The view from the EU: the Integrated National Energy and Climate Plans

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

Energy Transition in SE Europe: Policy and Investment Challenges
European Commission, Bucharest, 16 October 2019
# 2030 TARGETS AND GOVERNANCE

**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>CARS -37.5%</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>Vans -31% Lorries -30%</td>
</tr>
</tbody>
</table>

*Upwards revision clause by 2023*

*Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action*
INTEGRATED NATIONAL ENERGY AND CLIMATE PLANS

Section A
NATIONAL PLAN

1. Overview and Process for Establishing the Plan

Section B
ANALYTICAL BASIS

1. Overview and Process for Establishing the Plan

ENERGY UNION DIMENSIONS

Decarbonisation
Energy efficiency
Energy security
Internal market
R&I and Comp. ness

2. National Objectives and Targets
3. Policies and Measures
4. Current Situation and Reference Projections
5. Impact Assessment of Policies and Measures (including investment)
DRAFT NATIONAL ENERGY AND CLIMATE PLANS

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

COMMISSION ASSESSMENT OF DRAFT NECPS

Chapeau Communication (COM(2019) 285)

28 sets of Country-specific recommendations

28 Staff Working Documents assessing the submitted draft NECPs and substantiating the recommendations

Accompanying Staff Working Document (2019) 212 includes the methodology for the assessment of greenhouse gases reductions and renewables and energy efficiency ambitions.

COMMISSION 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

Each member state received between 8 and 11 country-specific recommendations.
ASSESSMENT: EU-WIDE 2030 TARGETS

**Greenhouse gas emissions**: based on planned policies and stated ambition levels in line with -40% target below 1990. In non-ETS sectors, corresponding target -30% below 2005, projection of aggregated draft plans: -28%.

**Renewables**: gap at EU level for 32% target achievement which could be as big as 1.6 percentage points.

**Energy efficiency** the gap to 32.5% could be as big as 6.2 percentage points (PEC) or 6 percentage points (FEC).

Effective implementation of all 2030 targets and legislation could lead to -45% greenhouse gas emissions.
GREECE - National targets and contributions foreseen in the draft National Energy and Climate Plan

Greenhouse gas emissions under the Effort Sharing Regulation (ESR)* (compared to 2005) [%]

2017-interim target 2020 target 2030 target
-5% -4% -16%
-25% -29% -29%

Energy efficiency: Primary and final energy consumption [Mtoe]

Renewable energy: share in gross final energy consumption [%]***

ASSESSMENT: DECARBONISATION

Need for better non-ETS GHG planning over the whole period 2021-30, including use of flexibilities, for Bulgaria, Romania, Greece to consider if transfers to other Member States could play a role in supporting investments.

Member States to reconsider renewables ambition to ensure the gap is closed. Need to comply with Transport and Heating&Cooling 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).

16+ 8 MS received recommendation related to GHG

- All 28 MS received recommendations related to renewable energy: Romania to significantly raise the ambition level to at least 34%
Romania - National targets and contributions foreseen in the draft National Energy and Climate Plan

National contributions to be clarified and to better reflect the impact of policies, national circumstances and savings potentials. **Contributions of Romania and Greece considered very low.**

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

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; **Romania and Greece to substantially increase ambition**
ASSESSMENT: ENERGY SECURITY

- Energy security is generally not adequately reflected in the NECPs.
- MS to set **clearer national objectives and measures** related to diversification, supply from third countries, import dependency, system resilience and flexibility.
- Links with **emergency plans for oil, gas and electricity** should be explored.

- **Romania** to specify the measures supporting the energy security objectives on diversification and reduction of energy dependency, in particular measures ensuring flexibility and a robust gas diversification strategy, and those related to the foreseen role of nuclear.

- 23 MS incl. EL and RO received recommendations related to energy security aspects.
ASSESSMENT: JUST TRANSITION

- NECPs need still to be reinforced on just transition aspects by including structured approach to social and employment impacts
- Social dimension needs to be fully integrated from the outset
- Assessing carefully social, territorial and employment impacts is essential
- Assessment of number of energy poor households and objectives to reduce this number if significant

- Romania to elaborate on the measures to address the structural changes for the mono-industrial regions such as those depending on the coal industry.

- 28 MS received recommendations on just transition (23 on energy poverty aspects)
EU-WIDE INVESTMENT NEEDS

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)
### SUPPORT TO CLEAN ENERGY – THE FIGURES

<table>
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<tbody>
<tr>
<td><strong>Main energy-relevant programmes</strong></td>
<td></td>
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<tr>
<td>Connecting Europe Facility - Energy</td>
<td>8.650</td>
<td>4.163</td>
</tr>
<tr>
<td>ITER</td>
<td>6.070</td>
<td>2.910</td>
</tr>
<tr>
<td>Nuclear Decommissioning (Lithuania)</td>
<td>552</td>
<td>451</td>
</tr>
<tr>
<td>Nuclear safety and decommissioning (incl Bulgaria and Slovakia)</td>
<td>626</td>
<td>883</td>
</tr>
<tr>
<td>LIFE Programme</td>
<td>5.450</td>
<td>3.170</td>
</tr>
<tr>
<td>of which Clean Energy sub-programme</td>
<td>1.000</td>
<td>-</td>
</tr>
<tr>
<td>InvestEU</td>
<td>14.725</td>
<td></td>
</tr>
<tr>
<td>Horizon Europe</td>
<td>97.600</td>
<td>66.034</td>
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<tr>
<td>ERDF</td>
<td>226.308</td>
<td>193.398</td>
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<tr>
<td>Cohesion Fund</td>
<td>46.692</td>
<td>74.589</td>
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<tr>
<td><strong>Other programmes that might benefit energy</strong></td>
<td></td>
<td></td>
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<tr>
<td>Euratom Research and Training Programme</td>
<td>2.400</td>
<td>2.085</td>
</tr>
<tr>
<td>Neighbourhood, Development and International Cooperation Instrument</td>
<td>89.500</td>
<td>70.428</td>
</tr>
<tr>
<td>Instrument for pre-accession Assistance</td>
<td>14.500</td>
<td>12.799</td>
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<tr>
<td><strong>non-MFF programmes</strong></td>
<td></td>
<td></td>
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<tr>
<td>Innovation Fund</td>
<td>10.000</td>
<td></td>
</tr>
<tr>
<td>Modernisation Fund</td>
<td>6.000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL MFF (of which 25% Climate mainstreaming)</strong></td>
<td><strong>1.279.408</strong></td>
<td><strong>1.063.101</strong></td>
</tr>
</tbody>
</table>

† Auctioning revenues EU Emissions trading system (in the year 2018 EUR 14 billion)
By 1 January 2020 each Member State shall prepare and notify its Long-Term Strategy (LTS) with a perspective of at least 30 years.

Member States' long-term strategies should contain the elements set out in Annex IV.

The NECPs shall be consistent with the national and EU long-term strategies referred to in Article 15.

Commission to provide support and guidance and to assess whether the national LTS are adequate for the collective achievement of the objectives of the Energy Union.
ASSESSMENT: REGIONAL COOPERATION

- 28 MS received recommendations on regional cooperation

• Romania and Greece to intensify regional cooperation
• with neighbouring Member States
• and within established regional cooperation frameworks such as the Central and South-Eastern Europe Energy Connectivity (CESEC) High Level Group

• There is significant potential to further cooperate, including the need to accommodate higher shares of renewables and clean transport, which could impact electricity interconnections and trading in the region
CLEAN ENERGY FOR ALL EUROPEANS

2021

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

Commission assessment and country recommendations

Multi-level dialogue

Continued public consultation, including at local and regional levels

Discussion at the Council

2018

2019

2020

2021

Draft Plans (Dec '18)

Commission: Assessment of draft NECPs (18 June '19)

Final Plans (Dec'19)

Member States’ long term strategy (Jan '20)

1st year covered by final plan

2019 ITERATIVE AND POLITICAL PROCESS WITH MEMBER STATES

NEXT STEPS

ITERATIVE PROCESS
THANK YOU!