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COVER NOTE

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
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То:	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 Belgium covering the period 2021-2030

Delegations will find attached document C(2019) 4401 final.

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Brussels, 18.6.2019 C(2019) 4401 final

COMMISSION RECOMMENDATION

of 18.6.2019

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

{SWD(2019) 211 final}

COMMISSION RECOMMENDATION

of 18.6.2019

on the draft integrated National Energy and Climate Plan of Belgium 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) Belgium submitted its draft integrated national energy and climate plan on 31 December 2018. 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 Belgian draft 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 this 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

OJ L 328, 21.12.2018, p. 1.

² SWD(2019) 211.

- 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 Belgium⁴ and in the Commission's recommendation for a Council Recommendation to Belgium⁵, 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

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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) 1000 final.

⁵ COM (2019) 501 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 accompanying staff working document⁶.
- Belgium notified a draft national energy and climate plan accompanied by a draft (13)federal plan, four draft regional plans and a number of additional annexes. While supplementary documents can be annexed, the final NECP needs to contain all elements required by the regulation, including all information to assess the proposed ambition levels and the adequacy of the plan in achieving them, notably through a comprehensive overview of policies and measures and an accompanying impact assessment. Substantial effort and political willingness are needed to achieve a better integrated national energy and climate plan, which would in turn constitute a more useful tool to facilitate cooperation between the different responsible authorities in achieving the energy transition. Specific attention is needed to managing interlinkages between the decarbonisation and energy efficiency dimensions and the other dimensions, notably by presenting more concrete and quantifiable objectives related to energy security, internal market and research, innovation and competitiveness supporting the achievement of the decarbonisation, renewables and energy efficiency ambitions, and by explaining better how the energy efficiency first principle was taken into account.
- (14) The final integrated national energy and climate plan would benefit from presenting a comprehensive overview on competitiveness, not only of the energy-intensive industries, but also the low-carbon technology sector, providing a concrete analysis on the position in the global market, highlighting areas of competitive strengths and potential challenges, and pointing at measurable objectives for the future and policies and measures to achieve them, making appropriate links to enterprise and industrial policy. It would also benefit from a further integration of circular economy policies, emphasising their benefits in terms of greenhouse gas emissions reduction.
- (15) The Commission's recommendations to Belgium are underpinned by the assessment of Belgium's draft integrated national energy and climate plan which is published alongside this Recommendation⁷.

⁶ SWD(2019) 211.

⁷ SWD(2019) 211.

HEREBY RECOMMENDS BELGIUM TAKES ACTION TO:

- 1. Complement the information on the policies and measures needed to achieve the greenhouse gas target for sectors not covered by the EU emissions trading system of 35 % in 2030 compared to 2005, including in the building and transport sectors where most reductions will have to happen, by providing further details on their scope, timing, and the expected impacts. Specify the intended use of the flexibilities between the effort sharing, accounted land use, land use change and forestry and the emissions trading system sectors.
- 2. Significantly raise the level of ambition for 2030 to at least 25 % as Belgium's contribution to the Union's 2030 target for renewable energy, as indicated by the formula in Annex II of Regulation 2018/1999. 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 of the Council⁸, to enable a timely and cost-effective achievement of this contribution. Furthermore, ensure that Belgium's renewable energy target for 2020 set in Annex I of Directive 2009/28/EC of the European Parliament and of the Council⁹ is fully met and maintained as a baseline from 2021 onwards, and explain how Belgium intends to meet and maintain such baseline share. Step up efforts in the heating and cooling sector to meet the indicative target included in Article 23 of Directive (EU) 2018/2001 and intensify efforts to increase and diversify renewables in the transport sector. Provide additional detail on the enabling frameworks for renewable self-consumption and renewable energy communities in line with Articles 21 and 22 of Directive (EU) 2018/2001, including simplification of administrative procedures.
- 3. Increase the energy efficiency ambition by reducing final energy consumption, in view of the need to increase the level of efforts to reach the Union's 2030 energy efficiency target. Support this with policies and measures that would deliver additional energy savings by 2030. Underpin proposed policies and measures by an impact assessment and a more detailed set of information on the scale and implementation timeline in the period 2021-2030.
- 4. Identify the measures supporting the energy security objectives on diversification and reduction of energy dependency, including measures ensuring flexibility. Take into account the regional context and the actual potential of the interconnectors and

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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).

Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (OJ L 140, 5.6.2009, p. 16–62).

of the generation capacities in the neighbouring countries when assessing resource adequacy in the electricity sector.

- 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. Intensify the already excellent regional cooperation within the Pentalateral Energy Forum based notably on the political declaration of 4 March 2019 to specifically include the development and monitoring of the integrated national energy and climate plans in particular as regards relevant issues for cross-border cooperation.
- 7. Improve the quantification of the mainly qualitative information on investment needs and complement it with a comprehensive assessment of overall investment needs to achieve the objectives. Provide 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, including from a quantitative perspective.
- 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.

For the Commission
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Member of the Commission