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From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

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To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

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Subject: COMMISSION RECOMMENDATION of 18.6.2019 on the draft integrated
National Energy and Climate Plan of Sweden covering the period 2021-
2030

Delegations will find attached document C(2019) 4427 final.

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Brussels, 18.6.2019
C(2019) 4427 final

COMMISSION RECOMMENDATION

of 18.6.2019

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

{SWD(2019) 278 final}

COMMISSION RECOMMENDATION

of 18.6.2019

on the draft integrated National Energy and Climate Plan of Sweden 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) Sweden submitted its draft integrated national energy and climate plan on 17 January 2019. The submission of this draft plan 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 Swedish 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) 278.

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 Sweden⁴ and in the Commission's recommendation for a Council Recommendation to Sweden⁵, 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) 1026 final.

⁵ COM(2019) 527 final of 5.06.2019.

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) In the final integrated national energy and climate plan, Sweden should also take into account the policy interlinkages, notably the synergies between the decarbonisation, energy security and internal market dimensions with the energy efficiency first principle. The interaction of the planned policies related to the planned increase of renewables in the electricity sector and the required strengthening of the electricity networks are also important elements to be addressed in the final plan. The objectives under the research, innovation and competitiveness dimension need to underpin the efforts planned for the other Energy Union dimensions. As the use of hydro power is important, also the climate change impacts on energy security could be considered.
- (14) In the final integrated national energy and climate plan, Sweden could build on its general objective of developing technologies and services that can be commercialised by Swedish enterprises by presenting a more comprehensive overview on the competitiveness of the low-carbon technologies sector. It could also benefit from enhanced information on the interaction with the circular economy.
- (15) The Commission's recommendations to Sweden are underpinned by the assessment of Sweden's draft integrated national energy and climate plan which is published alongside this Recommendation⁷.

HEREBY RECOMMENDS THAT SWEDEN TAKES ACTION TO:

1. Develop its strategy for achieving the commitment under Regulation (EU) 841/2018 of the European Parliament and of the Council⁸ that land use, land use change and forestry (LULUCF) emissions do not exceed removals, based on applying the

⁶ SWD(2019) 278 final.

⁷ SWD(2019) 278 final.

⁸ Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU (OJ L 156, 19.6.2018, p. 1–25)

underpinning accounting rules. Pay particular attention to assessing the impact of policies and measures on emissions trading system, effort sharing and LULUCF sectors.

2. Confirm the welcome level of ambition of a 65 % renewable energy share for 2030 referred to in the draft integrated national energy and climate plan, as Sweden's contribution to the Union's 2030 target for renewable energy pursuant to Article 3 of Directive (EU) 2018/2001 of the European Parliament and of the Council⁹ and to Article 4 of Regulation 2018/1999. This contribution should be underpinned by detailed and quantified policies and measures that are in line with the obligations laid down in Directive (EU) 2018/2001 in a way that enables a timely and cost-effective achievement of this contribution. An indicative trajectory that reaches all the reference points pursuant to Article 4(a)(2) of Regulation 2018/1999 should be included. Additional information relating to overcoming administrative burden should also be included, as well, as additional details on the enabling frameworks for renewable self-consumption and renewable energy communities, in line with Articles 21 and 22 of Directive 2018/2001. Additional details should be provided in relation to the specific measures planned to ensure the long-term sustainability of the use of biomass in the energy sector, given the important contribution of biomass to Sweden across the energy mix.
3. Increase the level of efforts towards reducing final energy consumption in view of the need to collectively reach the Union's 2030 energy efficiency target, and support it with policies and measures that would deliver additional energy savings by 2030. Additional measures and their expected impact in terms of energy savings should be developed and included in the final integrated national energy and climate plan.
4. Specify the measures supporting the energy security objectives on diversification and reduction of energy dependency, including measures ensuring flexibility and electricity generation adequacy in light of the ambitious renewables target.
5. Clarify the national objectives and funding targets in research, innovation and competitiveness, specifically related to the Energy Union, to be achieved between 2023 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 Strategic Energy Technology Plan.
6. Intensify the already good regional cooperation arrangements between Nordic countries (Denmark, Finland, Iceland, Norway and Sweden), extending them to new areas and broadening the geographic reach to include the Baltic States (Estonia, Latvia and Lithuania). The focus of the regional exchanges should be on internal energy market and energy security areas, in view to the changes in the electricity systems accommodating higher shares of renewable electricity, which will increase electricity import and export and enhance the need for system flexibility.
7. Provide a general overview of the investment needs to achieve the climate and energy objectives, and a general assessment of the sources of that investment, including appropriate financing at national and regional level.

⁹ 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).

8. List all energy subsidies, including in particular for fossil fuels, and actions undertaken as well as plans to phase them out.
9. Include an 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-offs effects.
10. Integrate just and fair transition aspects better, notably by providing more details on social, employment and skills impacts of planned objectives, policies and measures.

Done at Brussels, 18.6.2019

*For the Commission
Miguel Arias Cañete
Member of the Commission*