

Brussels, 10 October 2023 (OR. en)

13839/23

CLIMA 461 ENV 1098 ONU 74

NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	National Energy and Climate Plans (NECPs) state of play
	- Information from the Commission

Delegations will find in the <u>Annex</u> an information note from <u>the Commission</u> on the above subject, to be dealt with under "Any other business" at the Council (Environment) meeting on 16 October 2023.

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National Energy and Climate Plans (NECPs) state of play

- Information from the Commission -

1. National Energy and Climate Plans

The Regulation (EU) 2018/1999 on Governance of the Energy Union and Climate Action (Governance Regulation)¹, adopted in 2018, introduced a strong governance architecture based on an **iterative process between the EU Member States** and the European Commission to deliver on the 2030 and long-term climate and energy objectives and targets of the Energy Union.

The main planning tool in the Governance Regulation are the national energy and climate plans (NECPs). Member States submitted their first NECPs in 2019, outlining how they intend to address the five dimensions of the Energy Union (decarbonisation, energy efficiency, internal energy market, energy security, and research, competitiveness & innovation), with a focus on delivering the 2030 climate and energy targets.

Article 14 of the Governance Regulation requires Member States to submit draft updated NECPs for the period 2021-2030 by 30 June 2023 and final updated NECPs by 30 June 2024.

The current NECPs were finalised in 2020 and no longer adequately reflect the higher climate and energy ambitions for 2030 agreed under the European Green Deal and the new impetus for energy security and affordability in the REPowerEU plan. In that context, the update of the NECPs is key process to implement the ambition under the European Climate Law and the Fit for 55 package.

With 2030 in some six years, the timely and complete update of the NECPs is a key opportunity to provide investors with the necessary regulatory certainty and, ultimately, mobilise the massive investments needed for the green and fair transition.

EUR-Lex - 32018R1999 - EN - EUR-Lex (europa.eu)

To assist Member States in the update of their NECPs, the Commission published dedicated Guidance² in December last year. The main message is that the updated NECPs should reflect the increased ambition under the Fit for 55 package, address the objectives of REPowerEU, and pay more attention to the need for a just transition. For climate, the NECPs are the main tool whereby Member States should outline measures planned to reach their national legally binding 2030 targets under the Effort Sharing and Land Use, Land Use Change and Forestry Regulations. For energy, the NECPs are the tool for Member States to outline their contributions towards the EU renewables and energy efficiency targets that were recently increased.

Following the submission deadline of 30 June 2023, the Commission is to assess each plan individually and may provide country specific recommendations by the end of December 2023, six months before the final NECPs are due. Member States must take due account of these recommendations when finalising their updated national plans by 30 June 2024.

In addition, the Commission is to assess whether, based on the draft updated national plans, the EU is collectively on track to achieve the Energy Union objectives and, in particular, the new 2030 climate and energy targets.

2. State of Play on the Submissions and Next Steps

By 6 October, 16 Member States have formally submitted their updated draft NECPs to the Commission (Denmark, Estonia, Spain, Croatia, Italy, Cyprus, Lithuania, Luxembourg Hungary, Malta, Netherlands, Portugal, Slovenia, Slovakia, Finland, Sweden). 11 Member States still must notify their plans as soon as possible (Belgium, Bulgaria, Czechia, Germany, Ireland, Greece, France, Latvia, Austria, Poland, Romania).

Guidance to MS for updated NECPs 2021-2030 (europa.eu)

On 31 July, the Commission sent letters to the remaining Member States to request the submission. The timely submission of the draft updated national plans by all Member States is crucial in order to allow the Commission to deliver a sound and meaningful assessment of whether we are on track to meet the 2030 climate and energy objectives well ahead of the submission of the final updated NECPs in June 2024. Given that three months after the deadline for the draft plans, there are still 11 plans missing, the Commission is exploring the next legal follow-up options.

Delays of the submission beyond the end of October of the pending draft plans will make it impossible for the Commission to assess them by December 2023, together with the assessment of the draft NECPs already submitted. To fulfil its legal obligation and carry out this assessment by end December 2023, the Commission will need to make assumptions, as per Article 31 of the Governance Regulation and on the basis of official information available, for each Member States who did not submit in order to avoid jeopardizing delivery of the politically agreed 2030 targets.

With this context in mind, the Commission urges the Member States that have not yet done so to submit their draft updated NECP as soon as possible; the targets and projections are of particularly high importance. The Commission remains fully available to support Member States in this process.

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