



Introducing National Energy and Climate Plans

Expert Panel on NECPs FOR 2021-2030

NEXT STEPS AND CONSEQUENCES FOR POWER AND
HEATING SECTORS

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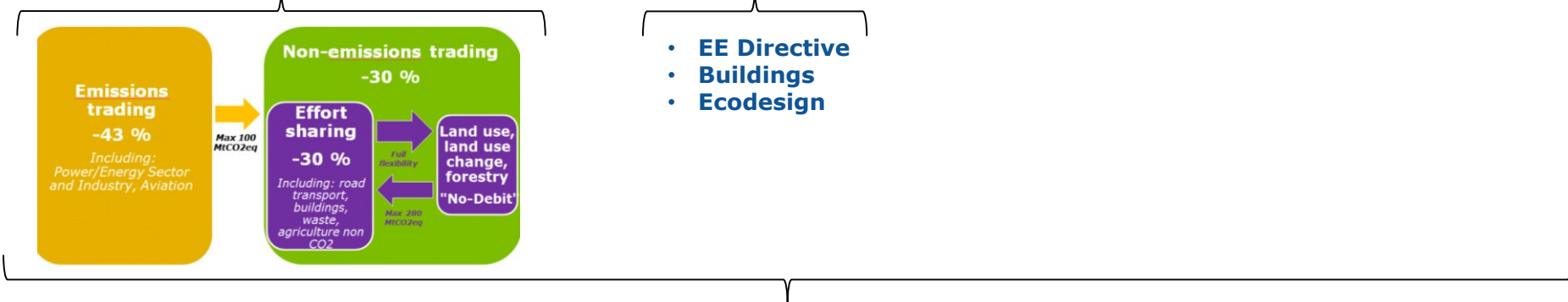
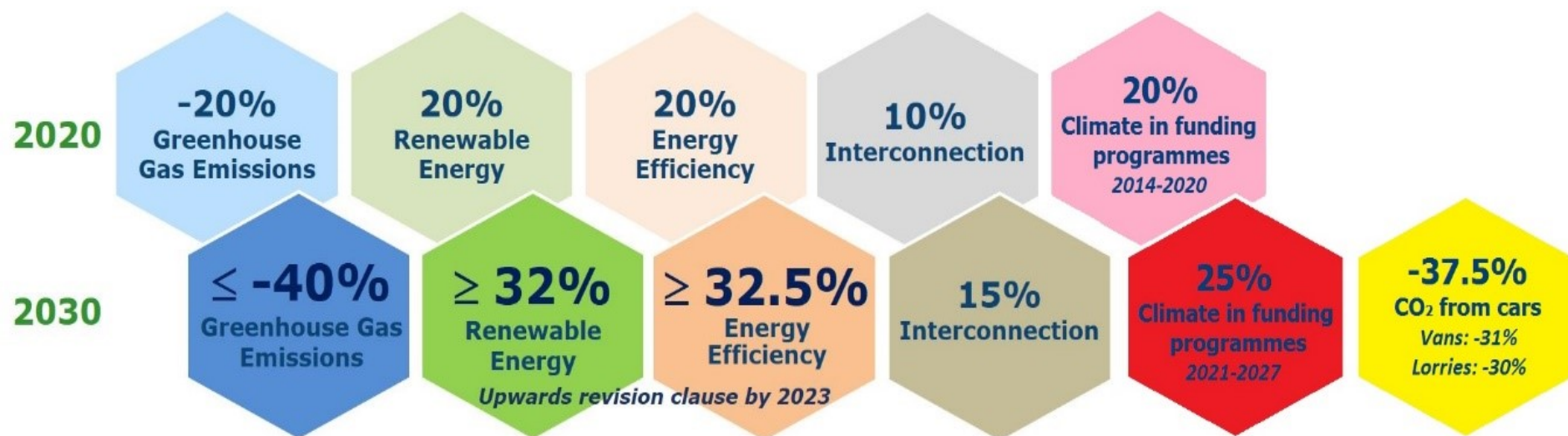
Outline

1. 2030 Energy Union main legislative framework & key challenges
2. Implementing 2030: National Energy and Climate Plans (NECPs)
3. Outlook to 2050: Towards long term strategies in the EU and Member States
4. Conclusions



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2030 Energy Union: key legislative framework

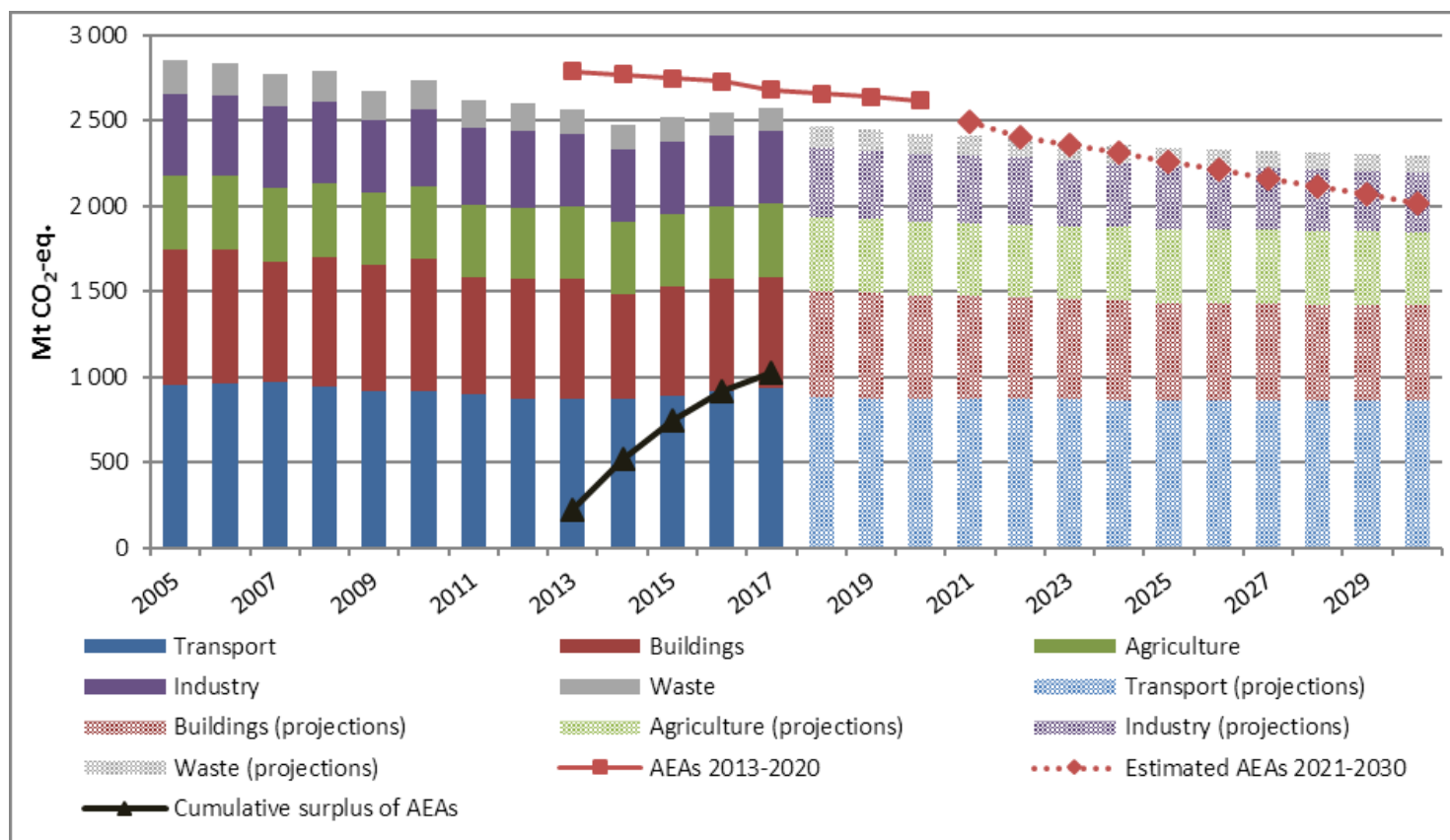


Energy Union Governance



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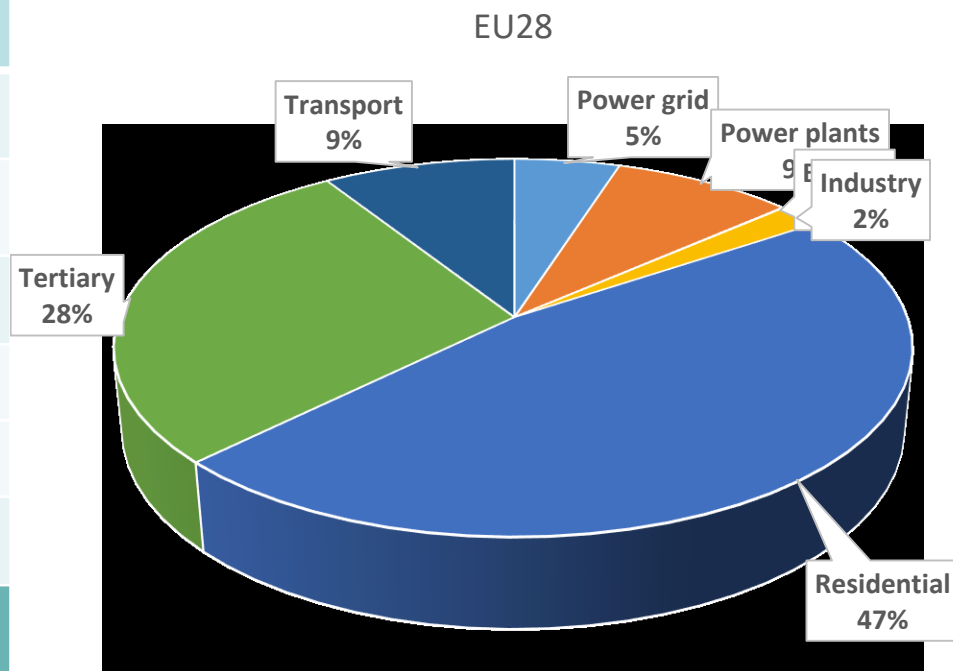
Reaching the 2030 objectives (1): Key sectoral challenges in the EU



Reaching the 2030 objectives (2): Investing in the transition until 2030

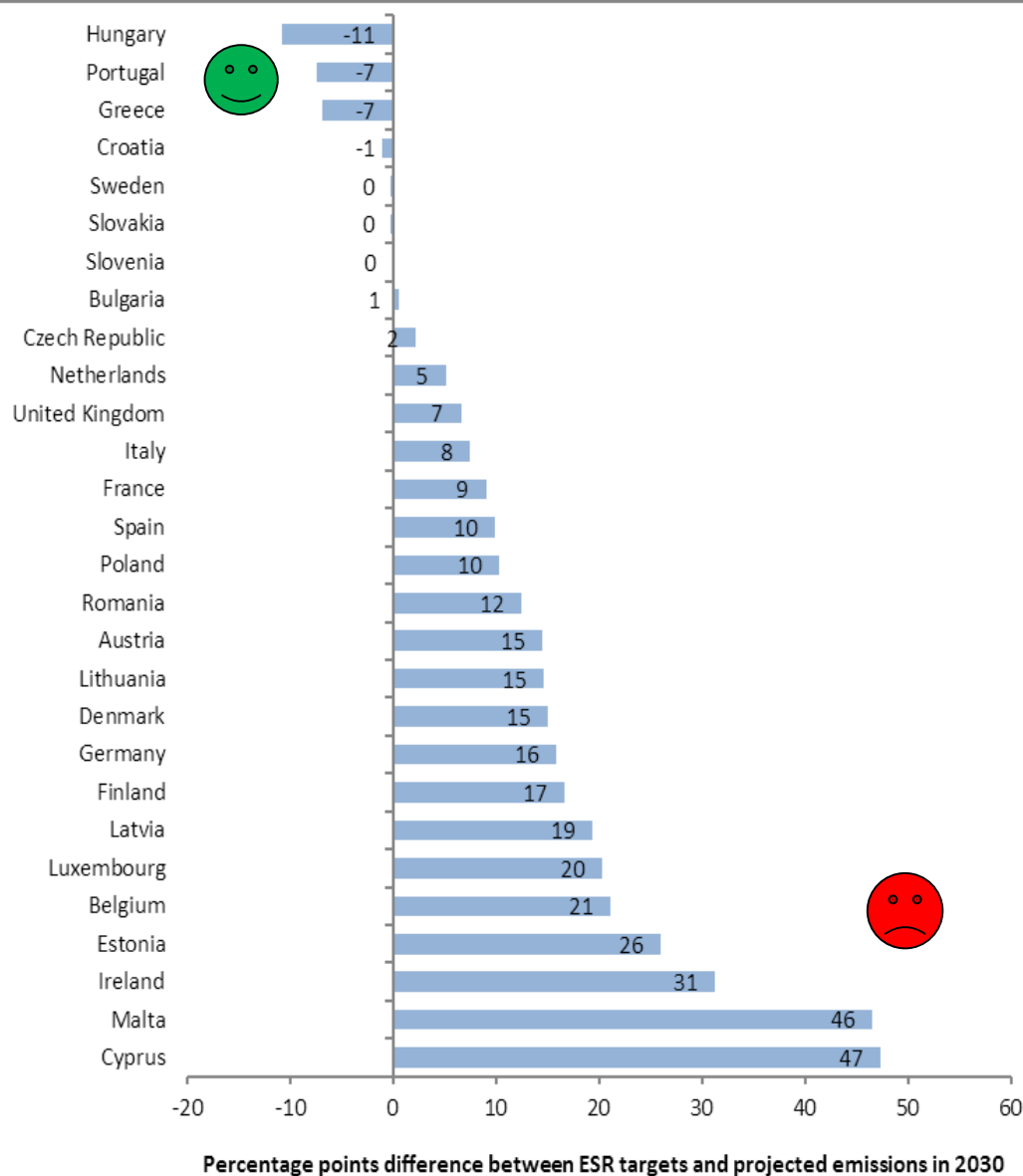
Expected annual additional investments, 2021-2030 (billion €)

Buildings – residential	123
Buildings – tertiary sector	74
Transport	24
Power plants	23
Power grid	13
Industry	5
Total	262

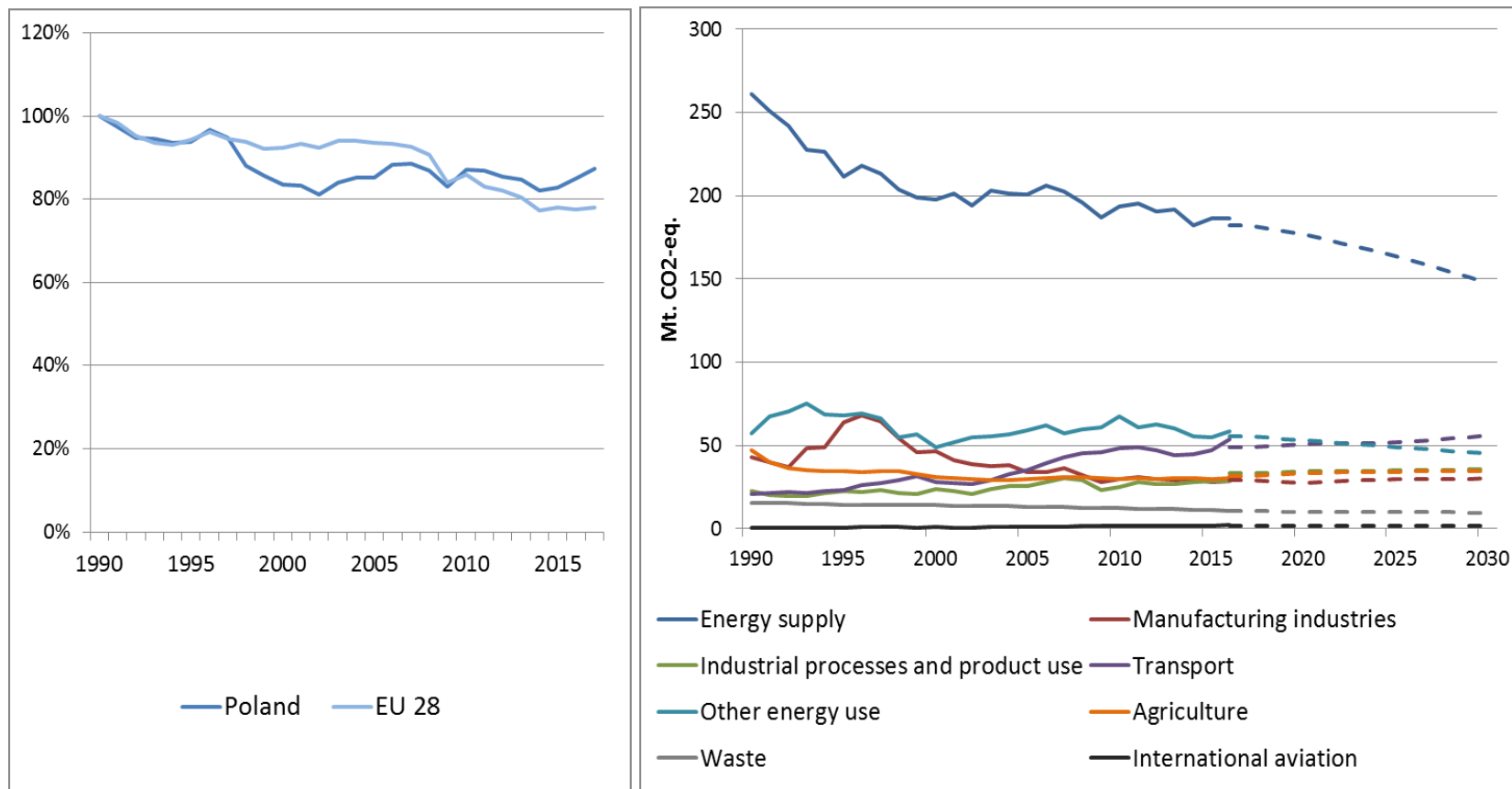




Reaching the 2030 objectives (3): Key national challenges



Reaching the 2030 objectives (4): Poland



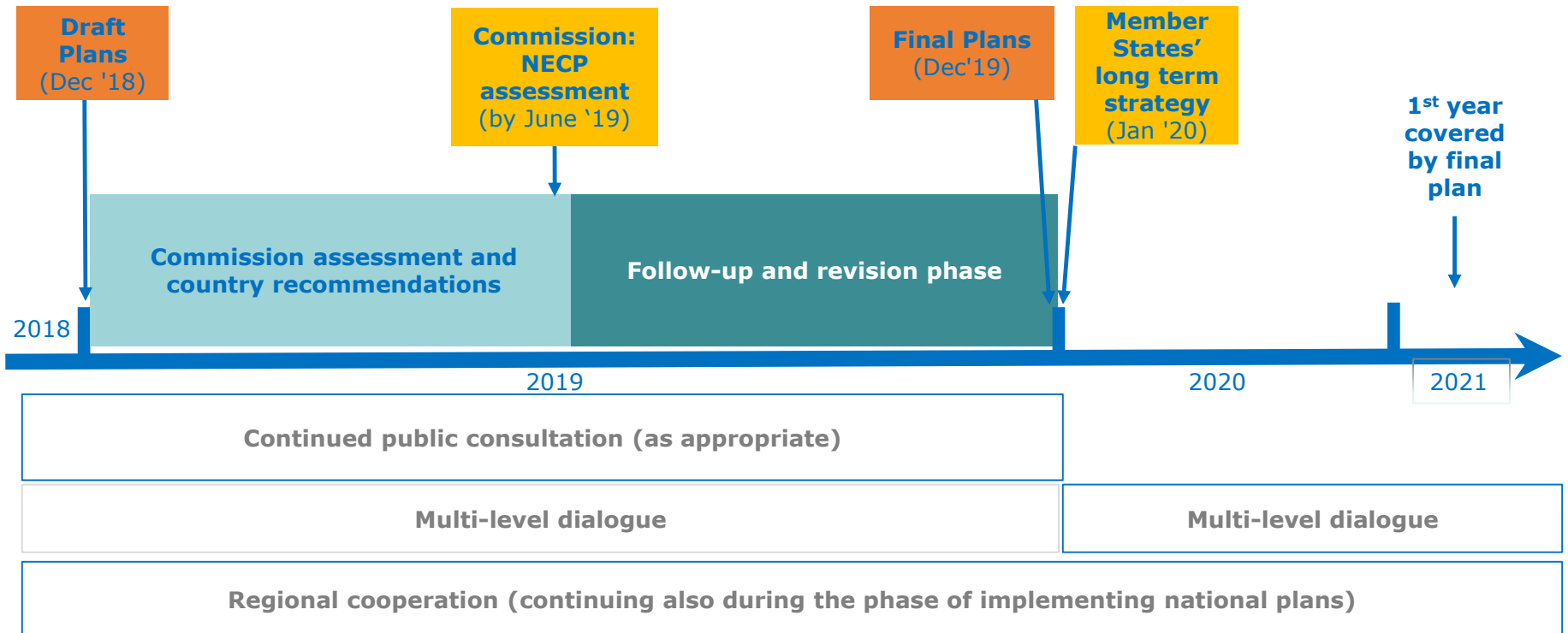


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Implementing 2030 (1): National Energy and Climate Plans (NECP)

- Governance regulation requires Member States (MS) to develop integrated NECPs by 31 December 2018
- NECPs cover the five dimensions of the Energy Union:
 - **Reducing GHG emissions**
 - **Energy efficiency**
 - **Energy security**
 - **Energy markets**
 - **Research, Innovation & Competitiveness**
- All 28 draft NECPs are publicly available, e.g.
<https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/governance-energy-union/national-energy-climate-plans>
- Commission supports the implementation of NECPs
 - Iterative process, expert groups, bilateral meetings
 - Technical support (SRSS, ENER-CLIMA support contract)

Implementing 2030 (2): NECP process and timeline



Implementing 2030 (3): NECP key considerations

- *Reach overall objectives of the Energy Union, including 2030 climate and energy targets;*
- *Ensure coherence between national and EU 2030 policies;*
- *Share good practice on policies and measures;*
- *Spur cross-border and regional cooperation;*
- *Assess collective achievement of Energy Union objectives, i.e. GHG, renewables and energy efficiency;*
- *If needed, issue recommendations to address findings of the assessment, including with respect to adequacy and potential interactions of policies and measures.*

=> *Iterative, inclusive, co-operative and transparent process*

Implementing 2030 (4): Mobilising financial resources for Poland

- Preparing the Cohesion Funding 2021-2027
- High priority investment needs identified to:
 - enhance research and innovation capacities and the uptake of advanced technologies, to be implemented in synergies with other EU programmes and initiatives
 - increase the share of low carbon intensive and cleaner energy production and to decrease energy consumption
 - develop a sustainable intermodal mobility, including the TEN-T and cross-border links

Source: European Semester Country Report – Poland - 2019

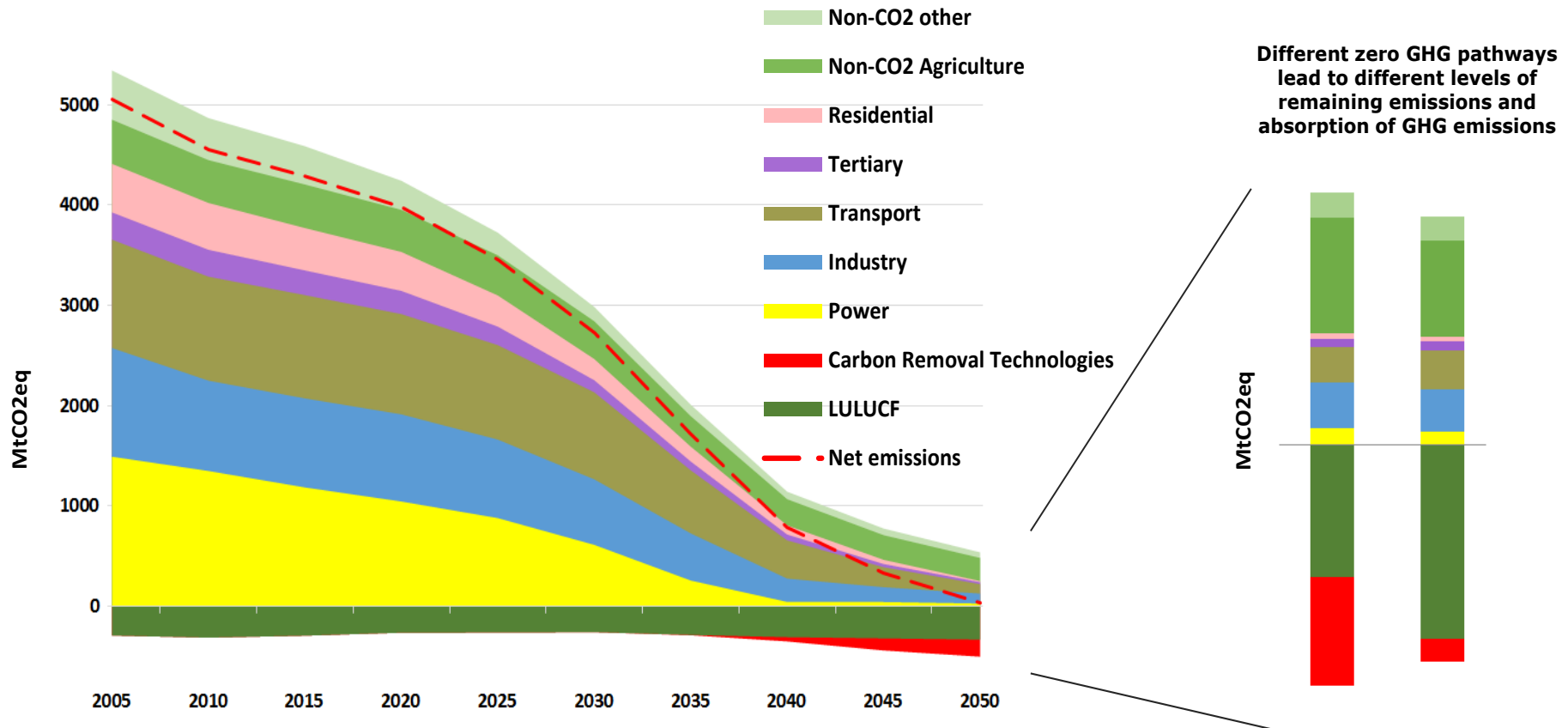


Implementing 2030 (5): Mobilising financial resources – e.g. for emission reductions in Poland's heating sector

- Poland's emission reduction target 2030 for sectors not covered by the EU emissions trading system: -7% compared to 2005
- Heating/buildings contribute 30% of Polish non-ETS GHG emissions
- GHG emission reductions will have huge air quality benefits
- Regulatory framework, e.g.
 - Renewable Energy Directive II (includes heating)
 - Energy Efficiency Directive II (e.g. Energy Savings Obligation)
 - Energy Performance of Buildings Directive
 - Eco labelling and eco design (e.g. boilers and water heaters)
- European funds provide support, e.g. Modernisation Fund, Clean Air Programme, Regional Funds

Implementing 2030 (6): Mobilising financial resources – e.g. Modernisation Fund

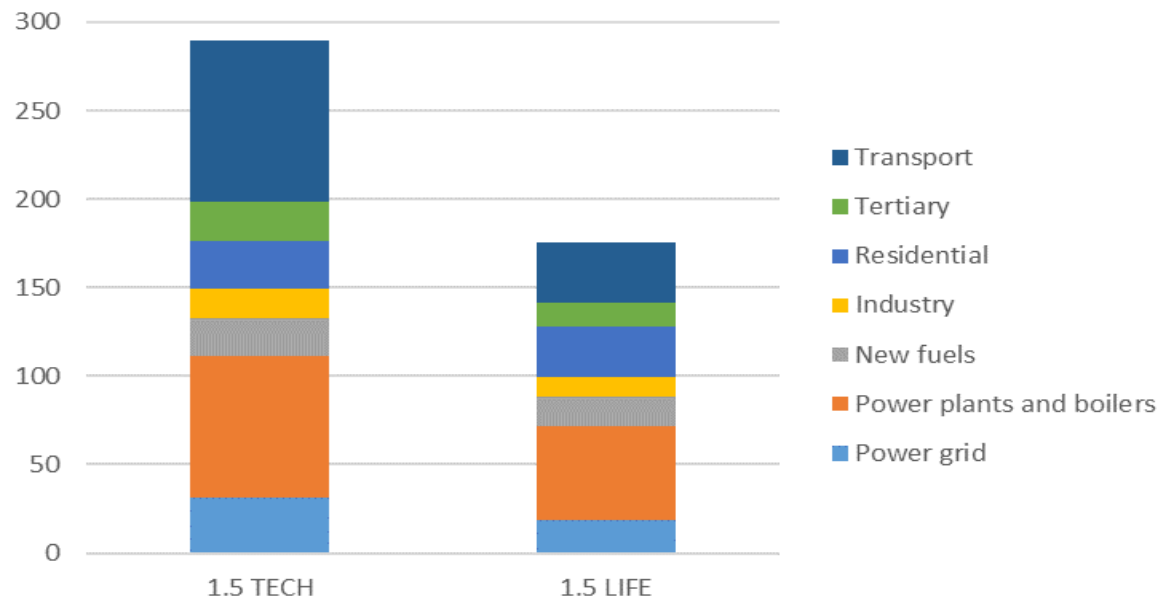
- Support for modernisation of energy systems and just transition in 10 Member States
- At least 70% of the Modernisation Fund for priority investments:
 - Renewable electricity
 - Energy efficiency, also in transport, buildings (including heating), agriculture & waste, except energy efficiency relating to energy generation using solid fossil fuels
 - Energy storage and the modernisation of energy networks, including district heating
 - Electricity grids and the increase of interconnections between MS
 - Support a just transition in carbon-dependent regions
- Poland's share: 43.41%



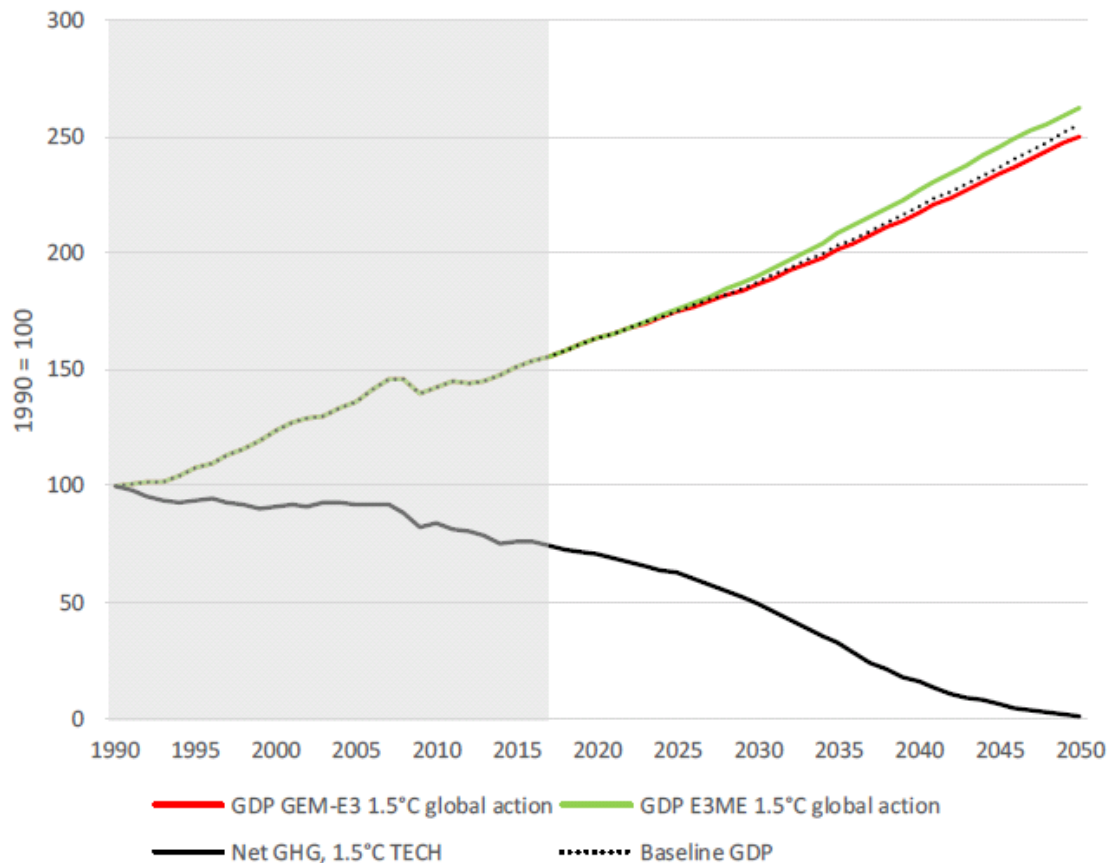
Outlook to 2050 (2): Stimulating clean investment into the EU economy

- Modernising the EU's economy will stimulate significant additional investment
- From 2% of EU GDP invested in the energy system today to 2.8% to achieve a net-zero greenhouse gas emissions economy

Incremental annual sectoral investment to reach a climate neutral Europe by 2050,
[in bn €, average 2031-2050]



Outlook to 2050 (3): Full decoupling of EU GDP growth and emissions

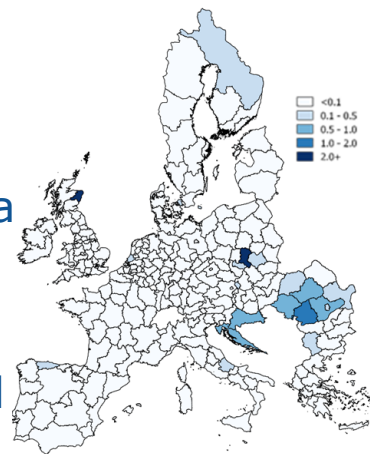


- Positive for growth and jobs, with GDP impact up to +2%
- Co-benefits: energy imports down, public health, etc.
- Caveat: This calculation does neither take the damages caused by the adverse effects of climate change into account, nor the adaptation costs between baseline and 1.5° C.

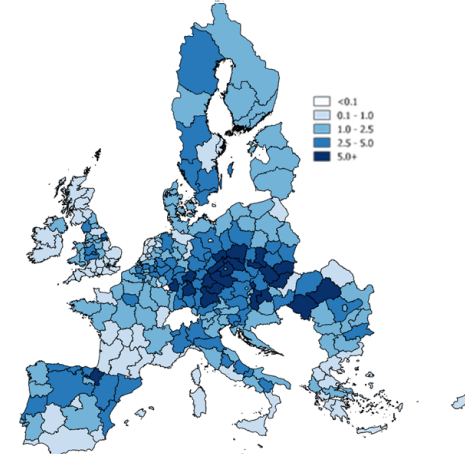
Outlook to 2050 (4): Just transition

- Overall economic impacts of the deep transformation positive
- Transition will spur growth in new sectors - 'Green jobs' already represent 4 million jobs in the EU
- Some sectors will face challenges (e.g. coal mining and fuel extraction) and others will transform (e.g. energy-intensive industries and automotive)
- This will affect some regions often in lower income MS, more than others
- Modernisation process has to be managed, no-one left behind, relevant policies must be deployed, EU budget, employment and cohesion policies have a role
- E.g. EU platform and pilots for coal and carbon-intensive regions to be reinforced
- Skill training is key

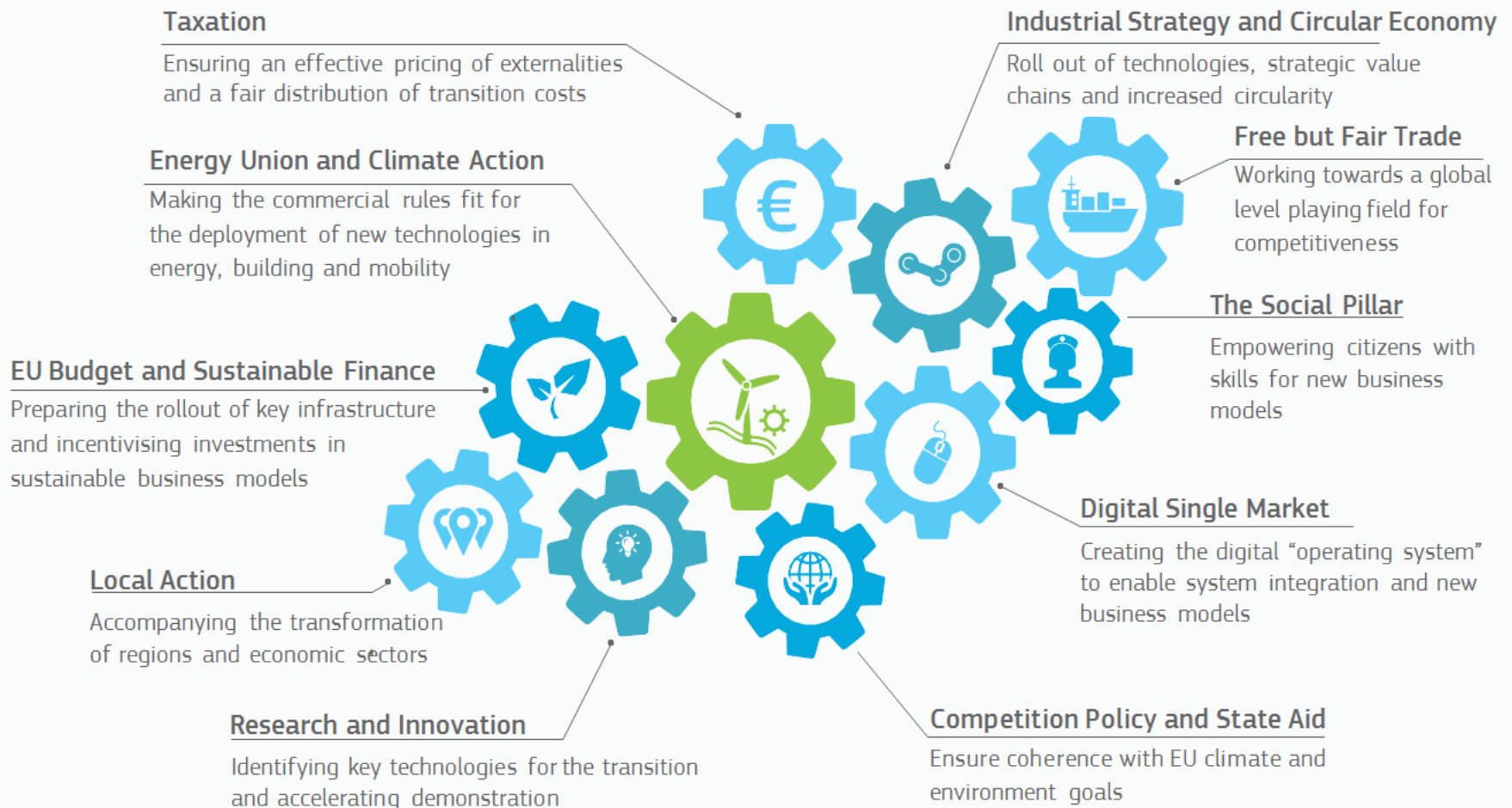
Share of employment
fossil fuel extraction and mining



Share of employment
Energy Intensive Industries &
Automotive Manufacturing



Outlook to 2050 (5): Enabling framework



Conclusions

1. Preparing NECPs is supposed to be an iterative, inclusive, co-operative and transparent process
2. All Member State draft NECPs 2021 – 2030 are published, Commission will complete its assessment by June 2019:
3. Important to finalise high quality plans by the end of 2019 to create certainty for investors, and to estimate investment needs in order to mobilise public (EU and national) finance crowding in private finance
4. EU to adopt and submit an ambitious long term strategy by early 2020 to the UNFCCC as requested under the Paris Agreement
5. Societal debate on the long-term in 2019 is key - open and inclusive with National Parliaments, business, non-governmental organisations, trade unions, cities and communities, as well as citizens and the youth