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Delegations will find attached document C(2019) 4420 final.

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Brussels, 18.6.2019
C(2019) 4420 final

COMMISSION RECOMMENDATION

of 18.6.2019

**on the draft integrated National Energy and Climate Plan of Austria covering the period
2021-2030**

{SWD(2019) 226 final}

COMMISSION RECOMMENDATION

of 18.6.2019

on the draft integrated National Energy and Climate Plan of Austria covering the period 2021-2030

THE EUROPEAN COMMISSION,

Having regard to Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council¹, and in particular Article 9(2) thereof,

Whereas:

- (1) Pursuant to Regulation (EU) 2018/1999, each Member State is required to submit to the Commission a draft of its integrated national energy and climate plan covering the period from 2021 to 2030 in accordance with Article 3(1) and Annex I of that Regulation. The first drafts of integrated national energy and climate plans had to be submitted by 31 December 2018.
- (2) Austria submitted its draft integrated national energy and climate plan on 21 December 2018. The submission of this draft plans represents the basis and first step of the iterative process between the Commission and Member States for the purpose of the finalisation of the integrated national energy and climate plans and their subsequent implementation.
- (3) Pursuant to Regulation (EU) 2018/1999, the Commission is required to assess the draft integrated national energy and climate plans. The Commission made a comprehensive assessment of the Austrian draft integrated national energy and climate plan, taking into consideration the relevant elements of Regulation (EU) 2018/1999. This assessment² is published alongside the present recommendation. The below recommendations are based on that assessment.
- (4) In particular, the Commission's recommendations may address (i) the level of ambition of objectives, targets and contributions with a view to collectively achieving the Energy Union objectives and, in particular, the Union's 2030 targets for renewable energy and energy efficiency as well as the level of electricity interconnectivity that the Member State aims for in 2030; (ii) policies and measures relating to Member State- and Union-level objectives and other policies and measures of potential cross-border relevance; (iii) any additional policies and measures that might be required in the integrated national energy and climate plans; (iv) interactions between and consistency of existing and planned policies and measures included in the integrated

¹ OJ L 328, 21.12.2018, p. 1.

² SWD(2019) 226.

national energy and climate plan within one dimension and among different dimensions of the Energy Union.

- (5) In developing its recommendations, the Commission considered, on the one hand, the need to add up certain quantified planned contributions of all Member States in order to assess the ambition at Union level, and, on the other hand, the need to provide adequate time for the Member State concerned to take due consideration of the Commission's recommendations before finalising its national plan.
- (6) The Commission's recommendations with regard to the Member States' renewable ambitions are based on a formula set out in Annex II of Regulation (EU) 2018/1999 which is based on objective criteria.
- (7) With regard to energy efficiency, the Commission's recommendations are based on the assessment of the national level of ambition put forward in the draft integrated national energy and climate plan, compared to the collective level of efforts needed to reach the Union's targets, taking into account the information provided on specific national circumstances, where relevant. The final national contributions in the area of energy efficiency should reflect the cost-effective potential for energy savings and be supported with a robust long-term building renovation strategy and measures to implement the energy savings obligation stemming from Article 7 Directive 2012/27/EU of the European Parliament and of the Council³. Member States should also demonstrate that they have properly taken into account the energy efficiency first principle, by explaining notably how energy efficiency contributes to the cost-effective delivery of the national goals of a competitive low-carbon economy, security of energy supply and to address energy poverty.
- (8) The Governance Regulation requires Member States to provide a general overview of the investment needed to achieve the objectives, targets and contributions set out in the integrated national energy and climate plan, as well as a general assessment on the sources of that investment. The national energy and climate plans should ensure the transparency and predictability of national policies and measures in order to ensure investment certainty.
- (9) In parallel, as part of the 2018-2019 European Semester cycle, the Commission has put a strong focus on Member States' energy and climate related investment needs. This is reflected in the 2019 Country Report for Austria⁴ and in the Commission's recommendation for a Council Recommendation to Austria⁵, as part of the European Semester process. The Commission took into account the latest European Semester findings and recommendations in its assessment of the draft integrated national energy and climate plans. The Commission's recommendations are complementary to the latest country-specific recommendations issued in the context of the European Semester. Member States should also ensure that their integrated national energy and climate plans take into consideration the latest country-specific recommendations issued in the context of the European Semester.
- (10) In addition, the Governance Regulation requires each Member State to take due account of any recommendations from the Commission to its draft integrated national

³ Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1).

⁴ SWD (2019) 1019 final.

⁵ COM (2019) 520 final of 5.6.2019.

energy and climate plan to be submitted by 31 December 2019 and, if the Member State concerned does not address a recommendation or a substantial part thereof, that Member State should provide and make public its reasons.

- (11) Where applicable, Member States should report the same data in their integrated national energy and climate plans and updates in later years as they report to Eurostat or the European Environment Agency. The use of the same source and, where available, of European statistics, is also essential to calculate the baseline for modelling and projections. Using European statistics will allow for a better comparability of the data and the projections used in the integrated national energy and climate plans.
- (12) All elements of Annex I of the Regulation (EU) 2018/1999 are to be included in the final integrated national energy and climate plan. In this context, the macroeconomic and, to the extent feasible, the health, environmental, employment and education, skills and social impacts of the planned policies and measures should be assessed. The public and other stakeholders are to be engaged in the preparation of the final integrated national energy and climate plan. These and other elements are described in detail in the staff working document published alongside this Recommendation⁶.
- (13) Austria could further elaborate in the final plan the interlinkages between the decarbonisation, internal market and energy security dimensions, especially considering the ongoing transformation of the energy system with an objective of 100 % renewable electricity system and the implications this might have e.g. on the attainment of the 15 % interconnectivity target. In view of the importance of bioenergy for achieving Austria's renewable energy and greenhouse gas targets, further analysis of the implications for accounted emissions and removals from land use, land use change and forestry and air pollutant emissions would be welcome. As the use of hydro power is important, also the climate change impacts on energy security could be considered.
- (14) The final integrated national energy and climate plan would benefit from increased attention to industry competitiveness and to Austria's competitive strengths and potential challenges in its transition to a carbon neutral energy sector. Measurable objectives for the future would be beneficial, together with policies and measures to achieve them, making appropriate links to enterprise, industrial and education policy.
- (15) The Commission's recommendations to Austria are underpinned by the assessment of Austria's draft integrated national energy and climate plan which is published alongside this Recommendation⁷.

HEREBY RECOMMENDS AUSTRIA TAKES ACTION TO:

1. Complement the measures it plans to introduce in the building and transport sectors in order to achieve its 2030 greenhouse gas target of -36 % compared to 2005 for sectors not covered by the EU emissions trading system, with measures notably in the agriculture and land use, land use change and forestry (LULUCF) sectors.

⁶ SWD(2019) 226 final.

⁷ SWD(2019) 226 final.

Specify its intended use of the flexibilities between the effort sharing, accounted LULUCF and emissions trading system sectors.

2. Put forward a share of renewable energy of at least 46 % as contribution to the Union's renewable energy target for 2030, as indicated by the formula in Annex II of Regulation (EU) 2018/1999, while maintaining the ambitious renewable electricity target. Include an indicative trajectory in the final integrated national energy and climate plan that reaches all the reference points pursuant to Article 4(a)(2) of Regulation (EU) 2018/1999 in accordance with that share, in view of the need to increase the level of efforts for reaching this target collectively. Indicate detailed and quantified policies and measures that are in line with the obligations laid down in Directive (EU) 2018/2001 of the European Parliament and Council⁸ and enabling a timely and cost-effective achievement of this contribution. Furthermore, put forward trajectories and corresponding measures in the heating, cooling and transport sectors to meet the indicative target pursuant to Article 23 of Directive (EU) 2018/2001 and the transport target pursuant to Article 25 of the same Directive. Provide additional details on the enabling frameworks for renewable self-consumption and renewable energy communities, in line with Article 21 and 22 of Directive (EU) 2018/2001.
3. Review its contributions and identify additional policies and measures that could deliver further energy savings by 2030 in view of the need to increase the level of efforts in order to reach the Union's 2030 energy efficiency target. Clarify its national contribution, which is currently open to two different options, and express it in both primary and final energy consumption. Further substantiate its provisional indications about the policies and measures to be implemented after 2020, for which their timeline of implementation, clear objectives and expected impacts and savings should be included in the final integrated national energy and climate plan.
4. Set out concrete objectives on the diversification of oil and gas and on supply from third countries, on the reduction of energy import dependency and on improving resilience and flexibility of the national energy system.
5. Further clarify national objectives and funding targets in research, innovation and competitiveness, specifically related to the Energy Union, to be achieved between now and 2030, so that they are readily measurable and fit for purpose to support the implementation of targets in the other dimensions of the integrated national energy and climate plan. Underpin such objectives with specific and adequate policies and measures, including those to be developed in cooperation with other Member States, such as the European Strategic Energy Technology Plan.
6. Continue regional cooperation, including consultations with neighbouring countries, both with a view to finalising and implementing the integrated national energy and climate plan, notably in the context of the Central and South-Eastern Europe Energy

⁸ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82–209).

Connectivity (CESEC) High-Level Group and the Pentalateral Energy Forum, especially considering Austria's role as a regional gas hub and in view of the Austrian objective to raise the share of renewables in the electricity sector to 100 %.

7. Provide a general overview on the investment needed to reach its energy and climate objectives, and a general assessment of the sources of investment, including appropriate financing at national, regional and Union level.
8. List all energy subsidies, including in particular fossil fuels subsidies, and actions undertaken as well as plans to phase them out.
9. Complement the analysis of the interactions with air quality and air emissions policy, presenting the impacts on air pollution for the various scenarios, providing underpinning information, and considering synergies and trade-off effects.
10. Better integrate just and fair transition aspects, notably by providing more details on social, employment and skills impacts of planned objectives, and policies and measures, including in carbon-intensive and industrial regions. Further develop the approach to addressing energy poverty issues, including by providing additional details on existing and potential measures, the energy-poverty plans and their expected impact, while at the same time completing the analysis as required by the Regulation (EU) 2018/1999.

Done at Brussels, 18.6.2019

For the Commission
Miguel Arias Cañete
Member of the Commission