

European Commission
Directorate-General for Competition
For the attention of the Antitrust Registry
1049 Bruxelles/Brussel
BELGIQUE/BELGIË

Vantaa 7.9.2011

Kimmo Heikkinen
Kalliolaaksontie 5
01200 Vantaa
Finland
kimmo.heikkinen@pp5.inet.fi

Dear Sirs,

RE: Infringement of competition rules and application of state aid rules

I am contacting you since there are peculiarities attached to a building project of new waste incinerator plant which is planned to be built in Finland at Vantaa at Långmossebergen. I am an inhabitant of the Municipality of Vantaa which is the city where new plant is planned to be located.

The waste incinerator plant is ordered by:

HSY Waste Management
P.O. Box 100,
FI-00066 HSY
Finland
Street address: Opastinsilta 6 A, FI-00520 Helsinki
Exchange: +358 9 15611 (available 8:30 am to 4 pm)
Fax: +358 9 1561 2011
www.hsy.fi/en

HSY Waste Management is a public entity which among other duties is responsible to administer waste management in Helsinki and Vantaa and at various other municipalities.

The waste incinerator plant will be delivered and operated by:

Vantaa Energy Ltd
P.O. Box 95, FIN-01301 Vantaa, Finland
Street address: Peltolantie 27, Tikkurila
Tel. +358 (9) 829 01
Fax +358 (9) 826 517
www.vantaanenergia.fi/en

Vantaa Energy Ltd is one of Finland's largest urban energy companies. The company is owned by the City of Vantaa (60%) and the City of Helsinki (40%). Vantaa Energy produces and sells electricity and district heating. In addition, it offers natural gas for the requirements of industry. The company is responsible for the construction and maintenance of district heating networks in Vantaa.

The complaint concerns the way how this project has been progressing and how the HSY Waste Management together with main owner the City of Vantaa has favoured Vantaa Energy Ltd in the waste incinerator plant project. The approach is creating a situation in which these two biggest municipalities have secured a continuation of almost monopolistic position not only in waste management but also as an energy producer, especially on district heating networks.

The way how the tender of waste incinerator plant was designed and completed already raised big question marks. First of all, Vantaa Energy is now allowed to build at the same site a gas power plant which will be built there without any tender. Other applicants had not the same opportunity. The tender process cannot be regarded impartial when an applicant can improve the profitability of the waste incinerator plant by building at the same site also power plant using natural gas. In the tender of waste incinerator plant there was no details given that such a combination plant would be possible to build there, the tender was made only for waste incinerator plant.

Secondly, the waste incinerator plant is designed to be so big that Finland cannot in the long run produce enough waste for its optimum use. The waste must be imported from other EU countries and that is why this indirectly subsidised plant will gain unfair competitive edge over other similar plants in EU.

Thirdly, tender only concerned a waste incinerator plant which is not allowed to use hazardous waste. Now Vantaa Energy Ltd is seeking permission to burn also such waste and it has received political support from both cities.

Fourthly, the city of Vantaa has decided to support the plant by guaranteeing fully all the loans which are needed for this new plant. Again, such support to reduce the capital costs of other applicants was not available for other applicants. The target is to add new waste incinerator plant's competitiveness against other waste service/disposal companies in Finland and abroad.

Fifthly, the value of the project has also increased significantly during the project. The few piece of information I have had about the monetary value of the project is that the value has increased by tens of millions euros. If the original tender would have properly noted the true value of the project as well as the possibility to combine totally separately operated power plant using natural gas to waste incinerator plant, I am sure the tender would have interested more widely than it did.

I consider that the above actions and how the project has been loaded with additional competitive benefits after the tender, will create a market disturbance. Such direct and indirect support from public authorities and big local cities to the companies they own will make it possible for those companies to compete unfairly with other operators in the same branch. The seriousness in this case is underlined by the fact that HSY Waste Management is also controlled by the same cities which own Vantaa Energy Ltd (planned operator). The links between Vantaa Energy Ltd through its ownerships structure, with both HSY Waste Management and the cities of Vantaa and Helsinki create a web which now resulting in great competitive disadvantage for the other operators in waste management which need to try to compete with this new waste incinerator plant.

I ask you kindly to investigate Vantaa Långmossebergen waste incinerator plant project and review what are the infringements and then take all the necessary actions and proceedings so that the project would be in accordance with the EU competition legislation. I ask you also to investigate if the above actions would effect Vantaa Energy Ltd's possibility to have any EU subsidies for this project.

I and some other individuals have also contacted Finnish Competition Authority and asked them to investigate any possible infringements of local Finnish law: The contact details of Finnish Competition Office are:

Postal address: P.O.B. 332, FIN-00531 Helsinki

Tel: +358 9 731 41

Fax: +358 9 7314 3328 (faxes for specific units, see below)

E-mail: Registry: kirjaamo@kilpailuvirasto.fi

Visiting address: Pitkäsillanranta 3 A, FIN-00530 Helsinki

The following documentation is attached in Finnish:

- 1) Vantaa City Government 14.2.2011 – Decision of loan guarantee
- 2) HSY Waste Management's predecessor's YTV's Board's decision of waste incinerator plant's operator
- 3) Decision concerning Vantaa Energy's license to operate waste incinerator plant

All this is provided to you in good faith and in accordance to the best knowledge I have about the subject.

Yours sincerely,



Kimmo Heikkinen