

# The National Energy and Climate Plans (NECPs): Do they deliver?

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**EREF**

European Renewable Energies Federation

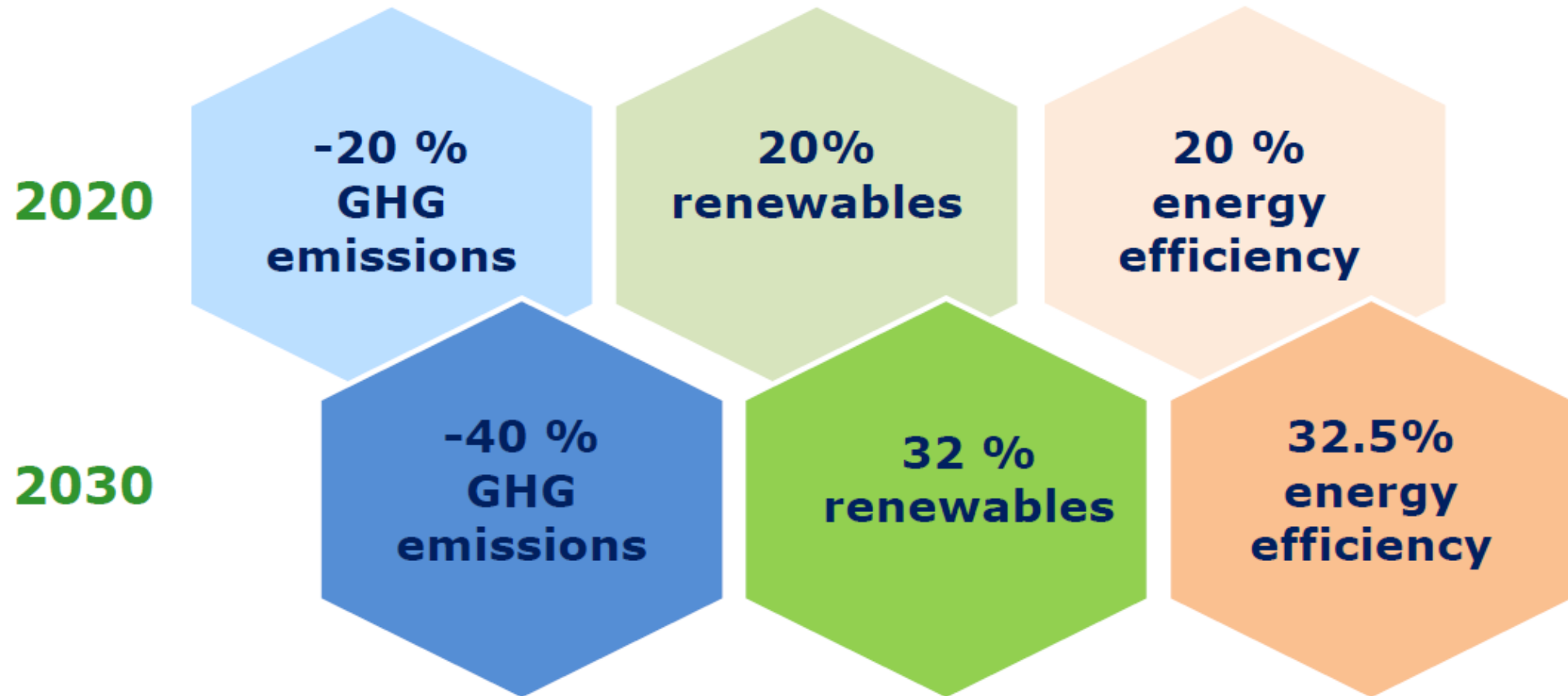
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# Content of presentation

- I. The 2030 Governance system and NECPs
- II. Assessment of draft NECPs
- III. Necessary steps for decision-makers to do next

# European climate and energy targets



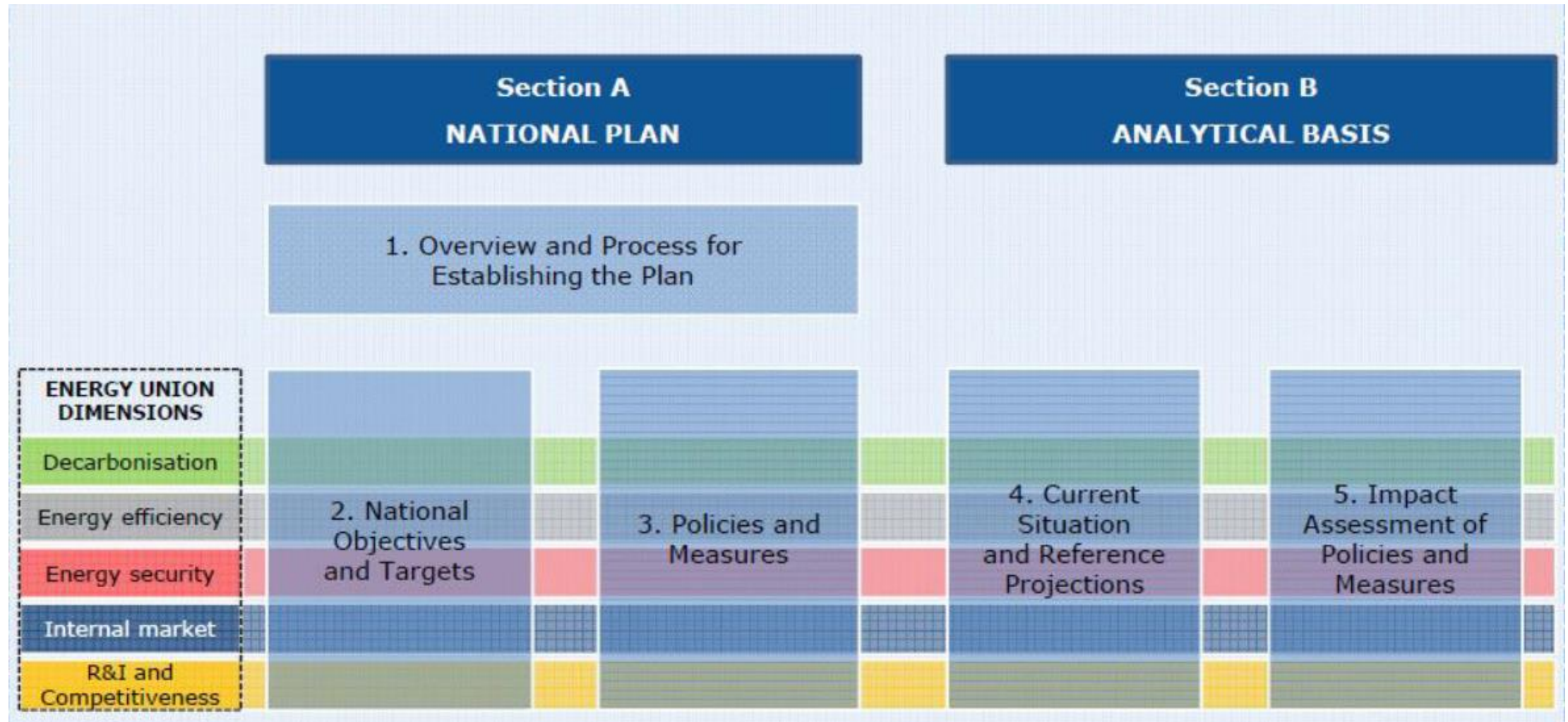
# Objectives of the 2030 governance system

- Meet the objectives of the EU Energy Union, especially 2030 targets
- Ensure better regulation and reduce administrative burden
- Allow for investor certainty and predictability
- Synchronize planning and reporting cycles with Paris Agreement

# The 2030 governance system

- No binding national targets for the member states
- Instead: Member States to adopt national integrated energy and climate plans (NECPs)
  - Targets, inter alia for renewables, as „contribution“ to EU target
  - Measures how to achieve those self-set targets
  - Taking into account cross-border cooperation options
  - Evaluation and discussion of the plans with the Commission

# Structure of the NECPs



# ENERGY UNION GOVERNANCE – OVERALL RATIONALE

REGULATORY STABILITY, STREAMLINING, ACHIVING ENERGY UNION OBJECTIVES, ALIGNEMENT WITH PARIS

**National Integrated Energy and Climate Plans  
(2021 to 2030)**

(preparation well before 2020)

**National progress reports  
(from 2023, every two years)**

**European Commission monitoring  
(State of the Energy Union)**

Streamlining:



**1 Plan  
1 Report  
1 Monitoring**



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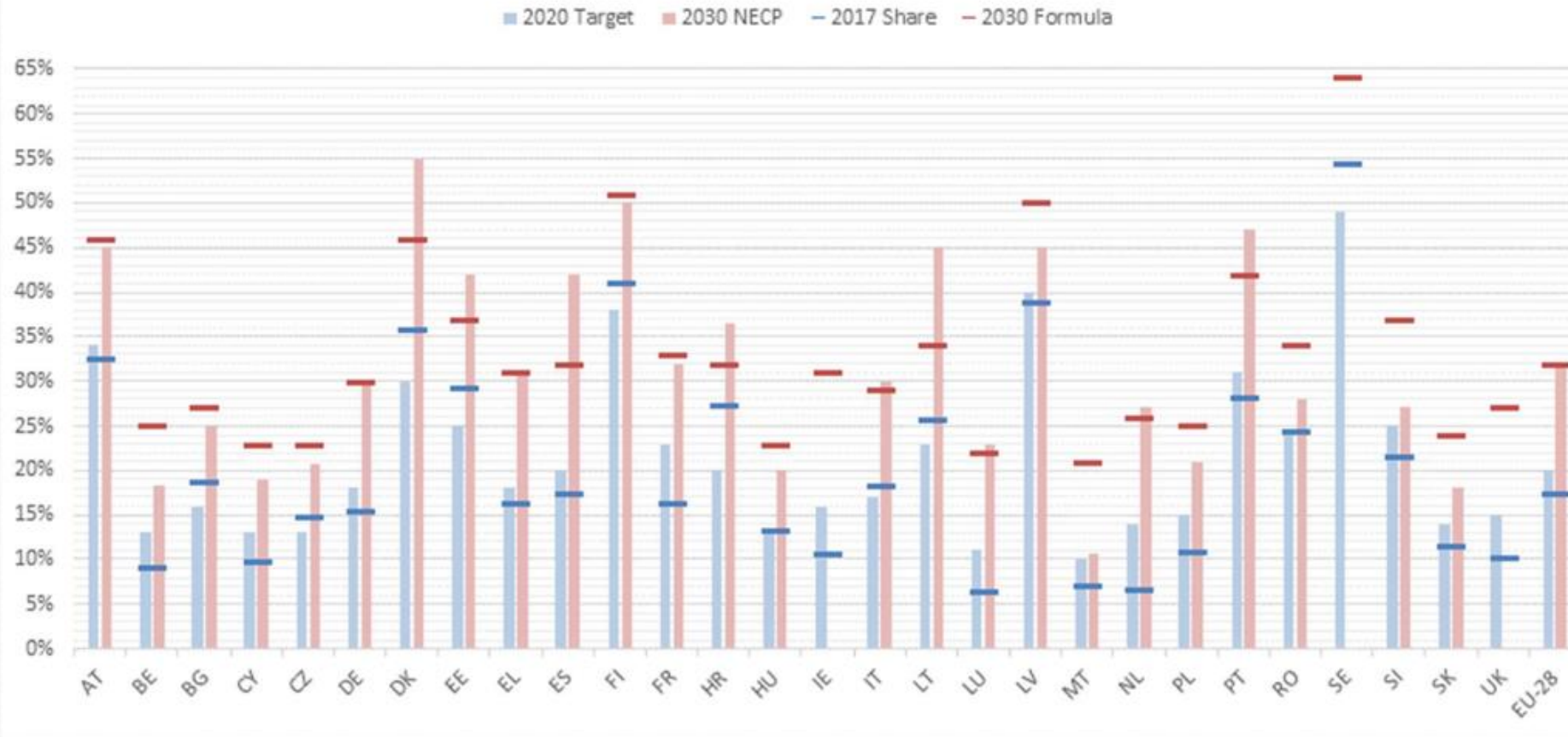


# Assessment of draft NECPs I

- Submitted NECPs are insufficient to deliver the EU's 32% renewable energy target
- Tendency to aim low on targets in hope to reach EU-wide target through contributions from other EU Member States
- Significant efforts to define 2030 targets vs. vague measures on how to achieve them
- Detailed policies and measures needed to deliver contributions (esp. the 2022 first reference point)
- Long-term plans until 2050 not adequately addressed or not mentioned

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

RES share in gross final energy consumption



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

Source: European Commission, September 2019

# Assessment of draft NECPs II

- Need for details on requested topics by Governance Regulation such as planned auctions and definition of renewable energy communities
- Need to improve coherence with related policies such as circular economy, just transition, industrial strategy
- Lack of identification of investment needs
- Overview of subsidies and plans to phase out those for conventional energy often missing
- Replacement of old renewable energy plants overlooked

# Assessment of draft NECPs III

Energy communities:

- Best countries: AT, HR, EL, IE, NL
- Little acknowledgement of role and benefits of energy communities (especially DE, MT and SE)
- Need for clear use of terminology
- Lack of distinction between energy communities as an organisational concept and other technical activities such as renewable self-consumption

# Assessment of draft NECPs IV

- Regional cooperation and sector coupling hardly considered
- Heating and Cooling, Transport and energy efficiency neglected
- Neglected public stakeholder consultation process in some countries

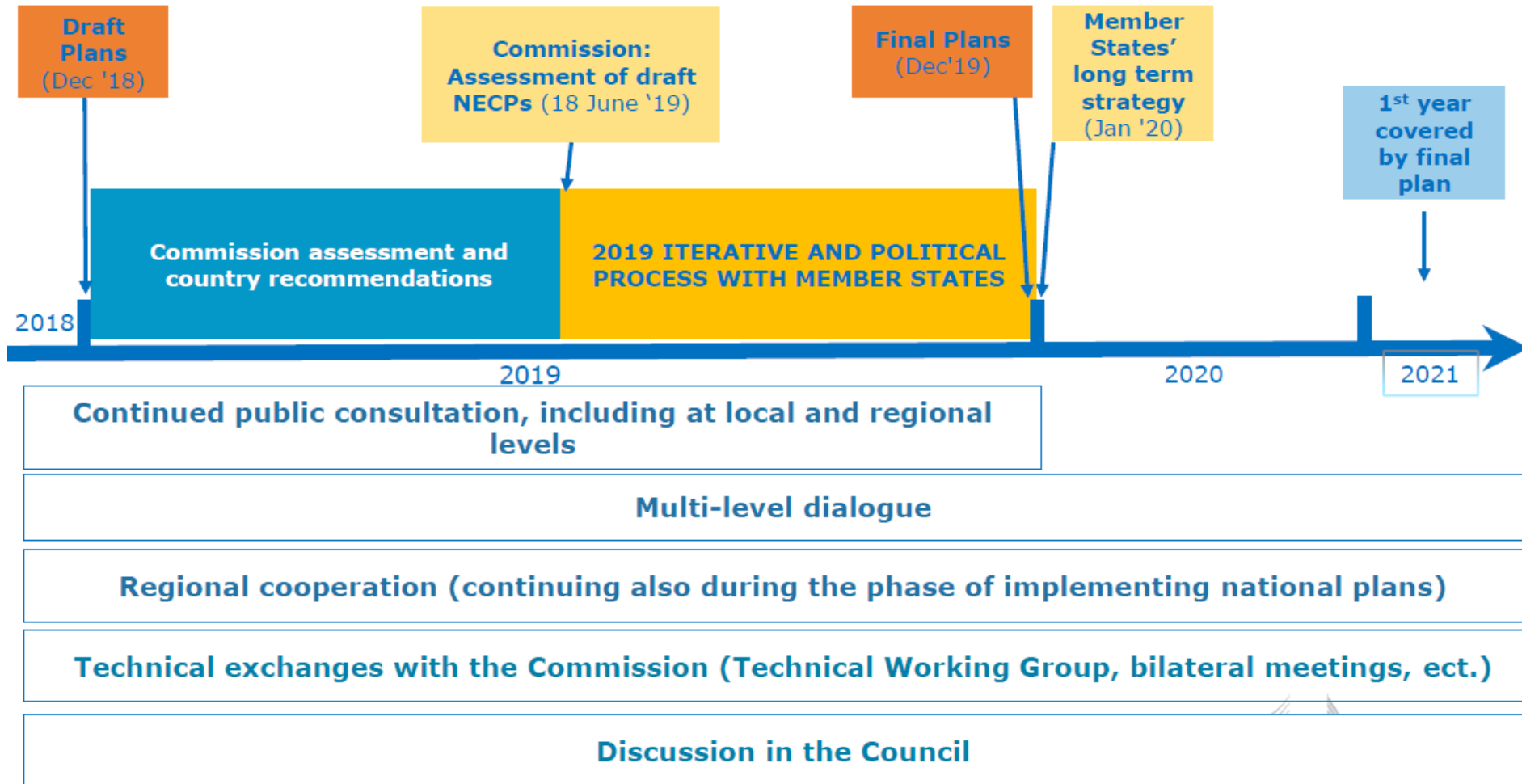
## Measures against decarbonisation

- Plans to expand national gas infrastructure (BG, CY, CZ, EL, FI, HR, HU, IE, IT, PL, SK)
- Plans to use of national resources (CY, EL, HU, PL, RO)

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# Next steps to finalise NECPs



# Key requirements for final NECPs

- Increased national renewable energy and other targets as alignment to goals of Paris Agreement and EU long-term decarbonisation strategy for 2050
- National renewable energy target needs to be regarded as minimum goal, not “cap”
- Enabling of fast and steep uptake of renewables and energy efficiency within first half of 2020 decade
- Clear no regret decision to start phase out of conventional energy



# Phase out of conventional energy

- Stop of subsidies for nuclear, fossil gas and coal sectors
- No replacement of coal through fossil gas (e.g. EL, PL)
- Upcoming development of EU “Gas package”:
  - Adoption of gas infrastructure for green gas
  - Avoidance of stranded assets
  - Role of liquefied gas
- Revision of TEN-E regulation (end of 2020) in light of decarbonisation (no eligibility for gas infrastructure projects to receive EU funding from the Connecting Europe Facility)

# Industry strategy and Just Transition

- Support of European manufacturers and project developers of renewable energy
- Increased investment in research, development and innovation
- Promotion of export of European goods and services
- Quality employment as major part of decarbonisation strategy
- Impact assessment of phase out of conventional energy
- Detailed green development strategy on how to counter impacts of decarbonisation

# Energy citizens

- Quantitative policy targets and objectives for energy communities
- Clarification of terms and concepts for energy communities and self-consumption
- Detailed policies and measures for the promotion of energy communities
- Avoidance of taxation and financial burdens
- Fast and easy permitting and project development process

# Benefits of the engagement of citizens

- Local jobs
- Local wealth creation as money for energy stays within community (instead of paying for energy imports)
- Reduced energy poverty
- Activation of additional investment
- Energy security as neither import nor transport is required
- Increased social acceptance for renewables
- Energy consciousness resulting in decreased energy consumption

# Potential for increased regional cooperation

- Prerequisite: regional, national and European policy schemes have a mutual influence on each other and therefore need to be integrated and coherent.
- Regional cooperation on macro-level (between States) and micro-level (neighbouring municipalities)
- Micro-level regional cooperation has big potential
  - Financing tools needed
  - Involvement of citizens
  - Strengthening of territorial cohesion through specific regulatory provisions

# Financing structure and tools

- EU Multiannual Financial Framework as support for implementation of Clean Energy Package
- Public-private partnerships
- Funding schemes for small and medium-sized RE projects (“Think Small” approach)
- NECPs as tool to attract investments and identify funding opportunities

# Cost-effective energy system transformation

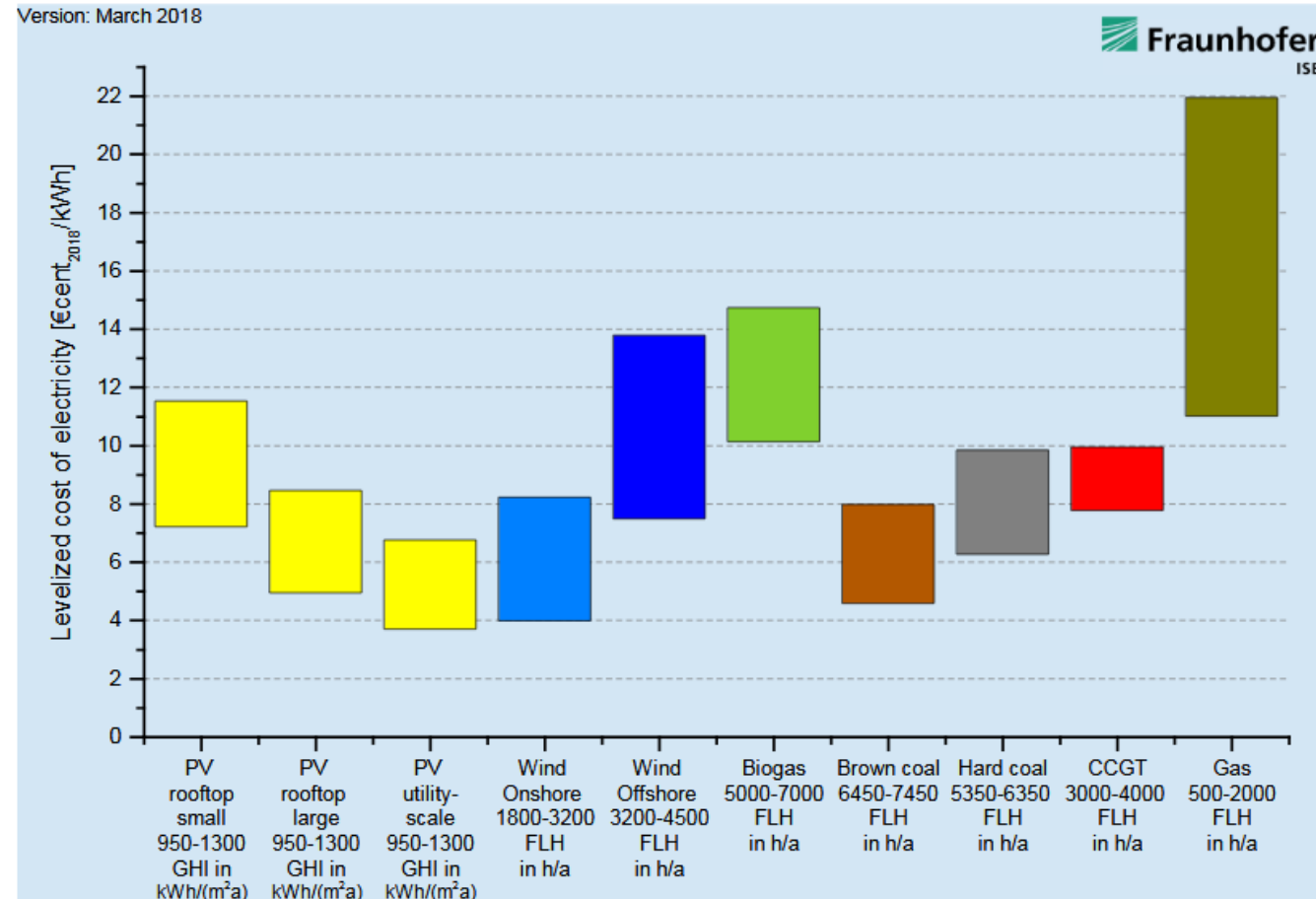


Figure 4: LCOE of renewable energy technologies and conventional power plants at different locations in Germany in 2018. The value under the technology refers in the case of PV to solar irradiance (GHI) in kWh/(m²a); in the case of other technologies it reflects the number of full load hours of the power plant per year. Specific investments are taken into account with a minimum and maximum value for each technology. Additional assumptions are presented in Table 4-Table 6.

**Thank you for your attention**

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