



# Buying green electricity in Växjö, Sweden

## Background

The municipality of Växjö has for a long time successfully worked with environmental issues. One of the issues in focus has been to work for a “Fossil fuel free Växjö”. In 1996, the executive committee of Växjö municipality unanimously decided to stop using fossil fuels in the activities of the municipality. To reach these goals, it was necessary to shift from fossil fuels to bio energy in the heating and transport sector. The municipality needed, and still need, to put more effort into energy efficiency. Since 1996 a lot of work has been done to reduce the use of fossil fuels. It is mainly in the heating sector that the use of fossil fuels has decreased. In the transport sector and energy supply sector effort has been taken but the decrease of fossil CO<sub>2</sub> emissions is not as great as in the heating sector.

## Objectives

As part of the work for a “Fossil fuel free Växjö” the municipality decided to buy green electricity in a “power portfolio”. The overall aim of buying green electricity was to reduce the fossil CO<sub>2</sub> emissions from energy consumption and to act as a role model for the municipality inhabitants and companies.

Procurement of electricity supply was carried out in 2003. In the environmental policy at the time green procurement was one of the prioritised issues that the municipality was to focus on. And it was expressed in the Agenda 21 strategy that the municipality should buy the most environmental friendly products and services (from a life cycle point of view). It was also expressed in the Agenda 21 strategy that if it was legally difficult to set environmental requirements for a procurement action, Växjö municipality was to act for a change in procurement regulations, to make it possible to set standards on for example green electricity or transports of purchased products.

## Implemented measures

The call for tenders on electricity was announced early year 2003. There were eight obligatory requirements in the call for tenders. One of the obligatory requirements was that the energy supplier had to offer green electricity. The green electricity required was “Good environmental Choice eco labelling of electricity supplies” according to the Swedish Society for Nature Conservation definition. Only electricity supplies based on renewable types of energy was/is eco-labelled. In this category solar, wind, water and biofuel were included.

The Swedish Society for Nature Conservation describes the aim of eco-labelled electricity as:

- to speed up the conversion from nuclear power and fossil fuels to renewable energy sources
- to prevent the continued expansion of hydroelectric power stations and speed up measures that reduce the harmful effects hydroelectric power stations have on the environment
- to increase the proportion of solar power, biofuel and wind power in the energy system in a way that reduces the harmful effects that electricity production has on the environment



See also the Swedish Society for Nature Conservation criteria for Good Environmental Choice labelling for electricity supplies at this webpage: [www.snf.se/pdf/bmv/bmv-electricity-crit.pdf](http://www.snf.se/pdf/bmv/bmv-electricity-crit.pdf)

In the call for tenders Växjö municipality announced that from 1 January 2004 it would only purchase electricity meeting the standards of the “Good environmental Choice” ecolabel for electricity. All electricity that the municipality is using should be renewable.

## Results and impacts

Six units took part of the procurement; Växjö municipality and five of the municipally owned companies. The five companies are Hyresbostäder AB, Vidéum Fastigheter AB, Vidingehem AB, Växjö Fastighetsförvaltning AB and Växjöhem AB (all housing companies). Since 2004 all of the electricity bought in the municipality and the companies has been green electricity.

There were four companies submitting offers. No complaints or reservations about the environmental requests were brought up by any company (neither those submitting tenders nor other companies).

The extra cost for green electricity is currently 6 Swedish kronor/MWh (about 0.6 €/MWh), which gives Växjö municipality and the municipality owned companies an extra cost of 500,000 Swedish kronor per year (€50,000 per year). The energy consumption is about 97,000 MWh/year.

## Transferability and lessons learned

Referring to the criteria for Good Environmental Choice labelling for electricity supplies brought no problem in the above described procurement. It was clearly described in the call for tenders how much electricity the municipality and the companies bought every year and what kind of electricity was wanted.

The green electricity does cause a higher cost but the municipality and the companies are putting a lot of effort in energy saving measures which keep the energy costs down.

## Contacts

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