

Brussels, 8 December 2023 (OR. en)

16523/23

**ENV 1464 CLIMA 636** 

#### **NOTE**

From:	General Secretariat of the Council
To:	Delegations
Subject:	Assessment of the draft updated National Energy and Climate Plans
	<ul> <li>Information from the Commission</li> </ul>

Delegations will find in the <u>Annex</u> an information note from the <u>Commission</u> on the above subject, to be dealt with under 'Any other business' at the Council (Environment) meeting on 18 December 2023.

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# Assessment of the draft updated National Energy and Climate Plans - Information from the Commission -

This note aims to inform Member States on the assessment of the draft updated national energy and climate plans, which is on the agenda of the Environment Council on 18 December 2023 under any other business.

## National energy and climate plans: overview and state of play

Regulation (EU) 2018/1999 on Governance of the Energy Union and Climate Action (Governance Regulation)<sup>1</sup>, adopted in 2018, introduced a strong governance architecture based on an **iterative process between the 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 intended to address the five dimensions of the Energy Union (decarbonisation, energy efficiency, internal energy market, energy security, and research, competitiveness & innovation), including the climate and energy targets.

Article 14 of the Governance Regulation requires Member States to submit the draft updated NECPs for the period 2021-2030 by 30 June 2023and the final updated NECPs by 30 June 2024<sup>2</sup>. It is widely acknowledged that the 2019 NECPs no longer adequately reflect the higher climate and energy ambitions for 2030 set out in the EU Climate Law and the European Green Deal, the new impetus for energy security and affordability as also recognised in the REPowerEU plan and the need for a conducive economic environment for the production and deployment of affordable clean energy and other clean technologies throughout the European Union. Considering these changing circumstances, the update of the NECPs is crucial to implement the ambition under the European Climate Law and the Fit for 55 package, and in particular the new 2030 targets agreed, and to seize the momentum to shape a competitive clean economy in Europe.

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In accordance with Article 14, Member States shall submit a draft updated plan or provide the reasons, justifying why the plan does not require updating.

With 2030 less than a decade away, this is the last opportunity to update existing plans according to the 2030 framework.

As of 15 November 2023, which is the cut-off date for the Commission to be able to carry out an individual assessment of the plans by December, 21 Member States formally submitted their draft updated NECPs to the Commission (Denmark, Estonia, Spain, Croatia, Italy, Cyprus, Lithuania, Luxembourg Hungary, Netherlands, Portugal, Slovenia, Slovakia, Finland, Sweden, Malta, Czechia, France, Germany, Greece, Romania). Belgium submitted its draft updated NECP to the Commission on 30 November 2023. As of 6 December, 5 Member States have not notified their draft updated NECPs to the Commission (Bulgaria, Ireland, Latvia, Austria, Poland). Bulgaria, Ireland and Poland officially communicated to the Commission some elements of the update of their NECPs.

The Commission urges all Member States that have not yet done so to submit their full draft updated NECP without further delay. The Commission has been in contact with those Member States and is exploring next steps.

#### **Commission Assessment**

Mid-December, the Commission will publish its assessment of the draft updated NECPs. Based on the targets and measures set out in Member States' draft updated NECPs, the package will include a Communication, presenting an aggregated EU-wide assessment of whether the EU is collectively on track to achieve the Energy Union objectives and the new 2030 climate and energy targets, coupled with a renewed focus on the competitiveness and innovation dimension of the Energy Union<sup>3</sup>.

The EU-wide assessment will be complemented by country-specific assessments and recommendations on the 21 NECPs submitted before 15 November 2023. With regards to the draft updated plan of Belgium, due to the delay in submission, it is not possible for the Commission to individually assess the draft updated NECP in the December package.

Where the plans are not yet submitted or where information is lacking in the draft updated plans, the analysis will be complemented with data from the National Energy and Climate progress reports submitted in March 2023. The contributions of Ireland, Poland and Bulgaria in exchanges with the Commission will be taken into account.

Therefore, for Belgium and other Member States submitting later, the Commission intends publish individual assessment and recommendations swiftly after submission. In addition, under the European Climate Law, the Commission is assessing on the collective progress made by Member States towards the Union's goal to achieve climate-neutrality by 2050, as well as on the collective progress made by Member States on adaptation<sup>4</sup>. This informs the preparation of 27 country specific recommendations that are integrated with the national energy and climate plans country specific recommendations for the 21 Member States whose NECPs are assessed, or are to be adopted as stand-alone European Climate Law recommendations for the other Member States.

## Next steps: submission of the final updated NECP by 30 June 2024

As per the Governance Regulation, all Member States are to submit their final updated NECPs by 30<sup>th</sup> June 2024. The Commission calls on Member States to take into account the country specific recommendations on the draft updated NECP, and to submit complete and comprehensive plans, which is crucial to allow efforts and progress to be adequately monitored and revised as needed. The Commission invites the Council to open a debate around the main priorities identified by the Commission's Communication and the country-specific recommendations. Timely, robust and comprehensive NECPs will be decisive to deliver on the strengthened Energy Union objectives under the Fit for 55 package and the Union's contribution to the Paris Agreement. The NECPs are also instrumental in creating the necessary investment certainty towards 2030 and 2050.

The Commission remains fully available to support Member States in finalising their updated NECPs by the end of June 2024, building on the constructive cooperative process to date. To support the finalisation of the plans and their effective implementation, the Commission will intensify contacts with the Member States and use relevant fora to allow exchanges of best practices, in particular on cross-cutting issues such as investments, affordable clean energy prices and grid and other infrastructure planning.

The analysis on progress towards climate neutrality was done in the Climate Action Progress Report. Progress on adaptation at national level will be analysed in a dedicated Staff Working Document to be published with the December package.