Energy Community: What lies ahead in 2020?

Committee on Economy, Budget and Finance
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SETTING TARGETS
FOR THE ENERGY COMMUNITY

- The 2017 and 2018 Ministerial Councils of the Energy Community emphasized the need of setting targets for 2030 on energy efficiency, renewable energy and greenhouse gas emission reduction.

- Three 2030 energy and climate targets should be established: a target for energy efficiency, the contribution of renewable energy sources, and greenhouse gas emission reduction.

- A study on an EU-convergent approach for the calculation of the 2030 targets was commissioned by the Secretariat.

ENERGY EFFICIENCY TARGETS 2030

- Different principal methodological options for EE target setting were analysed:
  - Headline target setting;
  - National calculations.
- The different possible energy efficiency targets are expressed in absolute consumption caps for 2030 & in relative terms compared to the respective energy consumption in 2017.
- The Option 2 scenario has a similar level of ambition as the EU headline target.

Energy Efficiency targets for Energy Community	Final energy consumption in ktoe	Primary energy consumption in ktoe
Historic data for 2018	103,827	103,827
Historic data for 2017	78,601	78,601
Forcasted in 2030	119,385	119,385
Consumption cap in 2030 in ktoe		
National calculations	90,246	155,514
Option 1: -26%	88,345	164,149
Option 2: - 32.5%	80,585	149,149
Option 3: -39%	72,825	135,312
Change in final energy consumption compared to 2017 in %		
National calculations	+14,8%	+19,1%
Option 1: -26%	+12,4%	+25,7%
Option 2: - 32.5%	+2,5%	+14,6%
Option 3: -39%	-7,3%	+3,6%

RENEWABLE ENERGY TARGETS 2030

- **The study compared required RE increase in relative terms, listing necessary percentage point increase of RE share from 2020 to 2030 mimicking the two step EU approach;**

1. **Determine RE ambition at EnC level:**

ABSOLUTE - same absolute increase of RE share at EnC and at EU level

RELATIVE - same relative increase of RE share at EnC and at EU level

2. **Distribute the RE effort across Contracting Parties:**

WEIGHTING of relevant criteria **(i.e. flat rate, GDP/capita, RE potentials, interconnection)**: applying the benchmarking formula stated in Annex II of the Governance Regulation (EU) 2018/1999

- **Strongest increases in RE are observable in options "EU mimic 1" and "Full flat rate":**
  - **RE share changes from 16.3% in 2020 to 28.3% in 2030 at EnC level;**
  - **the incremental of 2030 RES target is kept at 12%, identical to the increase at EU level.**

- **However in adjusted approach economic development and fairness principle are reflected.**

RENEWABLE ENERGY TARGETS 2030

RE target setting options for the Energy Community and its CPs	Target setting options:	EU mimic 1: Absolute with 4 Components	EU mimic 2: Relative with 4 Components	Alternative 1: Relative with 3 components	Alternative 2: Weighting with 4 components	Alternative 3: Weighting with 3 components	Alternative 4: (Full) Flat rate
Energy Community	[Unit]						
RE share 2015	%	12.8%					
RE share 2016	%	13.4%					
RE target 2020	%	16.3%					
RE target 2030							
Approach used for determing the RE ambition at EnC level		Absolute	Relative	Relative	Weighting	Weighting	Weighting
Default share (in Base Year)	%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%
Increase of RE share from 2020 to 2030	%	12.0%	9.8%	9.8%	7.7%	7.8%	12.0%
RE target 2030 (total)	%	28.3%	26.1%	26.1%	24.0%	24.1%	28.3%

GREENHOUSE GAS EMISSION REDUCTION TARGETS 2030

- The Table presents regional targets aggregating the national bottom up-targets presented in the study and adding a top-down target for the ETS sector in Option 3;
- These targets represent an overall emissions reduction by 2030 (considering the split ETS/non-ETS sector) compared to 2005 for Option 1a/b and Option 3;
- Option 3 is the most ambitious target for the entire region with a 24% GHG emission reduction.

	Option 1a separate ETS/non-ETS target (range 20-0%)	Option 1b separate ETS/non-ETS target (range 10-0%)	Option 3 20-0% non-ETS -43%/ 2005 ETS cap
	2030 emissions (% to 2005)	2030 emissions (% to 2005)	2030 emissions (% to 2005)
All CPs (Gg CO2 eq)	472 896 (-20%)	455 936 (-23%)	446 780 (-24%)
Non-ETS	214 687 (+18%)	198 513 (9%)	214 687 (+18%)
ETS	258 209 (-37%)	258 209 (-37%)	232 093 (-43%)
CPs without Ukraine (Gg CO2 eq)	143 112 (-2%)	138 979 (-5%)	113 182 (-23%)
Non-ETS	60 754 (+12%)	57 408 (6%)	68 591 (+12%)
ETS	82 357 (-10%)	82 357 (-10%)	52 427 (-43%)
WB 6 (Gg CO2 eq)	114 204 (-6%)	111 557 (-9%)	90 089 (-26%)
Non-ETS	42 922 (+9%)	41 062 (5%)	42 922 (+9%)
ETS	71 282 (-14%)	71 282 (-14%)	47 168 (-43%)

THANK YOU
FOR YOUR ATTENTION

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