

2020 General Policy Guidelines on the 2030 Targets and Climate Neutrality for the Energy Community and its Contracting Parties

INTRODUCTION

At its meeting in November 2018, the Ministerial Council adopted General Policy Guidelines on 2030 Targets for the Contracting Parties of the Energy Community. The Guidelines represented the political consensus on the establishment of three distinct 2030 energy and climate targets: a target for energy efficiency, a target for the contribution of renewable energy sources, and a greenhouse gas emission reduction target. These targets should be in line with the EU targets for 2030, represent an equal ambition for the Contracting Parties and take into account relevant socio-economic differences, technological developments and the Paris Agreement on Climate Change.

The political agreements by the Council of the European Union and the European Parliament in 2018 and early 2019, enabled all of the rules introduced by the Clean Energy for all Europeans package to be in force from June 2019. The three 2030 energy and climate targets of reducing by at least 40% greenhouse gas emissions compared to 1990, energy efficiency target of at least 32.5% and a renewable energy target of at least 32% are now fully enshrined in EU legislation. Following the Commission proposal on 17 September 2020 to reduce EU greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels, the upward revision of these targets and related legislation will be proposed in 2021.

The 2009 Renewable Energy Directive and the 2012 Energy Efficiency Directive were adopted and became part of the Energy Community's legal order through decision of the Ministerial Council, including a 2020 target for the Energy Community as a whole for energy efficiency and specific 2020 targets for each Contracting Party for renewable energy.

The 2017 Ministerial Council of the Energy Community emphasized the need of setting targets for 2030 on energy efficiency, renewable energy and greenhouse gas emissions reduction. This is in line with Contracting Parties' respective obligations in the EU accession process as well as considering the commitments taken by countries in the framework of the UNFCCC and the Paris Agreement.

As a preliminary step within the target setting process, the Secretariat of the Energy Community launched an external study to identify, if possible, a methodology for setting three energy and climate targets based on the criteria outlined in the 2018 General Policy Guidelines. The findings of the study were thoroughly discussed and examined by the Technical Working Group of the Energy and Climate Committee, with the support of analytical guidance by the Commission. The study, which was completed in June 2019, provided a useful basis for discussions. However, it also proved that there were some methodological limitations related to the quality and availability of data as well as analytical scope of study as compared to the capacity traditionally used in the EU. As a result, drawing straightforward conclusions and proposing unequivocal 2030 targets for the Energy Community and its Contracting Parties based solely on the study would not be possible.

The discussions indicated that further and more advanced analysis would be needed to propose robust and credible energy and climate targets for the Energy Community and its Contracting Parties with an equal ambition level and in line with the EU targets for 2030. Such analysis is being carried out in the context of a new modelling exercise launched by the European Commission, based on the EU methodology for setting targets.

Furthermore, it is essential that the 2030 targets setting process in the Energy Community takes into account new developments at EU level, in particular the proposed upward revision of the EU 2030 targets in the context of the new European Green Deal and in line with the plan presented on 17 September 2020 to reduce the EU greenhouse gas emissions by at least 55% by 2030, compared to 1990 level. The new target is based on a comprehensive Impact Assessment of the social, economic and environmental impacts, which demonstrates that this course of action is realistic and feasible, and in line with the political agreement to achieve climate neutrality no later than 2050.

THE MINISTERIAL COUNCIL OF THE ENERGY COMMUNITY

Having regard to Article 47(a) of the Treaty establishing the Energy Community (“the Treaty”) and item VI of the Procedural Act 2006/01/MC-EnC on the Adoption of the Internal Rules of Procedure of the Ministerial Council of the Energy Community,

Recognising the need to provide an effective response to the challenges posed by climate change,

Taking into account that the Contracting Parties of the Energy Community support the call for enhanced action on climate change provided by the Paris Agreement,

Acknowledging that the energy sector is one of the main contributors to the emissions of greenhouse gases, and considering the strong links between energy policy and climate,

Taking note that during the first meeting of the Energy and Climate Committee, held in Vienna on 5 September 2017, it was acknowledged that stable national energy and climate plans up to 2030 should be accompanied by three overall targets, namely for the increase of renewable energy in overall energy consumption, increased energy efficiency and reduction of greenhouse gas emissions,

Recalling the December 2017 Ministerial Council Conclusions which underlined the need of 2030 targets in the Energy Community for renewable energy, energy efficiency and greenhouse gas emission reduction, and which welcomed the declaration of the European Commission to work on appropriate proposals to the Energy Community to incorporate suitable provisions of future EU legislation related to these, once such legislation is adopted in the European Union,

Recalling the Ministerial Council Recommendation 2016/02/MC-EnC on preparing for the implementation of Regulation (EU) 525/2013 on a mechanism for monitoring and reporting greenhouse gas emissions and Recommendation 2018/01/MC-EnC on preparing for the development of integrated national energy and climate plans by the Contracting Parties of the Energy Community,

Acknowledging the importance for the Energy Community of the political consensus at the EU level on the EU’s 2030 targets through the amendment of the Energy Efficiency Directive, the Renewable Energy Directive, and the agreement on the Effort Sharing Regulation,

Recalling the 2018 General Policy Guidelines and the political consensus on the establishment of three distinct 2030 energy and climate targets for the Contracting Parties of the Energy Community,

Recognising the contribution of a preliminary analytical work undertaken by the Secretariat and the external experts with analytical guidance of the Commission services but noting at the same time that further data and methodological analysis is needed to determine robust and credible 2030 targets,

Acknowledging the need for a high ambition to reach climate neutrality in line with the enhanced ambitions of the European Union, including the 2030 emissions reduction target of at least 55% as a stepping stone to become the world's first climate-neutral continent by 2050

THE MINISTERIAL COUNCIL ADOPTS

The 2020 General Policy Guidelines on 2030 Targets and Climate Neutrality for the Energy Community and its Contracting Parties

The present 2020 General Policy Guidelines reconfirm the political consensus reached in the 2018 Ministerial Council on the 2030 targets for the Contracting Parties of the Energy Community.

Given the growing urgency to address effectively the adverse impact of climate change, the 2020 General Policy Guidelines represent the political commitment of the Contracting Parties to the clean energy transition aiming at a climate-neutral Energy Community in line with the Paris Agreement as well as taking into account the EU decarbonisation ambition.

Three distinct 2030 energy and climate targets (a target for energy efficiency, a target for the contribution of renewable energy sources, and a target for greenhouse gas emission reduction) should be established in line with the EU targets for 2030 and their announced updates. They should represent an equal ambition for the Contracting Parties and take into consideration relevant socio-economic differences and specificities, technological developments and the Paris Agreement on Climate Change. They should be based on the most robust and credible data possible, resulting from the extended modelling capacities offered by the European Commission through a new dedicated analytical and modelling study, taking into consideration existing results of nationally driven modelling exercise undertaken by government of Contracting Parties.

Following the consultations process of the Terms of Reference with the Contracting Parties, further consultations on the execution of the Study and a number of technical and capacity building events will be organised with the Contracting Parties.

In order for the targets to guide the energy and climate actions effectively, the targets should be set as national targets for each Contracting Party and collectively form the overall target at Energy Community level.

Contracting Parties should use the political consensus reached in the 2018 General Policy Guidelines in the preparation of their draft national energy and climate plans.

The Ministerial Council of the Energy Community is looking forward to the inclusion of the 2030 targets for the Contracting Parties in the Energy Community legal framework through the adoption

of the amended Energy Efficiency Directive, Renewable Energy Directive and the Governance Regulation, as indicated in the indicative timetable set out in the Annex. The Ministerial Council Recommendation 2018/1/MC-EnC on preparing for the development of integrated national energy and climate plans by the Contracting parties of the Energy Community and the indicative schedule therein should be read in the light of this timetable.

The Ministerial Council also notes that the COVID-19 pandemic will have an unprecedented impact on our societies and economies. At the same time, the Ministerial Council acknowledges that overcoming this crisis offers an opportunity to engage on a resilient, sustainable and fair recovery path and to lay the foundations of modern, resilient and cleaner energy systems fit for the future.

ANNEX

The following indicative timetable outlines the next steps:

Dates	Step
<i>27 November 2020</i>	Adoption of the 2020 General Policy Guidelines at the Ministerial Council
<i>November 2020</i>	Launch by the European Commission of a new external study to support the Energy Community in setting 2030 energy and climate targets following the preparation of the terms of reference in consultation with all Contracting Parties in November 2019 – February 2020, and the launch of tendering procedure in March 2020.
<i>December 2020 - August 2021</i>	Energy and Climate Committee and its Technical Working Group are regularly informed about the implementation of the study and consulted on relevant aspects
<i>Mid- 2021</i>	Presentation and discussion of the draft results of the study at the Energy and Climate Committee and its Technical Working Group
<i>September 2021</i>	Endorsement by the PHLG of the 2030 renewables, energy efficiency and greenhouse gas reduction targets for the Energy Community Contracting Parties
<i>End- 2021</i>	Adoption by the Ministerial Council of adapted Energy Efficiency Directive, Renewable Energy Directive and Governance Regulation with 2030 targets for the Contracting Parties