EU ENERGY POLICY

Federica Cristani, PhD Jean Monnet Module on EU Foreign Policy

What is this module about...

- Which are the main features of the EU foreign energy policy?
- What is the role and function of EURATOM?
- Which is the role of the EU in the Energy Charter Treaty?
- Which is the role of the EU in the international arena with regard energy policies?
- Which are the effects of the current COVID19 pandemic to the EU energy policy?

Lectures' content

- the main features of the EU foreign energy policy
- the role and function of the European Atomic Energy Community (EAEC or Euratom)
- the role of the EU in the Energy Charter Treaty
- external action instruments in the energy sector and local action support
- effects of the COVID19 pandemic to the EU energy policy

- web-sources and materials on EU energy policy

LECTURE N. 1

THE MAIN FEATURES OF THE EU FOREIGN ENERGY POLICY

Treaty of Paris, 1951

European Coal and Steel Community





Treaty of Rome, 1957

European Atomic Energy Agency

Energy seen by EU's Founding Fathers as a major instrument to build cooperation and solidarity among European countries

Initial aims...

To provide a **common policy** with a precise set of **rules** and **instruments** based on exclusive supranational powers conferred to a central institution:

- The **High Authority** in the case of **European Coal and Steel Community**
- The Supply Agency in the case of Euratom
- Together with European Economic Community, foundations of current EU





European Coal and Steel Community

- Treaty of Paris setting up the European Coal and Steel Community (ECSC) 6 countries (Belgium, Germany, France, Italy, Luxembourg and the Netherlands)
- WHAT WAS THE AIM OF THE TREATY?
 - to organise the free movement of coal and steel and to free up access to sources of production.
 - An important feature was the setting up of a **common High Authority** to:
 - supervise the market;
 - monitor compliance with competition rules; and
 - ensure price transparency.
- Tasks: to pursue its goals, the ECSC:
 - collected information from coal and steel companies and associations;
 - consulted with the various parties (coal and steel companies, workers, etc); and
 - had powers to check the information with which it was provided.
- When coal and steel companies did not respect these powers, the High Authority could impose fines and penalty payments
- Commercial policy
 - The treaty also dealt with the commercial policy of the ECSC towards non-ECSC countries
- FROM WHEN DID THE TREATY APPLY?
 - The treaty applied from 1952, it was valid for 50 years and expired in 2002

POLICIES OF THE EU

Shared competences (Article 4 of the TFEU): the EU and EU countries can legislate and adopt legally binding acts. Shared competence between the EU and EU countries applies in the following areas:

- internal market;
- social policy, but only for aspects specifically defined in the Treaty;
- economic, social and territorial cohesion (regional policy);
- agriculture and fisheries (except conservation of marine biological resources);
- environment;
- consumer protection;
- transport;
- trans-European networks;
- energy;
- area of freedom, security and justice;
- shared safety concerns in public health matters, limited to the aspects defined in the TFEU;
- research, technological development, space;
- development cooperation and humanitarian aid.

Article 194 TFEU: ENERGY

- 1. In the context of the establishment and functioning of the internal market and with regard for the need to preserve and improve the environment, Union policy on energy shall aim, in a spirit of solidarity between Member States, to:
- (a) ensure the functioning of the energy market;
- (b) ensure security of energy supply in the Union;
- (c) promote energy efficiency and energy saving and the development of new and renewable forms of energy; and
- (d) promote the interconnection of energy networks.
- 2. Without prejudice to the application of other provisions of the Treaties, the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, shall establish the measures necessary to achieve the objectives in paragraph 1. Such measures shall be adopted after consultation of the Economic and Social Committee and the Committee of the Regions.

Such measures shall not affect a Member State's right to determine the conditions for exploiting its energy resources, its choice between different energy sources and the general structure of its energy supply [...].

FREE CHOICE OF ENERGY SOUCRCES

This is why, for instance, the usage of nuclear power is still left to every MS's discretion

Principles of proportionality and subsidiarity

- Art. 5(3) Treaty on European Union
- Protocol (No 2) on the application of the principles of subsidiarity and proportionality
- proportionality
- the involvement of the institutions must be limited to what is necessary to achieve the objectives of the Treaties'
 - a necessity check to exercise legislation the EU level for every legislative action
- subsidiarity
- 'decisions are taken as closely as possible to the citizen and that constant checks are made to verify that action at Union level is justified in light of the possibilities available at national, regional or local level'
 - lowest possible level of government

TITLE XX TFEU: ENVIRONMENT

Article 191 (ex Article 174 TEC)

- 1. Union policy on the environment shall contribute to pursuit of the following objectives:
- preserving, protecting and improving the quality of the environment,
- protecting human health,
- prudent and rational utilisation of natural resources,
- promoting measures at international level to deal with regional or worldwide environmental problems, and in particular combating climate change.
- 2. Union policy on the environment shall aim at a high level of protection taking into account the diversity of situations in the various regions of the Union. It shall be based on the precautionary principle and on the principles that preventive action should be taken, that environmental damage should as a priority be rectified at source and that the polluter should pay [...]

Energy and climate change

- 1952 European Coal and Steel Community
- 1957 European Atomic Energy Community (Euratom)
- An internal market for electricity and gas in the European Union was established through three market liberalisation packages (adopted in 1990, 2003 and 2009)
- In the area of climate action, the EU is committed to taking action to limit global warming. The EU's long-term objective is to reduce EU greenhouse gas (GHG) emissions by 80-95% by 2050, compared to 1990 levels
- For the period 2020-30, the European Council endorsed a reduction in GHG emissions of at least 40%, a 27% target for renewable energy sources (share of all energy sources, binding at EU level) and a non-binding 27% target for (improved) energy efficiency
- Energy and climate policies are a shared competence between the EU and Member States.

European Commission (EC)

- Executive branch of the EU;
- Its main initiatives are adopted in a collegial manner.
- Article 17 TEU: the European Commission has several responsibilities:
- proposing draft legislation (it is the only EU institution that can table legislative proposals);
- developing medium-term strategies;
- drafting legislation and arbitrating in the legislative process between the Council of the EU and the European Parliament;
- representing the EU in trade negotiations;
- promulgating rules and regulations (e.g., with regards to competition policy within the EU);
- drawing up the budget of the European Union; and
- overseeing the implementation of the EU treaties and all EU legislation







Ursula von der Leyer President



Margnithe Vestagin Executive Vice-Presiden Europe fit for the Digital Age



raidis Dombrovskis Executive Vice-President an Economy that Works for People



Frank Timmormans Executive Vice-President European Green Deal



Mariya Gabriel Commissioner Innovation. esearch, Culture. Education and Youth



Budget and



Nicolas Schmit. Commissioner

Social Rights

Jobs and



Paglo Gentiloni Commissioner Economy



Wajciechowski Commissioner Agriculture

Janusz



Thierry Breton Commissioner Internal Market



Josep Borrell igh Representative/ Vice-President Stronger Europe In the World



Elisa Ferreira Commissioner Cohesian and Reforms



Stella Kyriakides Commissioner





Dider Reynders Commissioner Justice



Helena Dall Commissione Equality



Margantis Schinas Vice-Presiden Promoting Our European Way of Life



Yiva Johansson Commissioner Home Affairs



Janez Lenarčič Commissioner Crisis Management



Adina Välean Commissioner Transport



Olivér Várholyi. Commissioner Neighbourhood Enlargement



Jutta Urpilainen Commissioner International Partnerships



Kadri Simson Commissioner Energy



Virginijus Sinkevičius Commissioner Environment, Oceans and Fisheries



Marol Seffovič Vice-President nterinstitutional Relations and Foresight



Věra Jourová Vice-President Values and Transparency



Dubraska Soica Vice-President Democracy and Demograph



News & Events



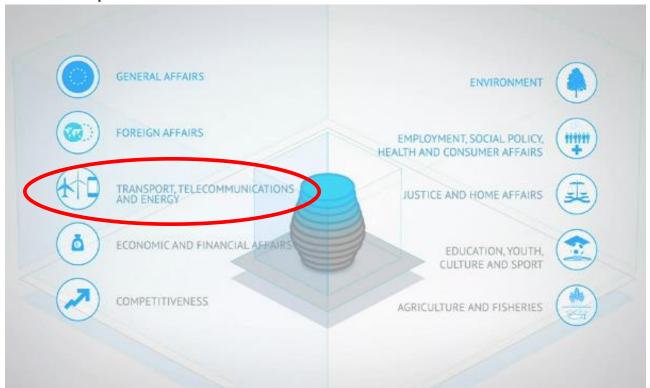
NEWS | 27 APRIL 2020

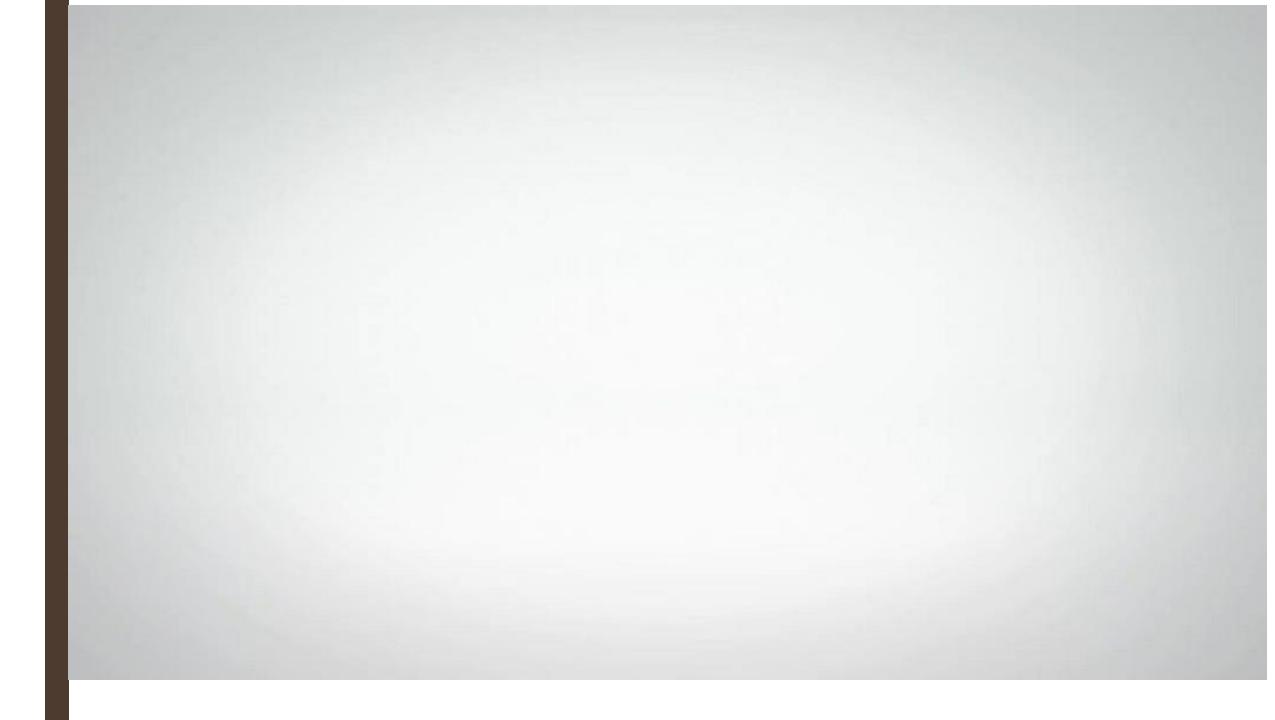
In focus: Energy security in the EU

The constant supply of energy is something we often take for granted. Securing that energy supply is vital.

The Council of the European Union

- The Council meets in **ten configurations**, with ministers from each of the 28 Member states represented on each of the councils
- The Council of the EU gives the negotiating directive (mandate) to the European Commission for negotiating free trade agreements (FTA) with 3rd parties.

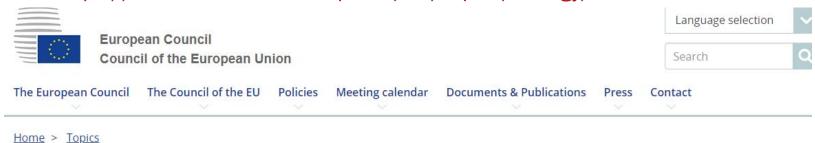




Council of the European Union energy policy

■ The Transport, Telecommunications and Energy Council meets every 3-4 months

https://www.consilium.europa.eu/en/topics/energy/



Energy

This page gives an overview of the latest and upcoming meetings, press releases and policies related to the work of the Council and the European Council in the area of energy.





Latest meetings



Flagship initiatives of Europe 2020

- the Commission adopted seven flagship initiatives in order to drive progress towards the Europe 2020 goals.
- Within each initiative, both the EU and national authorities have to coordinate their efforts so they are mutually reinforcing. Most of these initiatives were presented by the Commission in 2010.
 - Smart growth
 - Digital agenda for Europe
 - Innovation Union
 - Youth on the move
 - Sustainable growth
 - Resource efficient Europe
 - An industrial policy for the globalisation era
 - Inclusive growth
 - An agenda for new skills and jobs
 - European platform against poverty

- 7% of the world's population
- GDP (€12,268,387 million 2010)
- Responsible for 16,67% of worldwide GHG emissions
- Depends on imports for more than 50% of its energy needs
- Taking the initiative in Climate Change





RESOURCE EFFICIENT EUROPE

Resource efficiency means using the Earth's limited resources in a sustainable manner while minimising impacts on the environment.

It supports the shift towards sustainable growth via a resource-efficient, low-carbon economy.

The Roadmap to a Resource-Efficient

Europe (Communication of the Commission of 20 September 2011 - COM(2011) 571) sets out a framework for the design and implementation of future actions. It also outlines the structural and technological changes needed by 2050, including milestones to be reached by 2020.



EUROPEAN COMMISSION

Brussels, 20.9.2011 COM(2011) 571 final

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

Roadmap to a Resource Efficient Europe

{SEC(2011) 1067 final} {SEC(2011) 1068 final}

European energy security strategy

European energy security strategy (COM/2014/0330 final)

It sets out areas where decisions need to be taken or concrete actions implemented in the short, medium and longer term to respond to energy security concerns

- 1- save energy
- 2- produce more local energy (especially renewable electricity)
- 3- make it easier to transport gas and energy around Europe
- 4- find different ways and routes to import energy
- 5- common goals in negotiation processes

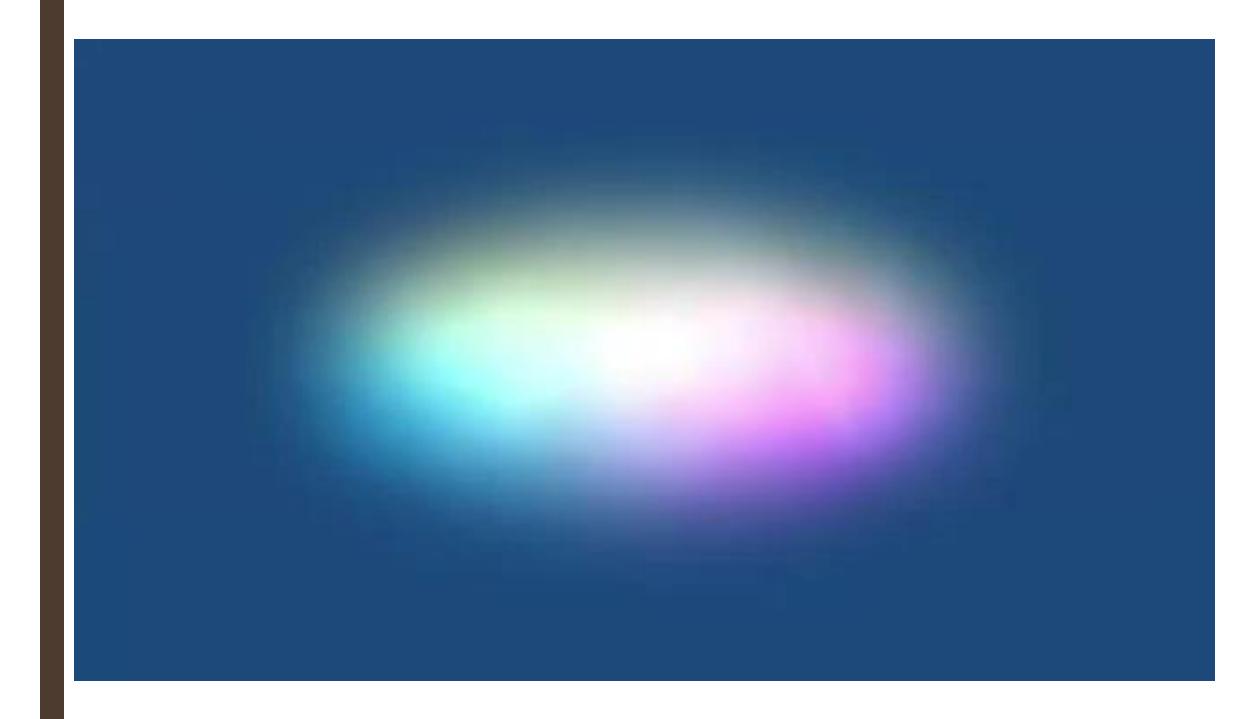


Brussels, 28.5.2014 COM(2014) 330 final

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

European Energy Security Strategy

{SWD(2014) 330 final}



2030 CLIMATE AND ENERGY POLICY FRAMEWORK

In October 2014 The European Council agreed on a **2030 CLIMATE AD EERGY POLICY FRAMEWORK**, including EU-wide targets and policy objectives for the period between 2020 and 2030.

Targets for 2030

- a 40% cut in greenhouse gas emissions compared to 1990 levels
- at least a 27% share of renewable energy consumption
- support the completion of the internal energy market by achieving the existing electricity interconnection target of 10% by 2020, with a view to reaching 15% by 2030

Policies for 2030

- First ideas on a new governance system based on national plans for competitive, secure, and sustainable energy.

The figures for renewables and energy efficiency have subsequently been increased in the context of the Clean Energy for all Europeans package.



Brussels, 23 October 2014 (OR. en)

SN 79/14

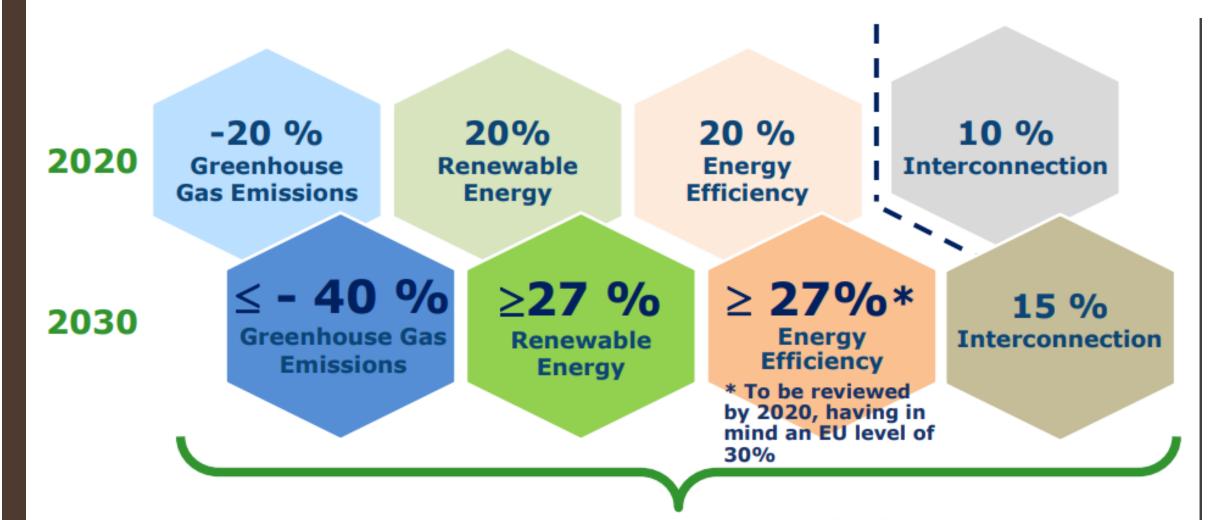
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Subject: European Council (23 and 24 October 2014)

Conclusions on 2030 Climate and Energy Policy Framework

I. 2030 CLIMATE AND ENERGY POLICY FRAMEWORK

Substantial progress has been made towards the attainment of the EU targets for greenhouse gas emission reduction, renewable energy and energy efficiency, which need to be fully met by 2020. On the basis of the principles identified in the March 2014 European Council conclusions, the European Council agreed today on the 2030 climate and energy policy framework for the European Union. Accordingly, the EU will submit its contribution, at the latest by the first quarter of 2015, in line with the timeline agreed by the UNFCCC in Warsa for the conclusion of a global climate agreement. The European Council calls on all countric to come forward with ambitious targets and policies well in advance of the Conference of the Parties 21 in Paris. It will revert to this issue after the Paris Conference. The European Council will keep all the elements of the framework under review and will continue to give strategic orientations as appropriate, notably with respect to consensus on ETS, non-ETS, interconnections and energy efficiency. The Commission will continue to have a regular



New governance system + indicators

The Energy Union Strategy

THE ENERGY UNION STRATEGY (A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy - COM/2015/080 final) of 25 February 2015

The Strategy is centred around five dimensions:

- Energy security, solidarity and trust
- A fully integrated European energy market
- Energy efficiency
- Decarbonising the economy (linked to the EU Climate policy)
- Research, Innovation and Competitiveness

Since its launch in 2015, the European Commission has published several packages of measures and regular progress reports



Brussels, 25.2.2015 COM(2015) 80 final

ENERGY UNION PACKAGE

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN INVESTMENT BANK

A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate

THE ENERGY UNION STRATEGY: the five dimensions of action

first dimension: energy security, solidarity and trust

diversification of energy sources; cooperation among Member States; increased transparency on gas supply contracts

second dimension: fully integrated internal energy market

- creation of an EU-wide energy retail market; upgrade of trans-border networks

third dimension: energy efficiency

- securing energy supply by moderating energy demand; transport and buildings are targeted as sectors with great potential for energy efficiency measures

fourth dimension: decarbonisation of the economy (going hand in hand with the EU's climate policy)

- preparing markets for a growing proportion of renewable energy; investing in advanced, sustainable alternative fuels

fifth dimension: research, innovation and competitiveness

- focusing on consumer participation; reinforcing sustainable transport systems

THE ENERGY UNION STRATEGY: instruments

- implementation and enforcement of existing legislation
- new legislation
- development of strategies, support and financing,
- actions by Member States
- the use of external policy instruments

Clean energy for all Europeans package (1)

November 2016: new energy legislative framework proposals presented by the European Commission

- this **package** marked a significant step towards the implementation of the 2015 Energy Union Strategy.

The new policy framework includes new regulatory frameworks, in particular through the introduction of the first **national energy and climate plans**

To strive towards a long-term greenhouse gas reduction objective, the framework also sets up a robust governance system for the Energy Union, and each Member State is required to draft integrated national energy and climate plans for 2021 to 2030 outlining how they will achieve their respective targets.



Brussels 30 11 2016

COM(2016) 860 final

COMMUNICATION FROM THE COMMISSION

Clean Energy For All Europeans

1. Introduction

The Energy Union is one of the ten priorities of the Juncker Commission. With the aim to modernise the EU's economy, it works hand in hand with other flagship initiatives such as the Digital Single Market, the Capital Markets Union and the Investment Plan for Europe in order to deliver on jobs, growth and investments for Europe.

This package presents an opportunity to speed both the clean energy transition and growth and job creation. By mobilising up to an additional 177 billion euro of public and private investment per year from 2021, this package can generate up to 1% increase in GDP over the next decade and create 900.000 new jobs ¹. It will also mean that on the average the carbon intensity of the EU's economy will be 43% lower in 2030 than now ², with renewable electricity representing about half of the EU's electricity generation mix ³.

Figure 1: Modernisation of the economy - Role of the Energy Union and Climate Action



Clean energy for all Europeans package (2)

- The package includes 8 different legislative acts
- Energy Performance in Buildings Directive (19/06/2018 Directive (EU) 2018/844)
- Renewable Energy Directive (21/12/2018 Directive (EU) 2018/2001)
- Energy Efficiency Directive (21/12/2018 Directive (EU) 2018/2002)
- Governance Regulation (21/12/2018 Regulation (EU) 2018/1999)
- Electricity Directive (5/6/2019 Directive (EU) 2019/944)
- Electricity Regulation (5/6/2019 Regulation (EU) 2019/943)
- Risk-Preparedness Regulation (5/6/2019 Regulation (EU) 2019/941)
- Regulation for the Agency for the Cooperation of Energy Regulators (ACER) (5/6/2019 Regulation (EU) 2019/942)

In 2019 the EU completed a comprehensive update of its energy policy framework to facilitate the transition away from fossil fuels towards cleaner energy and to deliver on the EU's Paris

Agreement commitments for reducing greenhouse gas emissions.

https://ec.europa.eu/energy/topics/energy-strategy/clean-energy-all-



Clean energy for all Europeans package

PAGE CONTENTS

Energy performance in buildings

Renewable energy

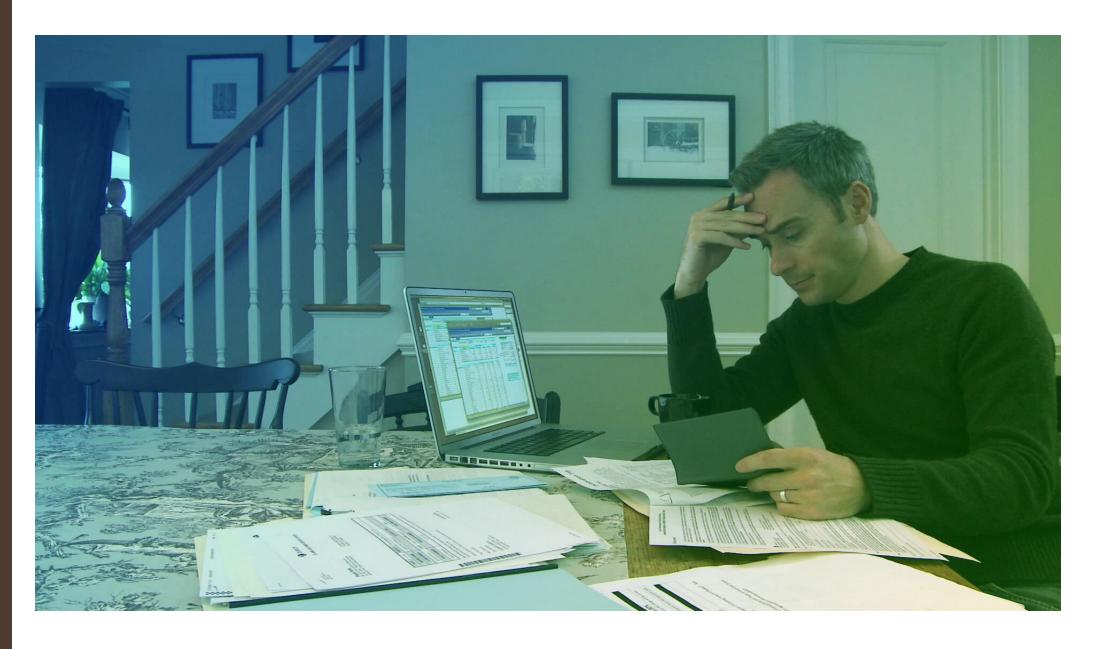
Energy efficiency

Governance regulation

In 2019 the EU completed a comprehensive update of its energy policy framework to facilitate the transition away from fossil fuels towards cleaner energy and to deliver on the EU's Paris Agreement commitments for reducing greenhouse gas emissions.

The agreement on this new energy rulebook – called the **Clean energy** for all **Europeans package** - marked a significant step towards the implementation of the energy union strategy, published in 2015.

https://www.youtube.com/watch?v=LhKb8nYYqL8&feature=youtu.be



Energy Performance in Buildings Directive (19/06/2018 - Directive (EU) 2018/844)

Objective: reduce the energy needed to meet the energy demand associated with the typical use of buildings,

Main achievements:

Creates a clear path towards a low and zero-emission building stock in the EU by 2050

Encourages the use of information and communication technology (ICT) and smart technologies to ensure buildings operate efficiently for example by introducing automation and control systems.

Mobilises public and private financing and investment.

Helps combatting energy poverty and reducing the household energy bill by renovating older buildings. 9.6.2018

Official Journal of the European Union

L 156/75

DIRECTIVE (EU) 2018/844 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 30 May 2018

amending Directive 2010/31/EU on the energy performance of buildings and Directive 2012/27/EU on energy efficiency

(Text with EEA relevance

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 194(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee (1),

Having regard to the opinion of the Committee of the Regions (2),

Acting in accordance with the ordinary legislative procedure (3),

Whereas:

- (1) The Union is committed to developing a sustainable, competitive, secure and decarbonised energy system. The Energy Union and the Energy and Climate Policy Framework for 2030 establish ambitious Union commitments to reduce greenhouse gas emissions further by at least 40% by 2030 as compared with 1990, to increase the proportion of renewable energy consumed, to make energy savings in accordance with Union level ambitions, and to improve Europe's energy security, competitiveness and sustainability.
- (2) To reach those objectives, the 2016 review of the Union's energy efficiency legislative acts combines a reassessment of the Union's energy efficiency target for 2030 as requested by the European Councils conclusions of 2014, a review of the core provisions of Directive 2012/2//EU of the European Parliament and of the Council (*) and Directive 2010/31/EU of the European Parliament and of the Council (*), and a reinforcement of the financing framework, including the European Structural and Investment Funds (ESIF) and the European Fund for Strategic Investments (EFSI), which will ultimately improve the financial conditions of energy efficiency investments on the market.
- (3) Directive 2010/31/EU required the Commission to carry out a review by 1 January 2017 in the light of the experience gained and progress made during the application of that Directive, and, if necessary, to make proposals.

Renewable Energy Directive (21/12/2018 - Directive (EU) 2018/2001)

Objective: establishes a common framework for the promotion of energy from renewable sources; it lays down rules on financial support for electricity from renewable sources

Main achievements:

Sets a new, binding, renewable energy target for the EU for 2030 of 32%

L 328/82 EN

Official Journal of the European Union

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DIRECTIVES

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

(recast)

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 194(2) thereof,

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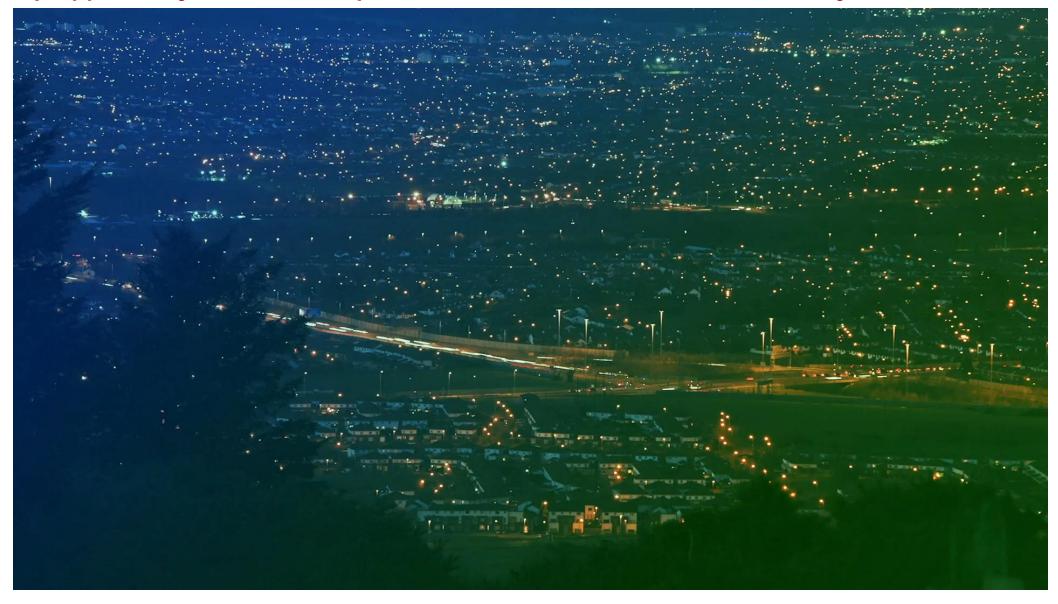
Having regard to the opinion of the Committee of the Regions (2),

Acting in accordance with the ordinary legislative procedure (1),

Whereas

- Directive 2009/28/EC of the European Parliament and of the Council (*) has been substantially amended several
 times (*). Since further amendments are to be made, that Directive should be recast in the interests of clarity.
- (2) In accordance with Article 194(1) of the Treaty on the Functioning of the European Union (TFEU), promoting renewable forms of energy is one of the goals of the Union energy policy. That goal is pursued by this Directive. The increased use of energy from renewable sources or 'renewable energy' constitutes an important part of the package of measures needed to reduce greenhouse gas emissions and comply with the Union's commitment under the 2015 Paris Agreement on Climate Change following the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (the Paris Agreement), and with the Union 2030 energy and climate framework, including the Union's binding target to cut emissions by at least 40 % below 1990 levels by 2030. The Union's binding renewable energy target for 2030 and Member States' contributions to that target, including their baseline shares in relation to their national overall targets for 2020, are among the elements

https://www.youtube.com/watch?v=LeHILsS9kRc&feature=youtu.be



Energy Efficiency Directive (21/12/2018 - Directive (EU) 2018/2002)

Objective: new rules for improving energy efficiency in Europe

Sets a new energy efficiency target for the EU for 2030 of 32.5%

Will extend the annual energy saving obligation beyond 2020, which will attract private investments

Will require Member States to have in place transparent, publicly available national rules on the allocation of the cost of heating, cooling and hot water consumption in multi-apartment and multi-purpose buildings with collective systems for such services.

Will tackle existing market and regulatory barriers in order to increase security of supply, competitiveness of EU industries, reduce energy bills of consumers and health costs for society, thereby also addressing energy poverty and exploiting the positive impacts on economic growth and employment.

L 328/210



Official Journal of the European Union

21.12.2018

DIRECTIVE (EU) 2018/2002 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 11 December 2018

amending Directive 2012/27/EU on energy efficiency

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION.

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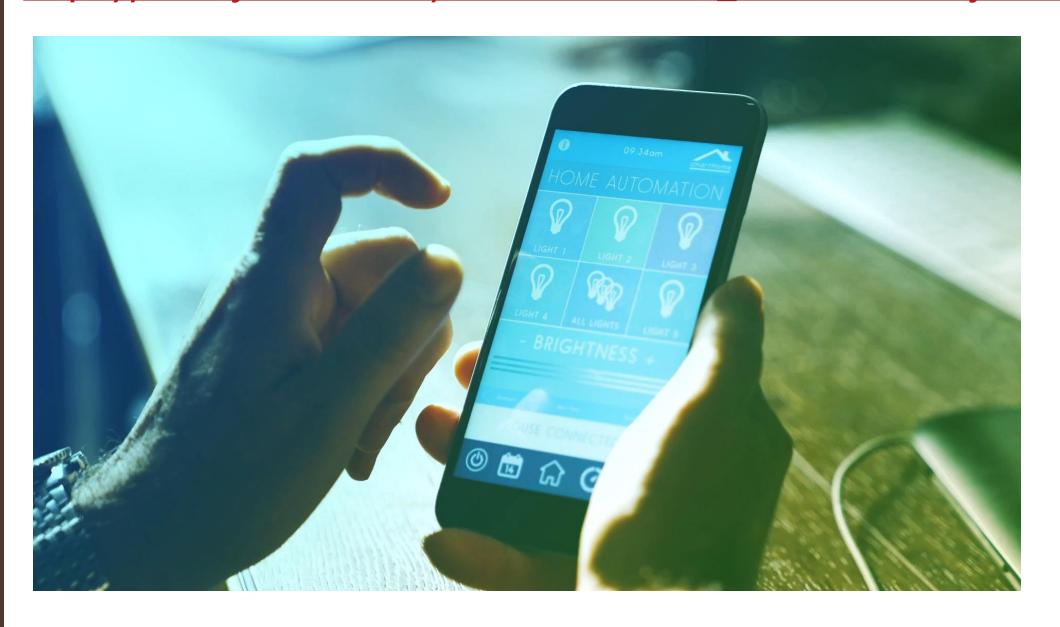
Having regard to the opinion of the Committee of the Regions (2),

Acting in accordance with the ordinary legislative procedure (3),

Whereas:

(1) Moderation of energy demand is one of the five dimensions of the Energy Union Strategy established by the Commission communication of 25 February 2015 entitled 'A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy'. Improving energy efficiency throughout the full energy chain, including energy generation, transmission, distribution and end-use, will benefit the environment, improve air quality and public health, reduce greenhouse gas emissions, improve energy security by reducing dependence on energy imports from outside the Union, cut energy costs for households and companies, help alleviate energy poverty, and lead to increased competitiveness, more jobs and increased economic activity throughout the economy, thus improving citizens' quality of life. This is in line with the Union commitments made in the framework of the Energy Union and global climate agenda established by the 2015 Paris Agreement on climate change following the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (*) (the 'Paris Agreement'), committing to keep the increase of the global average temperature to well below 2 °C above pre-industrial levels and to pursuing efforts to limit the temperature increase to 1,5 °C above pre-industrial levels.

https://www.youtube.com/watch?v=dSf6A8_AUfE&feature=youtu.be



Governance Regulation (21/12/2018 - Regulation (EU) 2018/1999) **(1)**

Objective: enable the European Union to realise its goals in the energy sector

Main goals

- to implement strategies and measures which ensure that the objectives of the energy union, in particular the EU's 2030 energy and climate targets, and the long-term EU greenhouse gas emissions commitments are consistent with the Paris agreement.
- to stimulate cooperation between Member States in order to achieve the objectives and targets of the energy union
- to promote long-term certainty and predictability for investors across the EU and foster jobs, growth and social cohesion
- to reduce administrative burdens, in line with the principle of better regulation. This was done by integrating and streamlining most of the current energy and climate planning and reporting requirements of EU countries as well as the Commission's monitoring obligations
- to ensure consistent reporting by the EU and its Member States under the UN Framework Convention on Climate Change and the Paris agreement

21.12.2018 EN Official Journal of the European Union

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L 328/1

(Legislative acts)

REGULATIONS

REGULATION (EU) 2018/1999 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 11 December 20

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, 2009/31/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 Council

(Text with EEA relevance)

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Having regard to the opinion of the Committee of the Regions (2),

Acting in accordance with the ordinary legislative procedure (1),

Wherea

(1) This Regulation sets out the necessary legislative foundation for reliable, inclusive, cost-efficient, transparent and predictable governance of the Energy Union and Climate Action (governance mechanism), which ensures the achievement of the 2030 and long-term objectives and targets of the Energy Union in line with the 2015 Paris Agreement on climate change following the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (the Paris Agreement), through complementary, coherent and ambitious efforts by the Union and its Member States, while limiting administrative complexity.

Governance Regulation (21/12/2018 - Regulation (EU) 2018/1999) **(2)**

[...] This Regulation sets out the necessary legislative foundation for reliable, inclusive, costefficient, transparent and predictable governance of the Energy Union and Climate Action (governance mechanism), which ensures the achievement of the 2030 and long-term objectives and targets of the Energy Union in line with the 2015 Paris Agreement [....]

21.12.2018 EN Official Journal of the European Union

(Legislative acts)

L 328/1

REGULATIONS

REGULATION (EU) 2018/1999 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 11 December 20

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 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 Council

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Acting in accordance with the ordinary legislative procedure (1),

Whereas:

(1) This Regulation sets out the necessary legislative foundation for reliable, inclusive, cost-efficient, transparent and predictable governance of the Energy Union and Climate Action (governance mechanism), which ensures the achievement of the 2030 and long-term objectives and targets of the Energy Union in line with the 2015 Paris Agreement on climate change following the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (the Paris Agreement), through complementary, coherent and ambitious efforts by the Union and its Member States, while limiting administrative complexity.

Governance Regulation (21/12/2018 - Regulation (EU) 2018/1999) **(3)**

Integrated National Energy and Climate Plans (NECPs)

The governance mechanism is based on integrated **national energy and climate plans (NECPs)** covering ten-year periods starting from 2021 to 2030, EU and national long-term strategies, as well as integrated reporting, monitoring and data publication.

Each Member States is required to submit a draft NECPs, which is then assessed by the Commission. If the draft NECPs do not sufficiently contribute to reaching the energy union's objectives – individually and/or collectively – then the Commission may make recommendations for countries to amend their draft programmes.

The final NECPs must be submitted by the end of 2019.

EU countries are also required to develop national long-term strategies by 1 January 2020, and consistency between long-term-strategies and NECPs has to be ensured.

21.12.2018 EN Official Journal of the European Union

1

L 328/1

(Legislative acts)

REGULATIONS

REGULATION (EU) 2018/1999 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 11 December 20

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, 2009/31/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of 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 Council

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) and Article 194(2) thereof.

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments

Having regard to the opinion of the European Economic and Social Committee (1),

Having regard to the opinion of the Committee of the Regions (2),

Acting in accordance with the ordinary legislative procedure (1),

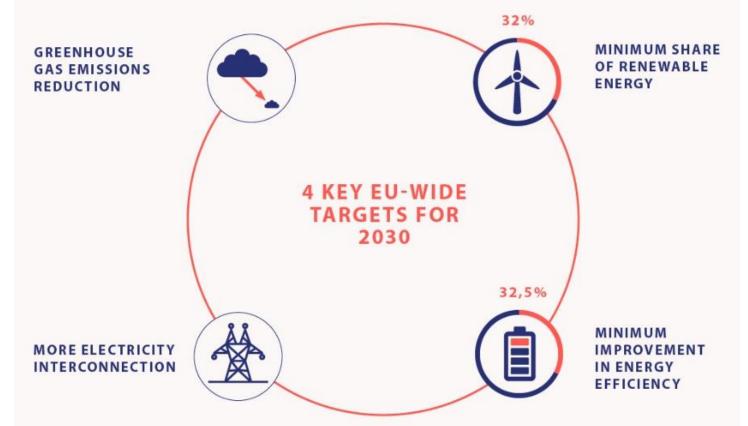
Wherea

(1) This Regulation sets out the necessary legislative foundation for reliable, inclusive, cost-efficient, transparent and predictable governance of the Energy Union and Climate Action (governance mechanism), which ensures the achievement of the 2030 and long-term objectives and targets of the Energy Union in line with the 2015 Paris Agreement on climate change following the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (the Paris Agreement), through complementary, coherent and ambitious efforts by the Union and its Member States, while limiting administrative complexity.

National energy and climate plans (NECPs)

WHAT?

To ensure the EU meets its clean energy and climate targets, member states are preparing national energy and climate plans (NECPs).



- First ever integrated mid-term
 planning tools that MSs are required
 to prepare in view of the
 implementation of the Energy Union
 objectives
- They describe how each Member
 State plans to contribute to the achievement of the common Energy
 Union objectives
- Binding structure set by the Governance Regulation and reflect the logic of the five dimensions of the Energy Union: Energy efficiency first; a fully integrated internal energy market; decarbonisation of the economy; energy security, solidarity and trust, research, innovation and competitiveness.
- required to include targets, objectives and/or contributions as well as policies and measures to attain the national goals.

HOW?

NECPs have been introduced through an EU regulation*. They cover the five dimensions of the Energy Union:



ENERGY



INTERNAL ENERGY MARKET



ENERGY



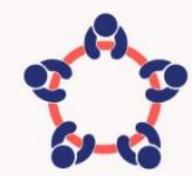
DE-CARBONISATION



WHEN?

NECPs cover 10-year periods. The first one is 2021-2030.





Ongoing dialogue to improve NECPs

https://ec.europa.eu/info/energy-climate-change-environment/overall-targets/national-energy-and-climate-plans-necps_en

Final NECPs

The table below links to the final integrated national energy and climate plans for 2021 to 2030, as submitted by Member States.

The plans that are still missing in the table will be added as soon as they are received.

Final NECPs received (as of 30 April 2020)

	Original version	English version	National website
Austria	<u>DE</u>	<u>EN</u>	<u>Austria</u> [≥
Belgium	FR (<u>Part A</u> <u>Part B</u>) NL (<u>Part A</u> <u>Part B</u>)		Belgium (FR 2) (NL 2)
Bulgaria	BG		
Croatia	HR	EN	Croatia [♣

INTEGRATED NATIONAL ENERGY AND CLIMATE PLAN

Ministry of Economic Development

Ministry of the Environment and Protection of Natural Resources and the Sea Italy

Ministry of Infrastructure and Transport

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Integrated National Energy and Climate Plan

2021-2030

The Netherlands

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Electricity market design

A further part of the package seeks to establish a modern design for the EU electricity market, adapted to the new realities of the market – more flexible, more market-oriented and better placed to integrate a greater share of renewables.

- **Electricity Directive** (5/6/2019 Directive (EU) 2019/944)
- **Electricity Regulation** (5/6/2019 Regulation (EU) 2019/943)
- **Risk-Preparedness Regulation** (5/6/2019 Regulation (EU) 2019/941)
- Regulation for the Agency for the Cooperation of Energy Regulators (ACER) (5/6/2019 Regulation (EU) 2019/942)











OBJECTIVES

- allowing electricity to move freely throughout the EU energy market through cross-border trade, more competition and better regional cooperation;
- enabling more flexibility to accommodate an increasing share of renewable energy in the electricity grid;
- fostering more market-based investments in the sector, while decarbonising the EU energy system;
- introducing a **new emissions limit for power plants** eligible to receive subsidies;
- improving planning to anticipate and respond to electricity market crisis situations, including through crossborder cooperation.

Agency for the Cooperation of Energy Regulators (ACER)



established in March 2011 (Ljubljana, Slovenia)

https://www.acer.europa.eu/en/Pages/default.aspx

Mission

- to complement and coordinate the work of national energy regulators at EU level
- to work towards the completion of the single EU energy market for electricity and natural gas.
- The Agency coordinates regional and cross-regional initiatives; monitors the functioning of gas and electricity markets in general, and of wholesale energy trading in particular.
- Regulation for the Agency for the Cooperation of Energy Regulators (ACER) (5/6/2019 - Regulation (EU) 2019/942)
 - ACER's main role currently is confined to coordination, advising and monitoring.
 - Provision of additional competences to ACER in those areas where fragmented national decisions of cross-border relevance would lead to problems for the internal Energy Market; the proposed approach will also streamline regulatory procedures (by introducing direct approval by ACER instead of separate approvals by all national regulators)

EU ENERGY POLICY: REGULATORY FRAMEWORK

- September 2011: Roadmap to a Resource-Efficient Europe (Communication of the Commission COM(2011) 571)
- May 2014: European energy security strategy (Communication of the Commission COM/2014/0330 final)
- October 2014: 2030 Climate and Energy Policy Framework (European Council Conclusions)
- **February 2015**: The Energy Union Strategy (Communication of the Commission COM/2015/080 final)
- November 2016: Clean Energy For All Europeans (Communication of the Commission COM/2016/0860 final)
 - Energy Performance in Buildings Directive (19/06/2018 Directive (EU) 2018/844)
 - Renewable Energy Directive (21/12/2018 Directive (EU) 2018/2001)
 - Energy Efficiency Directive (21/12/2018 Directive (EU) 2018/2002)
 - Governance Regulation (21/12/2018 Regulation (EU) 2018/1999)
 - Electricity Directive (5/6/2019 Directive (EU) 2019/944)
 - Electricity Regulation (5/6/2019 Regulation (EU) 2019/943)
 - Risk-Preparedness Regulation (5/6/2019 Regulation (EU) 2019/941)
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