



EU-wide assessment of NECPs Energy Security Dimension

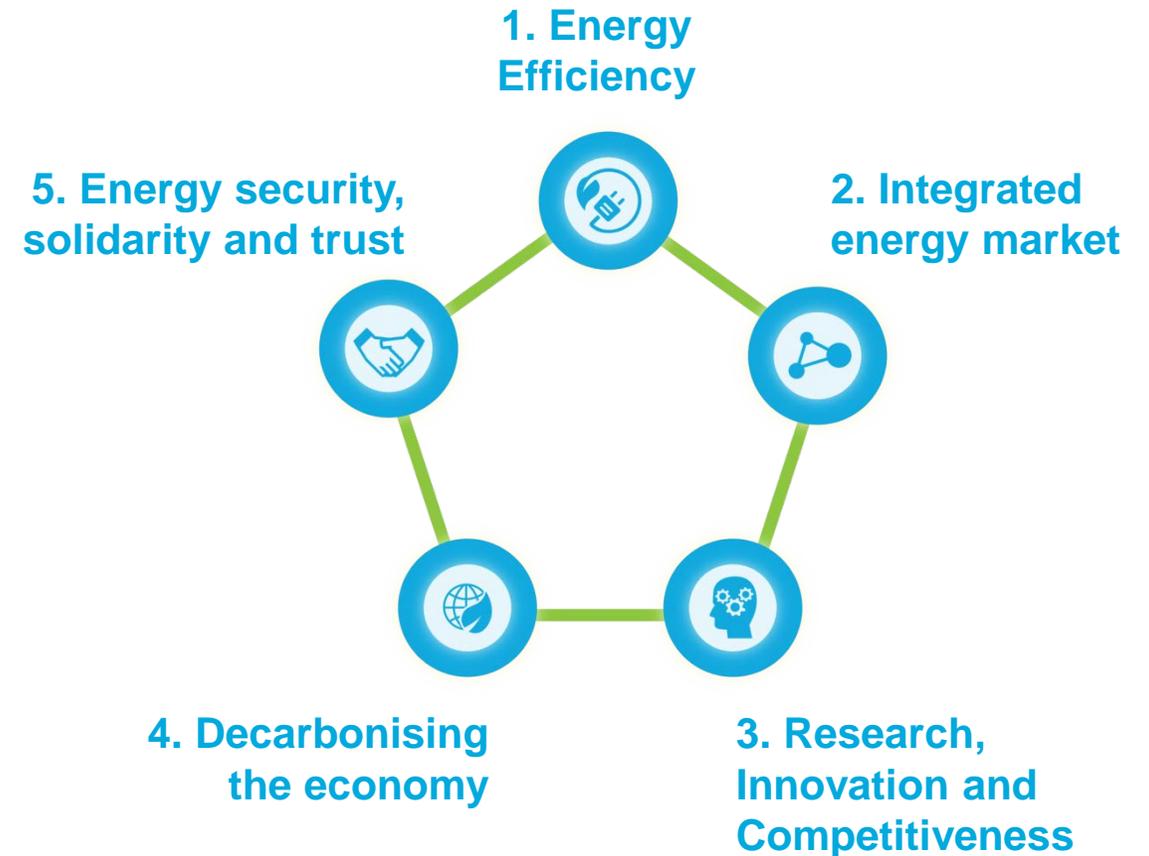
*European Commission – DG ENER-A1
Energy Community - SoS Coordination Group
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Presentation points

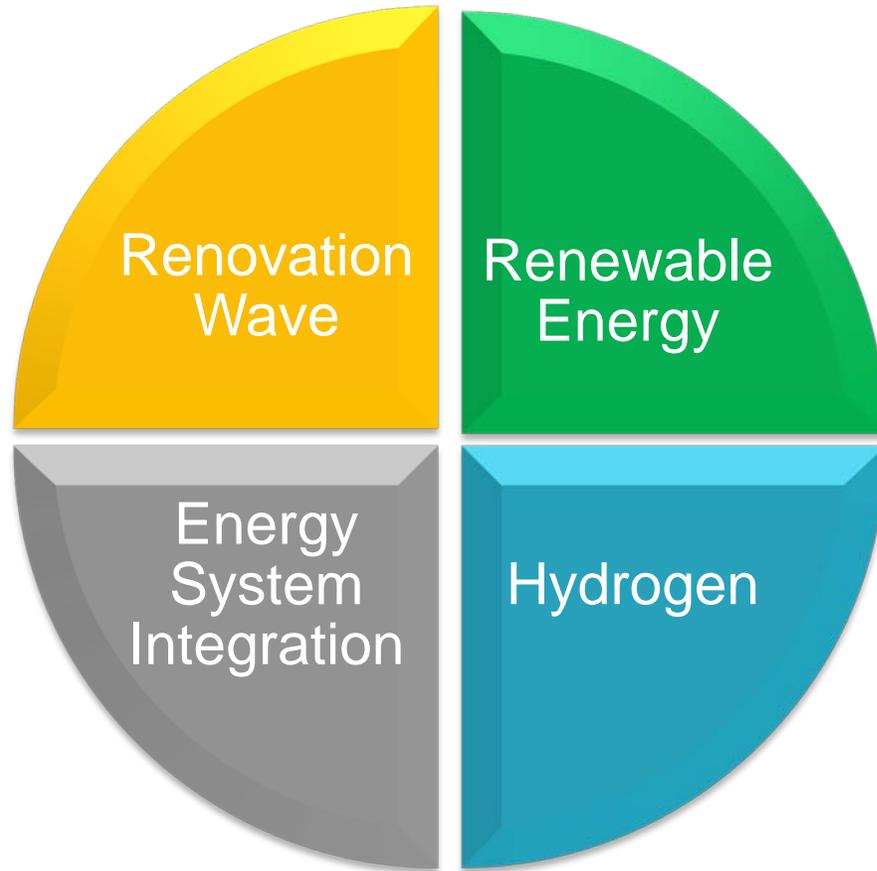
1. **NECPs in the European Green Deal, Climate Target Plan, Recovery**
2. Energy security and internal energy market
3. What's next? Implementation phase

NECPs in the European Green Deal, Climate Target Plan, Recovery – Part 1

- 17 September 2020: NECPs EU-wide assessment through 5 dimensions
- 14 October 2020: individual assessment of NECPs with guidance in key areas
- NECPs as **investment and reform plans for the next 10 years**
- NECPs remain a **major tool to deliver on our energy and climate goals** in the framework of the European Green Deal
- Basis for the **55% climate target by 2030**



NECPs in the European Green Deal, Climate Target Plan, Recovery – Part 2



- **NECPs as strong basis to design climate and energy-related aspects of MS national Recovery and Resilience Plans**
- **Mature investment projects** outlined in the plan, plus **key enabling reforms**, to be frontloaded
- Recommendations on **key policy areas**: energy efficiency and building renovation, coal phase out, renewables deployment including hydrogen, and energy system integration including clean mobility

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Where do Member States stand?

- **Energy security, interconnectivity and diversification of sources**
 - Energy efficiency and renewables key factors to energy security (MT, LU, FR, LT, PT)
 - Most MS have already achieved the EU interconnectivity target of 15% for 2030
 - Few MS are lagging behind (DE, EL, ES, IE, IT, PL)
 - The EU remains dependent on imports but has diversified its supply routes, notably for gas
 - 7 MSs (BG, IT, EE, DE, PL, HR, IE) are considering or planning further LNG capacities
- **Nuclear, phase out of coal and fossil fuel subsidies**
 - Nuclear is in the plans of several MS where nuclear is important part of the mix
 - BE and DE nuclear phase-out
 - Phase out coal for electricity: 21 MS either coal-free (EE, LV, LT, MT, LU, CY) or committed to phasing out. SI is still considering. BG, HR, RO have no plan to phase out
 - Fossil fuel subsidies: only three MS (IT, DK, PT) comprehensive stocktaking. Few MS intend to phase them out or have formulated specific policies. AT, DK, EE, HU reduced their fossil fuel subsidies significantly

Where do Member States stand?

- **Holistic approach and flexibility**

- Still limited storage and demand-side response participation
- Some have a holistic approach (RES integration through system flexibility, smart technologies, energy system integration, etc.)
- NECPs refer to smart meter deployment with targets to enable consumers to participate in the market. But only few set specific objectives and clear timelines
- Few NECPs consider the development of renewable hydrogen (AT, PT, DE)

- **Digitalisation**

- The COVID-19 crisis importance of resilient energy system and business continuity plans
- Interlinkages between different sectors and the need to protect against cyberattacks

What could be improved?

- **Regional cooperation**

- Strengthen regional cooperation. Regional projects on electricity and gas infrastructure can be further explored to facilitate energy sector integration. Continue efforts for the implementation of their NECP

- **Diversification**

- MS continue to put in place measures to achieve SoS, resilient and flexible system. To set objectives/targets and policies/measures to achieve the targets
- BG, CZ, FI, HU, RO, SK need to enhance diversification and reduction of energy dependency, including measures to ensure the long-term supply of nuclear materials and fuel

- **Flexibility**

- Need to promote sources of flexibility and address barriers to market participation by new players

- **Maximise interconnection capacity and reach 15% target**

- Need to reach all MSs the 15% interconnectivity target set for 2030
- Existing interconnection capacity should be fully used

What could be improved?

- **Cybersecurity**
 - Further efforts in a more decentralised and digitalised system. New business opportunities around smart technologies and system integration introduces new challenges
- **Develop strategic supply chains in clean technologies**
 - MS need to identify policies and measures to improve preparedness and enhance resilience
- **Phase out fossil fuels subsidies**
 - Identification and reporting on energy subsidies and to phase them out, in particular fossil fuels

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What's next? Implementation phase

- Technical exchanges with MS on the **implementation of the NECPs** and link with national Recovery and Resilience Plans
- 37% of the Recovery and Resiliency Facility to climate related investments
- Opportunity to raise the level of investments in line with the increased climate ambition (55% target)
- The NECPs implementation: 1) achieve climate and energy targets; 2) strengthen energy security & IEM
- Next steps: progress of implementation and revision of ambition level

Thank you

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