

# The Norwegian CCS-story

## The tragedy of Norwegian Climate Policy

Elin Lerum Boasson, Senior Researcher CICERO  
Presentation for the

# Content

- National climate policy research challenges
  - Why do we need a multi-sphere framework?
- Why has Norway produced highly varying climate policies in the 2000-2010 period ?
  - Carbon Capture and Storage, renewable electricity and energy policy for buildings
- Specifying three spheres
  - Organizational fields
  - Political spheres
  - The European environment
- Conclusions and important research questions

# National climate research challenges

1. To what extent and how do industry, civil society groups and governmental organizations influence policy outcomes?
  - Segmentation versus pluralists/network scholars
2. To what extent and how do politicians have independent influence?
  - Not common to investigate this
3. To what extent and how does EU play into national processes?
  - Nation states tend to be regarded as closed systems

# 3 Norwegian case outcomes

| Policy criteria       | Technology development   | Economic criteria  |
|-----------------------|--|--|
| <b>State steering</b> |  |  |
| <b>Indirect</b>       | 1) Technology standards<br>ENERGY POLICY FOR BUILDINGS:<br>Energy Requirements in the<br>Building Code   | 2) Market Instruments<br>RENEWABLE ELECTRICITY: Green<br>certificate scheme<br>ENERGY POLICY FOR BUILDINGS:<br>Energy Certificate Scheme |
| <b>Direct</b>         | 3) Governmental Industry<br>Development<br>CCS: Technology-specific state aid,<br>Ban on fossil power plants without<br>CCS<br>ENERGY POLICY FOR BUILDINGS: :<br>Housing Bank Measures | 4) Cost-minimizing state aid<br>ENERGY POLICY FOR BUILDINGS:<br>Enova State Aid Scheme   |

Norway hardly had any industry specific climate policies in year 2000, why do we see this explosion in the 2000 – 2010 period?

# Why multi-sphere?

- Enables exploration of how different local, social orders, influence behaviour
  - Moves beyond rationality assumptions
- Enables exploration of how multiple social systems functions and interact over time
  - Builds on multi-level governance theory
- Captures the whole policy cycle
  - Initiation, decisions, implementation and revision
- Each sphere has a distinct societal architecture
  - May change over time

# Organizational field

- Actors
  - Ministries, agencies, regulators, industry, business associations, environmental org.
- Structural resources
  - Authority distribution vary from issue to issue
  - Industry tends to have an information advantage
- Institutional logics
  - Market
  - Minimizing societal costs
  - Technology development

# Climate policy logics

|  | <b>Market</b>   | <b>Minimizing societal costs</b>                         | <b>Technology development</b>  |
|--|---|--|--|
| <b>Basic assumptions</b>                                 | Corporations maximize profits   | Corporations reap all the profit they can                | Expected increases in demand will have to be met by installed capacity |
| <b>Climate reducing measures will be introduced when</b> | More profitable than other investments  | Profitable   | Climate technologies are mature  |
| <b>The role of government</b>                            | Correct market mistakes and ensure that low-carbon activities are more profitable than other activities | Ensure that the least costly measures are executed first | Support technological improvement of a whole range of technologies     |

# Research question 1

- Did differences in the involved organizational fields lead to varying Norwegian climate policy outcomes?
  - Did the organizational field of petroleum underpin governmental industry development of CCS?
  - Did the organizational field of energy underpin a green certificate scheme?
  - Did the organizational field of building construction underpin a broad menu of measures?

# National political sphere

- Actors
  - Parliament, government, political parties
- Structural resources
  - Authority distribution vary from issue area to issue area
  - Information distribution tends to follow authority distribution
- Institutional features, *modus operandi*
  - Political competition
  - Garbage can

# Political *modus operandi*

| Implications  | Political competition   | Garbage Can   |
|---|---|---|
| <b>Basic assumption</b>                                       | Politicians relate to simplified lines of conflict, develop rather clear and stable positions and seek to win political discussions | Politicians have ill-defined preferences, lack a clear understanding of the policy they govern, and their involvement is influenced by a range of factors, such as timing |
| <b>Politicizing</b>   | High  | Low   |
| <b>Climate measures will be introduced when</b>               | It is supported by a majority, and not in conflict with other objectives  | When nobody will notice<br>When it has symbolic importance  |
| <b>Guiding institutional logics will shift as a result of</b> | Changes in coalitions, elections, implementation failure  | Unpredictable   |

# Research question 2

- Did differences in the national political sphere lead to varying Norwegian climate policy outcomes?
  - Do the political CCS sphere underpinned governmental industry development?
  - Do the political energy sphere underpinned market steering of renewable energy?
  - Do the political building sphere underpinned a broad menu of energy policy for buildings measures?

# The European environment

- Actors
  - all actors in national organizational fields+ national political spheres+ EU fields and EU politics relating to the issue area
- Structural resources
  - May be concentrated (in Brussels) or distributed
- Institutional policy models
  - One policy model may dominate, or several may compete

| <b>Institutional pattern</b><br><b>Structural pattern</b> | <b>Structural power gathered in Brussels</b>   | <b>Structural powers dispersed across Europe</b>  |
|---|--|---|
| <b>One Dominant Model/Policy Approach</b>                 | <b>1) EU Governs</b><br>Example: EU Emissions Trading System 2013 – 2020<br><br><i>National spheres have little importance</i>   | <b>2) Natural harmonization</b><br>Example: Diffusion of Feed-in support schemes in Europe<br><br><i>National spheres are important</i> |
| <b>Different Models/Policy Approach</b>                   | <b>3) Unpredictable EU Governing</b><br>Example: Environmental State Aid Guidelines<br><br><i>National spheres are important</i> | <b>4) Let a thousand flowers bloom</b><br>Example: Energy Policy for Buildings<br><br><i>National spheres are important</i>             |

# Research question 3

- Did differences in the European environment lead to varying Norwegian climate policy outcomes?
  - Did governmental industry development of CCS dominate in Europe?
  - Did green certificates dominate in Europe?
  - Was a broad portfolio of energy policy adopted all over Europe?

# CCS

- Organizational field of petroleum
  - Strong: resisted CCS intervention
- The political sphere
  - Strong: the governments needed CCS compromise
- The European environment
  - Weak: open to interpretation
- Conclusion: the politicians determined the policy outcome, but did not achieve actual use of CCS

# Renewable electricity

- Organizational field of energy
  - Rather weak: clash of logics
- The political sphere
  - 2000 – 2005: Weak
  - 2005 – 2010: Strong
- The European environment
  - Weak: Statkraft introduced special interpretation
- Conclusion: the lines of conflict was shaped by the field, the politicians were slow to react

# Energy policy for buildings

- Organizational field of building construction
  - Weak: many experts engage more than needed
- The political sphere
  - Weak: Hardly engages beyond setting a vague target
- The European environment
  - Weak: Much debate in the EU, little EU steering
  - NB! Energy Certificate Scheme
- Conclusion: all the experts got it their way, but the many measures lacked coordination

# Importance of varying spheres

- Organizational fields
  - Is the most important when
    - Concentrated structural resources + one logic dominates
- The political sphere of CCS
  - It is the most influential when
    - Dispersed structural resources + political competition
- The European environment
  - Is *not* always important, its impact largely relies on national entrepreneurs
  - It is the most influential when
    - Concentrated structural resources+ one policy model dominate

# Conclusions, this far

- The strongest sphere will influence the policy outcome the most
  - National political spheres and national organizational fields tend to be more important than the European environment
  - But also weak spheres may influence, especially at critical junctures
  - Two spheres may be strong: clash of giants
  - All spheres may be weak: all (and nobody) wins
- How and to what extent will the different spheres influence each other over time?
- How, when and to what extent are entrepreneurs important?

# Thanks!