



## SETTING THE FOUNDATIONS FOR A SUCCESSFUL CLEAN ENERGY TRANSITION

**Nordic-Baltic Energy Conference 2019**  
**24-24 October 2019, Tallinn**

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# BACKGROUND

## GOVERNANCE REGULATION - A ROBUST GOVERNANCE TO MEET 4 OBJECTIVES



Meet Energy Union objectives (notably the 2030 targets)



Ensure Better Regulation and reduce administrative burden



Allow for investor certainty and predictability



Synchronise planning and reporting cycles with Paris Agreement

### 2030 FRAMEWORK FOR CLIMATE AND ENERGY AGREED TARGETS

	GREENHOUSE GAS EMISSIONS	RENEWABLE ENERGY	ENERGY EFFICIENCY	INTER- CONNECTION	CLIMATE IN EU-FUNDED PROGRAMMES	CO2 FROM:
2020	-20%	20%	20%	10%	2014-2020 20%	
2030	≤ -40%	≥ 32%	≥ 32.5%	15%	2021-2027 25%	CARS -37.5% Vans -31% Lorries -30%

Upwards revision clause by 2023

# COMMISSION ASSESSMENT

## HOW ARE THE RESULTS OF THE ASSESSMENT OF DRAFT NECPS STRUCTURED?



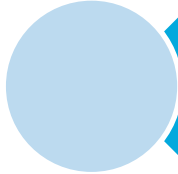
Chapeau Communication (COM(2019)285)



28 sets of Country-specific recommendations



28 Staff Working Documents assessing the submitted draft NECPs and substantiating the recommendations



Accompanying SWD(2019)212 includes the methodology for the assessment of greenhouse gases reductions and renewables and energy efficiency ambitions.

<https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/governance-energy-union/national-energy-climate-plans>

# GHG

## DECARBONISATION: GREENHOUSE GAS TARGET EU-WIDE



Based on planned policies and stated ambition levels in line with -40% target for total greenhouse gas emissions



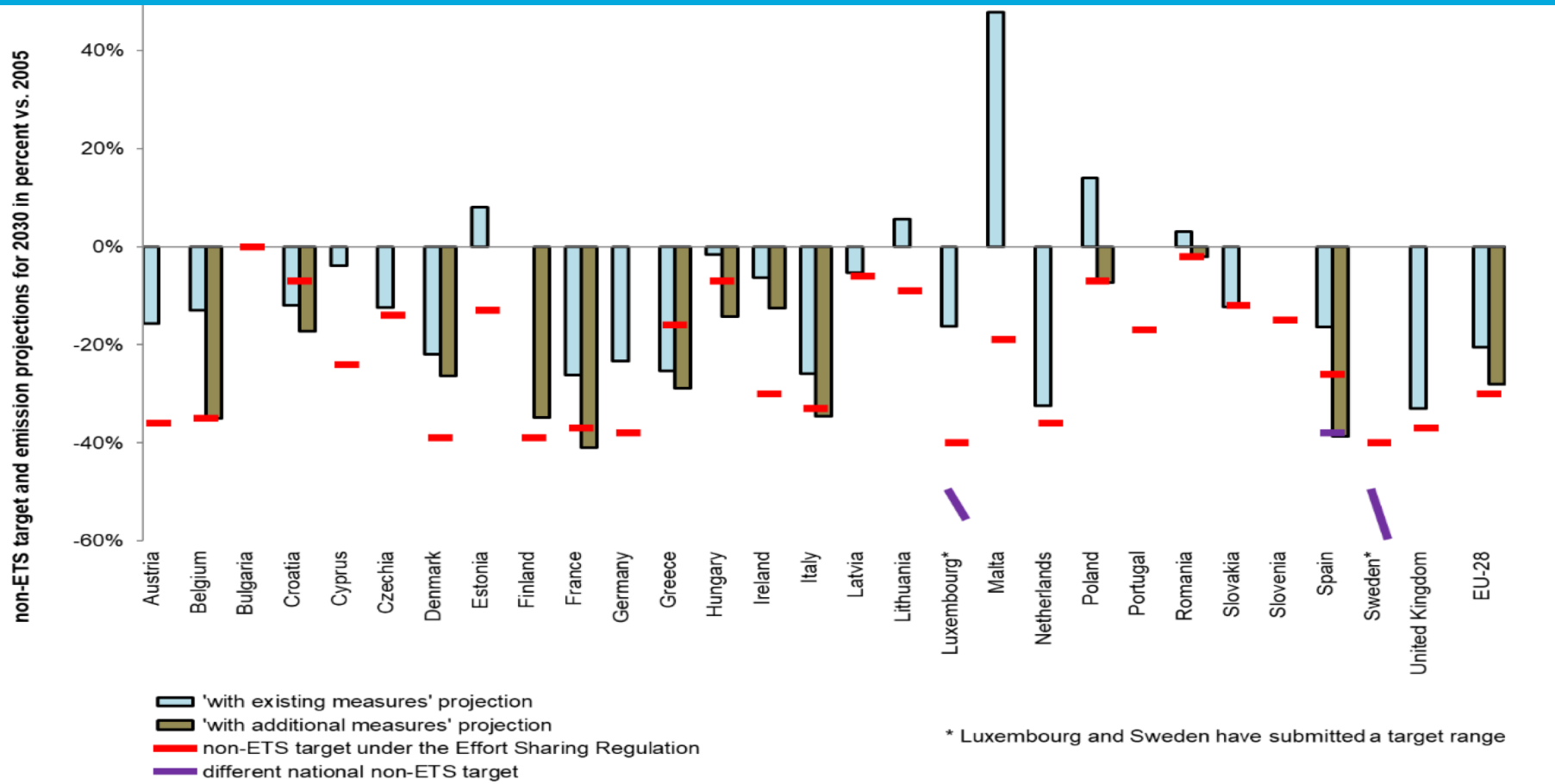
Effective implementation of all 2030 targets could lead to -45% greenhouse gas emissions



Planned policies provide more detail on transport and electricity sectors, including phase out of coal in some Member States, than on other sectors

# GHG

## BINDING 2030 NON-ETS TARGETS FOR EACH MEMBER STATE: WHERE DO WE STAND ?



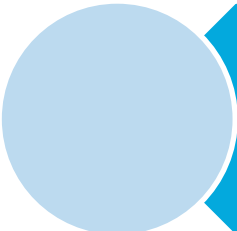
**National non-ETS targets correspond to -30% compared to 2005 in EU**  
**Current projections based on the draft NECPs is 28% reduction**

# RENEWABLE ENERGY


RENEWABLES - AT LEAST 32% RES BY 2030



There is a gap at EU level for target achievement. MS to reconsider ambition to ensure the gap is closed. Need to comply with Transport and H&C sectorial targets



Need for robust information on policies and measures (to demonstrate that they are adequate to deliver the proposed contributions, notably the 2022 first reference point)



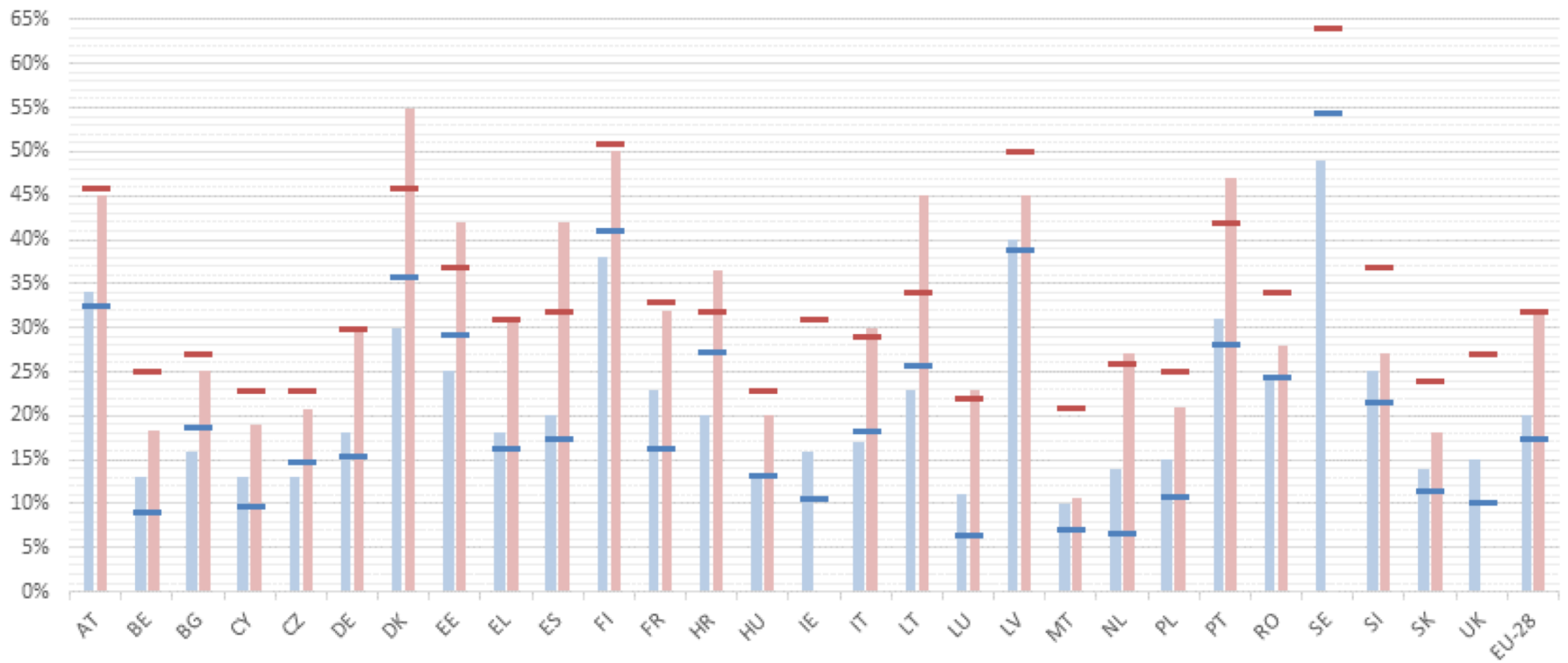
Need for details on e.g. planned auctions, measures for self-consumption, renewable energy communities, power purchase agreements, simplification of administrative procedures

# RENEWABLE ENERGY

AT LEAST 32% RES BY 2030: WHERE DO WE STAND ?

RES share in gross final energy consumption

■ 2020 Target ■ 2030 NECP — 2017 Share — 2030 Formula



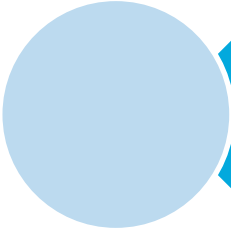
The gap for Renewable could be as big as 1.6 percentage points

# ENERGY EFFICIENCY

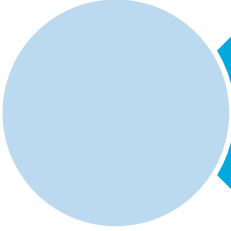
ENERGY EFFICIENCY - AT LEAST 32,5% ENERGY EFFICIENCY BY 2030



National contributions to be clarified and to better reflect the impact of policies, national circumstances and savings potentials



Need for policies and measures with an adequate scale and timeline, to demonstrate that they are sufficient to deliver the proposed contributions

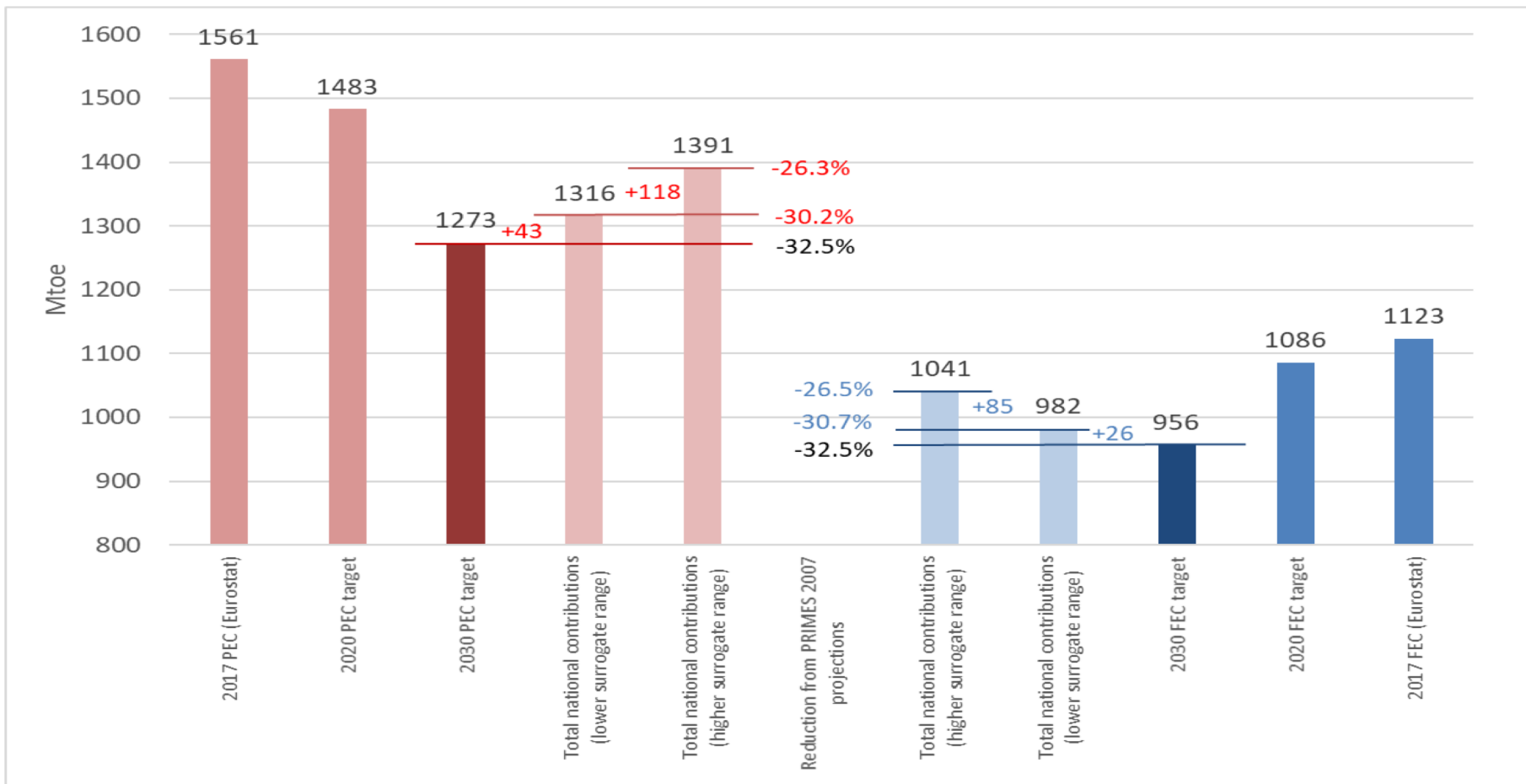


Need for integrating Annex III (energy savings to be achieved under Article 7 of the Energy Efficiency Directive) and the long-term building renovation strategy



# ENERGY EFFICIENCY

AT LEAST 32,5% ENERGY EFFICIENCY BY 2030: WHERE DO WE STAND ?



**The gap for Energy efficiency could be as big as 6.2 percentage points (PEC) or 6 percentage points (FEC)**

# ENERGY SECURITY AND INTERNAL MARKET

## ENERGY SECURITY AND INTERNAL ENERGY MARKET

Energy security is generally not adequately reflected in the NECPs.

MS to set **clearer national objectives** encouraging diversification, reduction of energy import dependency and to improve resilience and flexibility of the national energy system

Links with **emergency plans for oil, gas and electricity** should be explored



**23 MS received recommendations related to energy security aspects**

NECPs to include **objectives, programs and timelines for energy market reforms**, in line with agreed legislation

NECPs to address policies aimed at developing both **competitive wholesale and retail markets** in Europe

MS to refer to the **electricity interconnectivity level** they are aiming for in 2030



**21 MS received recommendations related to IEM aspects**

**28 MS received recommendations on energy subsidies**



# RESEARCH + INNOVATION

## RESEARCH, INNOVATION AND COMPETITIVENESS

MS to make **additional efforts to integrate research, innovation** into their NECPs

Links with priorities identified in the **Strategic Energy Technology Plan (SET Plan)** should be better explored

The Commission's Long Term Strategy (LTS) highlights the **need for a massive coordinated effort**



**23 MS received recommendation  
s related to  
research and  
innovation**

NECPs **to identify needs and plan national investments** in the areas of energy and climate

NECPs to **identify and develop Member States' competitive advantages** and prepare for the energy transition



**21 MS received recommendation  
s on investments**



European  
Commission

# COMPETITIVENESS

## COMPETITIVENESS

MS need to prepare and **take advantage** of the energy transition

NECPs should help identify and develop MS **competitive advantages**

Identify **competitiveness challenges**



Develop **strategic value chains**

**Cost-effective** industrial transformation



**28 MS received recommendations on competitiveness**

# JUST TRANSITION

## JUST TRANSITION

NECPs need still to be perfected on **just transition aspects**

Social dimension needs to be fully integrated **from the outset**

Assessing carefully social, territorial and employment **impacts** is essential

**Assessment of number of energy poor households and objectives** to reduce this number if significant



- 28 MS received recommendations on just transition (23 on energy poverty aspects)

NECPs to include structured approach to social and employment impacts (including **energy poverty**)

# CROSS-CUTTING

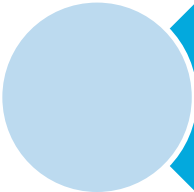
## COHERENCE, POLICY INTERACTIONS AND INVESTMENTS



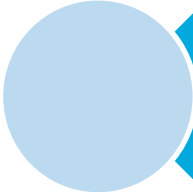
Provide more systematic assessment of the interactions between policies and dimensions and explore political implications further



Improve coherence with broader policy framework (recommendations on fair transition and air pollution analysis, country-specific recital on competitiveness, circular economy)



Identifying investment needs and securing national, regional and EU funding is essential and helps to increase investor certainty



Need to have a good account of explicit and implicit energy subsidies and of future plans to phase out those that do not contribute to long-term objectives

# RECOMMENDATIONS

**EACH MEMBER STATE RECEIVED BETWEEN 8 AND 11 COUNTRY-SPECIFIC RECOMMENDATIONS**

**Level of ambition and policies in view of the 2030 Renewables and Energy Efficiency targets**

**Planning and policies to achieve the 2030 greenhouse gas target for sectors not covered by the EU emissions trading system**

**Energy security; Internal energy market; R&I and competitiveness**

**Regional cooperation**

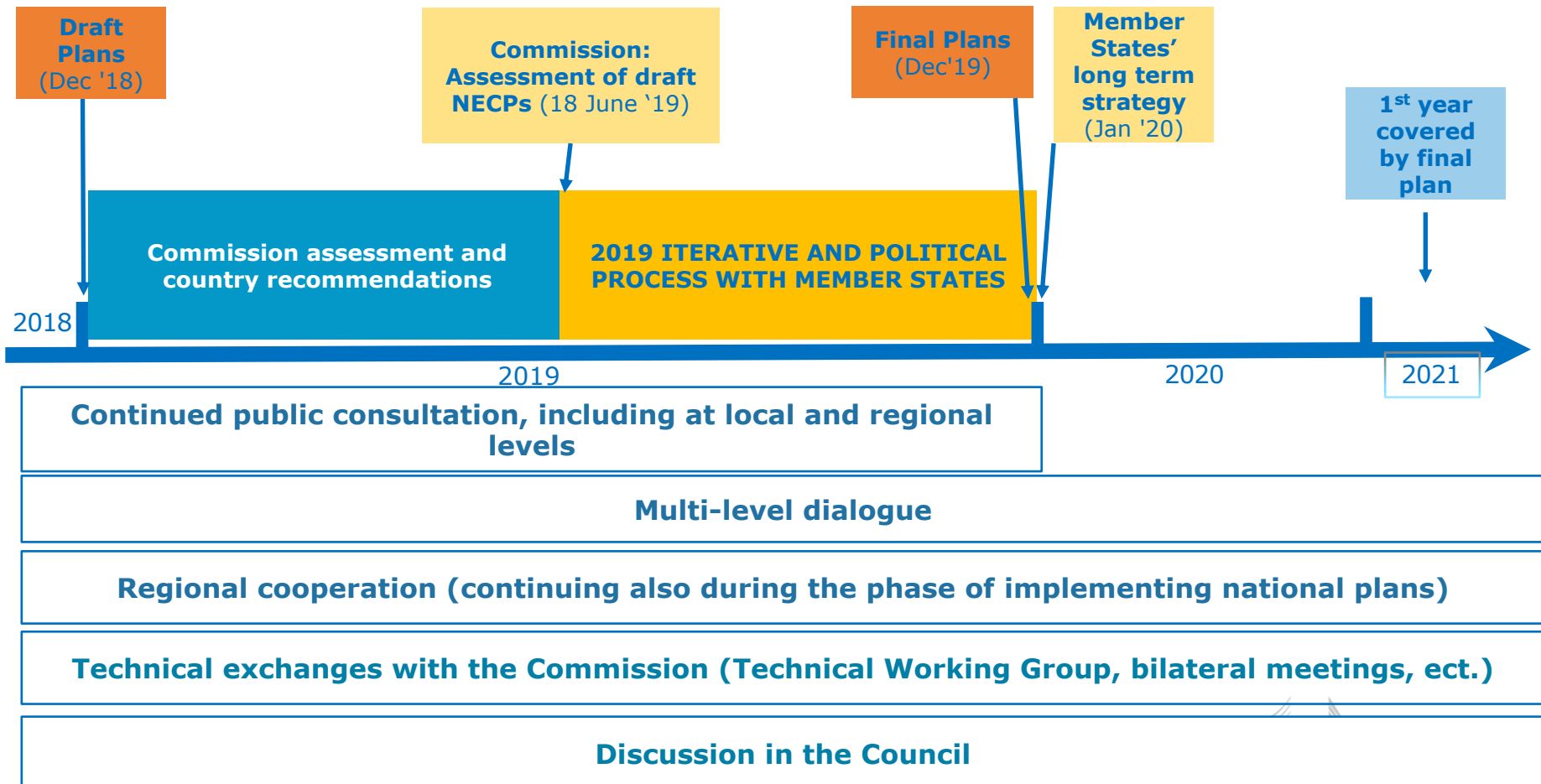
**Investments; Phase-out of energy subsidies, in particular for fossil fuels**

**Interactions with air quality/ air pollutant emissions**

**Just transition and energy poverty**

# NEXT STEPS

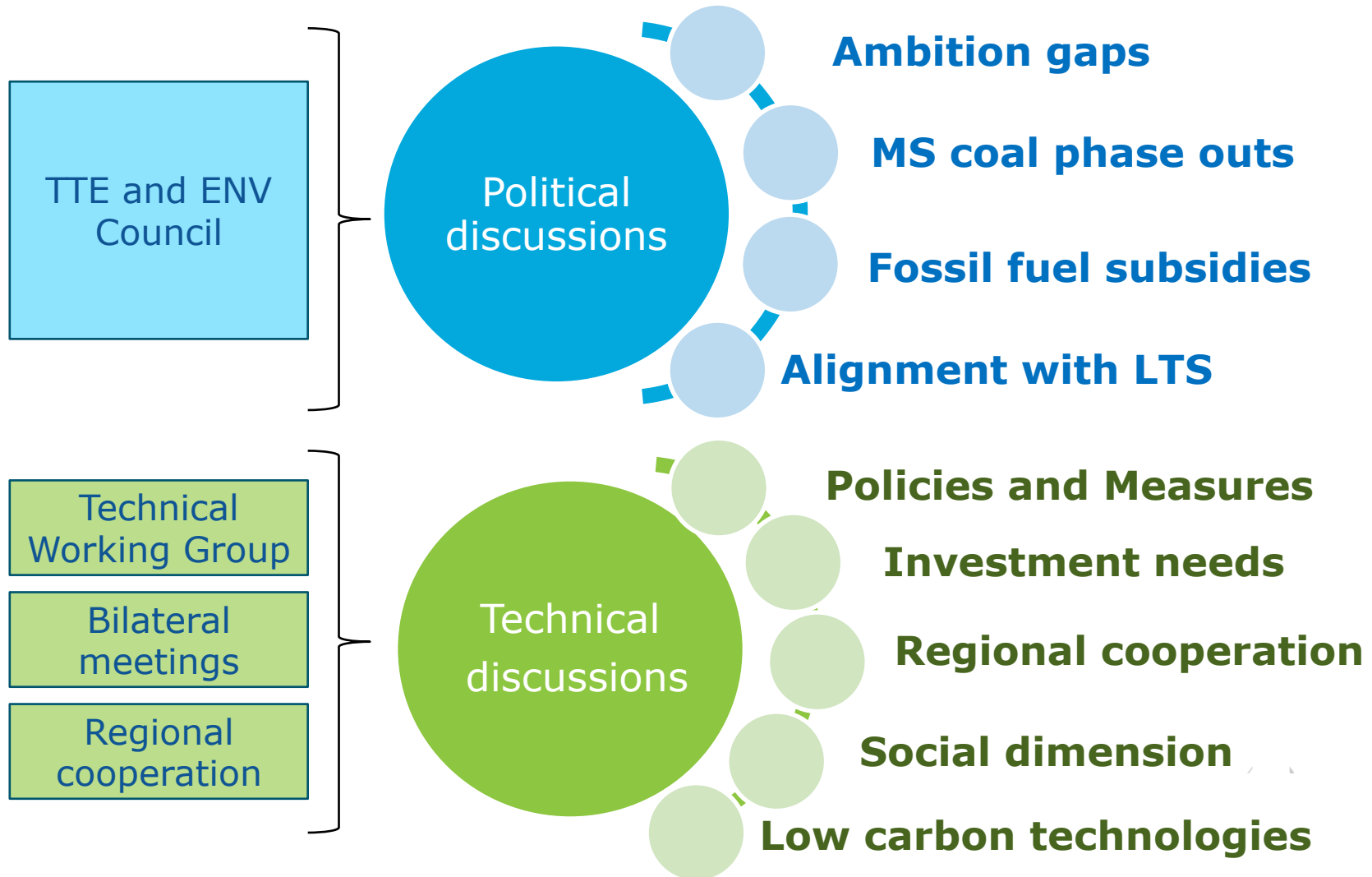
## ITERATIVE PROCESS





# NEXT STEPS

DIALOGUE SHOULD CONTINUE BOTH AT THE POLITICAL AND TECHNICAL LEVEL



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# Long-Term Strategy Discussion is synchronised

## European Council Conclusion on the LTS (*17-18 October 2019*)

(...) The existential threat posed by climate change requires enhanced ambition and increased climate action by the EU and at global level (...) The European Council recalls that it will finalise its guidance on the EU's long-term strategy on climate change at its December meeting with a view to the adoption and submission of the EU's long-term strategy to the UNFCCC in early 2020.



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## THANK YOU!

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