Questions and answers: National energy and climate plans explained

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What are the National Energy and Climate Plans (NECPs)?

The National Energy and Climate Plans (NECPs) are the first ever integrated mid-term planning tools that Member States are required to prepare in view of the implementation of the Energy Union objectives, and in particular the agreed EU 2030 energy and climate targets. The NECPs describe how each Member State plans to contribute to the achievement of the common Energy Union objectives.

The NECPs have to follow a binding structure set by the Regulation of the Governance of the Energy Union and Climate Action to ensure comparability and policy consistency while promoting a wide European debate on energy and climate priorities. The NECPs therefore reflect the logic of the five dimensions of the Energy Union: Energy efficiency first; a fully integrated internal energy market; decarbonisation of the economy; energy security, solidarity and trust, research, innovation and competitiveness. For each dimension, Member States are required to include targets, objectives and/or contributions as well as policies and measures to attain the national goals. The NECPs should be grounded on a sound analysis looking at the expected impact of the proposed policies and measures. NECPs should also be discussed both with national stakeholders and with neighbouring Member States. The NECPs are essential tools to enable the clean energy transition and provide investment certainty to Europe's industry.

All EU Member States had to notify their draft National Energy and Climate Plans (NECPs) by 31 December 2018. The deadline for submitting the final plans is set for 31 December 2019. Today's recommendations and the Commission's Communication are part of a back and forth process with Member States that will ensure that the final versions of the NECPs are sufficiently detailed, robust and ambitious.

What has the Commission adopted today? What is the main message the Commission is delivering to Member States today?

Today's Commission Communication and Recommendations provide an assessment of the first ever draft integrated National Energy and Climate Plans (NECPs) and aim to support Member State in the finalisation of those plans by the end of 2019. The objective is to set up the right planning instruments, support Member States and allow the Union as a whole to fulfil its Energy Union objectives along all five dimensions, and in particular the 2030 energy and climate targets.

The Communication and the Recommendations ask Member States to improve their draft plans in several ways:

- On the energy efficiency and renewable contributions, some Member States are called upon to increase efforts and better exploit their national potential while others will need to confirm their already ambitious objectives.

- Member States are also asked to set measurable, achievable, realistic and time-related objectives across all five dimensions.

- Most Member States are also called upon to further substantiate the achievement of their national targets and contributions with more concrete additional policies and measures, and this for all dimensions.

This is the first exercise of its kind and Member States have worked constructively with the Commission over the past months. The Commission will continue to work with Member States to help them improve the final versions of the NECPs and to take due account of the Commission's recommendations. The Commission will also continue to promote an inclusive debate on the NECPs, support regional cooperation between Member States and provide technical assistance when requested.

Are the 2030 renewable and energy efficiency targets at risk of not being reached?

As they stand, the draft NECPs fall short both in terms of renewables and energy efficiency contributions. For renewables, the gap could be as big as 1.6 percentage points. For energy efficiency, the gap can be as big as 6.2 percentage points (if considering primary energy consumption) or 6
percentage points (if considering final energy consumption).

The good news is that Member States now have 6 months to raise their national level of ambition. Our common goal is to ensure that the sum of the national contributions as presented in the final NECPs corresponds to at least the level of the agreed EU targets (32% for renewables; 32.5% for energy efficiency).

**How do these plans affect the EU's commitments under the Paris Agreement?**

The EU and its Member States have committed under the Paris Agreement to achieve at least 40% domestic greenhouse gas emissions reductions by 2030, as compared to 1990. Based on the planned measures or stated national greenhouse gas reduction ambitions included in the draft national climate and energy plans (and making conservative assumptions for the countries where this is not available), the overall greenhouse gas reduction for the EU is estimated to be in line with the -40% greenhouse gas emission reduction target for 2030 compared to 1990.

With the full implementation of the adopted 2030 climate, energy and clean mobility targets, we can even expect to reduce greenhouse gas emissions by around 45% in 2030, as compared to 1990. However, the Commission's assessment shows that the level of ambition in the draft NECPs does not get us there yet.

**How do Member States progress towards achieving their national greenhouse gas targets for emissions not covered by the EU Emissions Trading System?**

Member States are planning additional policies to achieve their binding national targets for greenhouse gas emissions not covered by the EU Emissions Trading System (ETS). Taken together, they would already reduce emissions by 28% in 2030, as compared to 2005. This represents significant progress compared to earlier projections, but still leaves a remaining Union-wide gap of 2 percentage points to the -30% target agreed as the minimum contribution of the non-ETS sectors.

Member States' targets range from zero to 40% reductions. Member States have significant flexibility on how to achieve the targets. Domestic measures focus in particular on the building and transport sectors. Some Member States envisage using transfers between Member States or using a certain amount of additional emission removals in the land use, and land use change and forestry sector.

**How do these plans affect the EU's long-term climate neutrality strategy for 2050?**

The Commission has proposed the EU become climate-neutral by 2050. The European Parliament already endorsed this ambition, while the Council is still discussing the matter.

Under the Governance Regulation, Member States also have to develop their national long-term strategies by January 2020. Both the NECPs and the long-term strategies need to be developed in a complementary way, so as to ensure the consistency of the 2030 targets and long-term objectives. Meanwhile, more than half of the draft NECPs already include 2050 objectives or ambitions, albeit with varying degrees of detail.

**How will this affect European citizens and consumers?**

This assessment is a crucial step in view of the finalisation of solid, robust, complete and reliable final NECPs. Such plans will, in turn, be essential to deliver on the ambitious targets for 2030 for greenhouse gas emissions reduction, renewable energy and energy efficiency. By coordinating policies and measures and addressing identified investment and innovation needs, the NECPs will promote investment certainty and structural reforms while spurring growth and jobs in Europe. The NECPs are also going to play a crucial role in promoting the cost-effective transformation of our industrial base towards a climate neutral, circular and sustainable industry, equally benefiting the society and the planet. Finally, credible NECPs will allow the EU to strengthen cooperation with non-EU countries on the priorities of the clean energy transition.

The Commission's assessment of the draft NECPs offers a unique insight into the direction of travel of Member States' energy and climate objectives. The recommendations offer a common, solid and comparable basis that civil society can use to engage further at national level on the Union's common challenges and long-term priorities in the field of energy and climate.

This assessment will offer additional elements to steer upcoming public consultations, multi-level dialogues and regional cooperation processes, as foreseen by the Governance Regulation.

**What is the legislative framework for the NECPs?**

The Regulation on the Governance of the Energy Union and Climate Action (Governance Regulation) entered into force on 24 December 2018. It sets up a common framework for energy and climate policies in the European Union and its Member States.

Member States have to show in their NECP how they will contribute to the achievement of the Energy
Union objectives, notably the EU 2030 energy and climate objectives. Those include EU targets of at least 32% for renewable energy and at least 32.5% for energy efficiency as established by the revised Energy Efficiency Directive and Renewable Energy Directive that entered into force in late 2018.

**What are the next steps?**

The next six months – until the end of 2019 – will be crucial to finalise the NECPs. The Commission now calls on Member States to improve their NECPs, based on today's Communication and recommendations.

In order to ensure that the final NECPs submitted by the end of 2019 meet all requirements and reach the ambitious EU 2030 targets, the Commission invites the Council to open a debate around the main priorities identified by this Commission Communication and the recommendations to ensure that the final NECPs contain an adequate level of ambition.

To maximise the impact of forthcoming exchanges, the Communication has identified [seven] main priorities to structure future exchanges: Close all 2030 “ambition” and policy gaps; involve all relevant ministries at the national level; make the best of cooperation with neighbouring Member States; use NECPs to support industry, competitiveness and innovation; attract investment and identify financing opportunities; fully integrate the social dimension; factor-in long term objectives and a long-term vision.

Press contacts:

Anna-Kaisa ITKONEN (+32 2 29 56186)
Lynn RIETDORF (+32 2 297 49 59)

General public inquiries: Europe Direct by phone 00 800 67 89 10 11 or by email