electricity. Suppliers and users are required to purchase certificates in proportion to the electricity that they import if they wish to avoid having to pay a specific fee. Also, the possibility for producers of green electricity from Sweden to

¹ Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (OJ 2009 L 140, p. 16)

sell their certificates together with the electricity that they produce, as a package, facilitates the opening of negotiations and the establishment of contractual relationships concerning the supply of national electricity to suppliers or electricity users. It follows that **the scheme constitutes a restriction of the free movement of goods.**

However, the Court finds that **the restriction is justified by the public interest objective of promoting the use of renewable energy sources** in order to protect the environment and combat climate change. In that context, the Court acknowledges that, for the purposes of attaining the objective pursued, the measures promoting the transition to green energy justifiably target the production stage rather than the consumption stage. In the same way, the Court concedes that, as EU law currently stands, Sweden was legitimately able to consider that, for those purposes, the national support scheme should be reserved to the national production of green electricity. The Court notes in particular that the support scheme is necessary in order to foster, from a long-term perspective, investments in green energy.

In those circumstances, the Court rules that **the Swedish support scheme is also consistent with the principle of the free movement of goods.**

NOTE: A reference for a preliminary ruling allows the courts and tribunals of the Member States, in disputes which have been brought before them, to refer questions to the Court of Justice about the interpretation of EU law or the validity of a European Union act. The Court of Justice does not decide the dispute itself. It is for the national court or tribunal to dispose of the case in accordance with the Court's decision, which is similarly binding on other national courts or tribunals before which a similar issue is raised.

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The [full text](#) of the judgment is published on the CURIA website on the day of delivery.

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