“United in delivering the Energy Union and Climate Action - Setting the foundations for a successful clean energy transition”

Karlis Goldstein, DG ENER C3
EPEE, 5 September 2019
GOVERNANCE REGULATION - A ROBUST GOVERNANCE TO MEET 4 OBJECTIVES

- Meet Energy Union objectives (notably the 2030 targets)
- Ensure Better Regulation and reduce administrative burden
- Allow for investor certainty and predictability
- Synchronise planning and reporting cycles with Paris Agreement

2030 FRAMEWORK FOR CLIMATE AND ENERGY AGREED TARGETS

<table>
<thead>
<tr>
<th>YEAR</th>
<th>GREENHOUSE GAS EMISSIONS</th>
<th>RENEWABLE ENERGY</th>
<th>ENERGY EFFICIENCY</th>
<th>INTER-CONNECTION</th>
<th>CLIMATE IN EU-FUNDED PROGRAMMES</th>
<th>CO2 FROM:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>-20%</td>
<td>20%</td>
<td>20%</td>
<td>10%</td>
<td>2014-2020 20%</td>
<td></td>
</tr>
<tr>
<td>2030</td>
<td>≤ -40%</td>
<td>≥ 32%</td>
<td>≥ 32.5%</td>
<td>15%</td>
<td>2021-2027 25%</td>
<td>CARS -37.5% Vans -31% Lorries -30%</td>
</tr>
</tbody>
</table>

Upwards revision clause by 2023

STATE OF PLAY OF NECPS

- 28 submitted draft NECPs
- An overview table with link to the national webpages and notified draft NECPs published on the Energy Union website
- Commission has provided courtesy translation in English for almost all draft NECPs

ASSESSMENT

BINDING 2030 NON-ETS TARGETS FOR EACH MEMBER STATE: WHERE DO WE STAND?

National non-ETS targets correspond to -30% compared to 2005 in EU
Current projections based on the draft NECPs is 28% reduction
ASSESSMENT

DECARBONISATION: GREENHOUSE GAS EMISSIONS AND REMOVALS

Need to clarify or increase policies in non-ETS sectors, in particular in transport, buildings, agriculture and land use and forestry sectors (recommendation for 16 Member States)

Need for better non-ETS planning over the whole period 2021-30, including use of flexibilities (recommendation for 16 Member States including for 9 to consider if transfers to other Member States could play a role in supporting investments)

Clarification needed on the contribution of the LULUCF sector including applying its accounting rules (recommendation for 9 Member States). The technical recommendations to all MS on the draft National Forestry Accounting Plans (NFAPs) can help

Many but not all Member States with climate adaptation goals have included them in the draft plans. Few have provided details on the links with energy supply security
The gap for Renewable could be as big as 1.6 percentage points
There is a gap at EU level for target achievement. MS to reconsider ambition to ensure the gap is closed. Need to comply with Transport and H&C sectorial targets.

Need for robust information on policies and measures (to demonstrate that they are adequate to deliver the proposed contributions, notably the 2022 first reference point).

Need for details on e.g. planned auctions, measures for self-consumption, renewable energy communities, power purchase agreements, simplification of administrative procedures.

- All 28 MS received recommendations related to renewable energy.
The gap for Energy efficiency could be as big as 6.2 percentage points (PEC) or 6 percentage points (FEC)
ASSESSMENT

ENERGY EFFICIENCY - AT LEAST 32.5% ENERGY EFFICIENCY BY 2030

National contributions to be clarified and to better reflect the impact of policies, national circumstances and savings potentials

Need for policies and measures with an adequate scale and timeline, to demonstrate that they are sufficient to deliver the proposed contributions

Role of the heating and cooling sector to be detailed by the comprehensive assessments by 31.12.2020

Need for integrating Annex III (energy savings to be achieved under Article 7 of the Energy Efficiency Directive) and the long-term building renovation strategy

- All 28 MS received recommendations related to energy efficiency
Need for public and private funding to deliver yearly additional investment of around **EUR 260 billion**. A range of EU funds can help.

Figures derived from the EUCO32-32.5 scenario (in line with key technology assumptions of the EUCO family scenarios)
RECOMMENDATIONS

Each member state received between 8 and 11 country-specific recommendations.

- Level of ambition and policies in view of the 2030 Renewables and Energy Efficiency targets
- Planning and policies to achieve the 2030 greenhouse gas target for sectors not covered by the EU emissions trading system
- Energy security; Internal energy market; R&I and competitiveness
- Regional cooperation
- Investments; Phase-out of energy subsidies, in particular for fossil fuels
- Interactions with air quality/ air pollutant emissions
- Just transition and energy poverty
NEXT STEPS

7 PRIORITY AREAS IN VIEW OF THE FINAL NECPS

- Close all 2030 “ambition” gaps
- Close all “policy” gaps
- Strengthen “whole of government” approach
- Reinforce regional cooperation
- Use NECPs to support industry, competitiveness and innovation
- Use NECPs to attract investment and identify financing opportunities
- Integrate the social dimension
- Factor-in the long-term vision
**NEXT STEPS**

**ITERATIVE PROCESS**

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Draft Plans</strong> (Dec '18)</td>
<td><strong>Commission: Assessment of draft NECPs</strong> (18 June '19)</td>
<td><strong>Final Plans</strong> (Dec'19)</td>
<td><strong>Member States’ long term strategy</strong> (Jan '20)</td>
</tr>
<tr>
<td><strong>Commission assessment and country recommendations</strong></td>
<td><strong>2019 ITERATIVE AND POLITICAL PROCESS WITH MEMBER STATES</strong></td>
<td></td>
<td><strong>1st year covered by final plan</strong></td>
</tr>
<tr>
<td><strong>Continued public consultation, including at local and regional levels</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Multi-level dialogue**

**Regional cooperation (continuing also during the phase of implementing national plans)**

**Technical exchanges with the Commission (Technical Working Group, bilateral meetings, etc.)**

**Discussion at the Council**
What happens after the notification of the final NECPs?

(Art 13.a): Commission to assess whether the objectives, targets and contributions are sufficient for the collective achievement of the Energy Union objectives

(Art 13.b): Commission to assess whether final NECPs comply with requirements of Articles 3 to 12 and Member States have taken due account of the Commission recommendations

(Art 31.3): Commission to propose measures and exercise its powers at Union level in case objectives, targets and contributions of the final NECPs are insufficient
THANK YOU!