

**RECOMMENDATION
OF THE MINISTERIAL COUNCIL OF THE ENERGY COMMUNITY**

2018/1/MC-EnC on preparing for the development of integrated national energy and climate plans by the Contracting Parties of the Energy Community

THE MINISTERIAL COUNCIL OF THE ENERGY COMMUNITY

Having regard to the Treaty establishing the Energy Community ("the Treaty"), and in particular Articles 2, 25 and 79 thereof,

Whereas:

- 1) Article 2 of the Treaty defines as key objectives in relation to Network Energy the creation of a stable regulatory and market framework and of a single regulatory space for trade, the enhancement of security of supply, the improvement of the environmental situation and related energy efficiency, and the development of energy from renewable sources;
- 2) The creation of an Energy Union is a central part of the strategic agenda of the EU set by the European Council in June 2014. On 25 February 2015, the European Commission adopted a Communication on "A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy"¹. The European Council agreed on 19 March 2015 to "building an Energy Union with a forward-looking climate policy on the basis of the Commission's framework strategy";
- 3) On 18 November 2015, the European Commission adopted a Communication on the State of the Energy Union stating that integrated national energy and climate plans, addressing all five key dimensions of the Energy Union, are crucial tools for the implementation of the Energy Union Strategy and for the development of more strategic energy and climate policy planning. As part of the State of the Energy Union, the European Commission issued a Guidance to EU Member States on integrated national energy and climate plans², which provides the basis for EU Member States to start developing national plans for the period 2021 to 2030 and sets out the main pillars of the governance process;
- 4) On 30 November 2016, the European Commission adopted a Proposal for a Regulation of the European Parliament and of the Council on the Governance of the Energy Union³;
- 5) The development of integrated national energy and climate plans by the Contracting Parties would support the attainment of the long-term energy and climate policy objectives, reduce the administrative burden and enhance transparency while promoting investor certainty in the region;

¹ COM(2015) 80 final

² COM(2015) 572 final

³ COM(2016) 759 final

- 6) The framework for regional cooperation established by the Energy Community and the assistance offered by its institutions and bodies is essential to prepare the successful development of integrated national energy and climate plans.

HEREBY RECOMMENDS:

*Article 1 - Integrated National Energy and
Climate Plans*

1. The Contracting Parties should prepare the analytical, institutional and regulatory preconditions for the development and adoption of integrated national energy and climate plans ('national plans') for the period from 2021 to 2030.
2. National plans should address the five dimensions of the Energy Union set out in the European Commission's Communication of 25 February 2015 in an integrated way which recognises the interactions between the different dimensions. They should also set out the direction of national energy and climate objectives and policies in a way that is coherent with the commitments made by Contracting Parties under the Paris Agreement as well as with other possible long-term energy and climate targets for 2030 applicable to Contracting Parties.
3. National plans should define objectives for each dimension of the Energy Union. For each objective, the plans should include a description of the policies and measures planned for meeting these objectives. This should also include an assessment of how these policies interact with each other to ensure policy coherence and avoid overlapping regulation. National plans should contain a separate section on projections as an analytical basis of the plan, including reference and policy scenarios assessing the relevant impacts of the policies and measures proposed.
4. National plans should aim at streamlining existing sectorial planning and reporting tools applicable to Contracting Parties.
5. National plans should facilitate greater cooperation and coherence among Contracting Parties' and with respect to EU Member States' approaches on climate and energy policies.
6. Contracting Parties should ensure comprehensive public participation in the preparation of national plans and inform the Secretariat accordingly.
7. The Secretariat should assist the Contracting Parties' efforts related to the preparation of their National Plans. It should report to the Ministerial Council on the progress annually.

Article 2 – Energy and Climate Committee

1. The Climate Action Group should discuss and elaborate integrated energy and climate policies and the national plans pursuant to Article 1. To this purpose, the Group should be renamed the Energy and Climate Committee .
2. In the framework of the Energy and Climate Committee, the Contracting Parties, the Secretariat and the European Commission should identify the main elements and appropriate procedures for the development of national plans and progress reports. In doing so, the Energy and Climate Committee is invited to take into consideration this Recommendation and the relevant elements of the Guidance to EU Member States on such plans, communicated by the European Commission on 18 November 2015 as Annex 2 of the 2015 State of the Energy

Union, for which adaptations might be necessary.

3. The European Commission should regularly inform the Contracting Parties and the Secretariat on the developments at EU level on future legislation related to integrated national energy and climate plans.

Article 3 – Regional Cooperation

1. National plans should complement and where possible reinforce each other, using national strengths to address regional challenges in the most secure and cost-effective way. Contracting Parties should identify areas suitable for joint or coordinated planning and consult with each other early on in the preparation process. Particular attention should be paid to ensuring a coordinated approach concerning the development of new energy resources and infrastructures.
2. Coordination of national policies should also prevent adverse incentives, allow for exploiting synergies and mitigate inconsistencies between national policies of Contracting Parties. National Plans should therefore contain an assessment of how the envisaged objectives and policies in the plans will impact on other Contracting Parties and how cooperation across policy areas and sub- sectors should be strengthened.
3. The Secretariat should actively engage in the process and support cooperation activities described above, including through the Energy and Climate Committee. In particular, the Secretariat should facilitate timely consultation between Contracting Parties on the draft national plans.

Article 4 – Progress Reports

1. Progress Reports on the implementation of national plans should be submitted by Contracting Parties to the Secretariat every two years and where appropriate on an annual basis, with a view to align the timescales for domestic, EU and international reporting. Those reports should facilitate the monitoring and the implementation of commitments taken under the United Nations Framework Convention on Climate Change (UNFCCC) and Paris Agreement.
2. The Secretariat should report to the Ministerial Council every two years on the implementation of national plans by Contracting Parties.

Article 5 – Process and Timeline

1. The preparation of national plans should be an iterative and dynamic process that should start in 2018 and should be finalised as soon as possible, taking into account future developments of the Energy Community acquis.
2. In view of the submission of the final national plans by Contracting Parties, the Secretariat should issue recommendations on draft national plans.

Article 6 – Entry into Effect

This Recommendation shall enter into effect upon its adoption by the Ministerial Council.

Article 7 - Scope

This Recommendation is addressed to the Contracting Parties and institutions of the Treaty. It does not intend to create any legally binding effects on EU Member States and does not intend to contradict nor prejudice any existing or future EU legislation on the subject matter.

Done by written procedure on 3 January 2018

For the Ministerial Council

A blue ink signature in cursive script, followed by a dotted line and the word "Presidency" printed below it.

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Presidency

