

EU requirements for National Renewable Energy Action Plans (NREAP) and National Energy and Climate Plans (NECP)

A36.1 EU member states

The European Commission requires EU member states to submit a National Renewable Energy Action Plan (NREAP) outlining commitments and initiatives to develop renewable energy by 30 June 2010. NREAPs provided a detailed road map of how each member state expected to reach its legally binding 2020 target for the share of renewable energy in its total energy consumption, as required by Article 4 of the Renewable Energy Directive (2009/28/EC). The plans set out sectoral targets, the technology mix expected to be used, the trajectory to be followed, and the measures and reforms to be undertaken to overcome the barriers to developing renewable energy.

Each NREAP report provided details of the expected share of energy provided by renewable sources up to and including 2020. The overall target for EU countries is to obtain 20% of their energy usage from renewable energy sources, although targets for each country vary considerably. In addition, targets are broken down further by each energy use sector, including transport, electricity, and the heating and cooling sectors.

In the European Union, a Regulation on the Governance of the Energy Union and Climate Action (EU) 2018/1999 entered into force on 24 December 2018 as part of the Clean Energy for All Europeans package. Under rules in this regulation, all member states were required to prepare a draft (by 2020) of a 10-year integrated national energy and climate plan (NECP) (Box A36.1) for the period from 2021 to 2030, charting how they aim to meet the EU's energy and climate targets for 2030. The NECPs outline how EU countries intend to address: energy efficiency; renewables; greenhouse gas emissions reductions; interconnections; and research and innovation. Each Member State is required to ensure that the public is given early and effective opportunities to participate in the preparation of the draft integrated national energy and climate plan.

Box A36.1: Integrated national energy and climate plans

The integrated national energy and climate plans (NECP) provide an overview of the current energy system and policy situation. They set out national objectives for each of the five dimensions of the Energy Union and corresponding policies and measures to meet those objectives. A socially acceptable and just transition to a sustainable low-carbon economy requires changes in investment behavior, as regards both public and private investment, and incentives across the entire policy spectrum. The plans should be stable to ensure the transparency and predictability of national policies and measures to ensure investment certainty.

The draft plans offer a common, solid, and comparable platform to actively engage and discuss in a synchronized way across Europe with civil society, business, and local governments on the EU's common challenges and long-term priorities in the fields of energy and climate.

Source: https://energy.ec.europa.eu/system/files/2019-06/national_energy_and_climate_plans_v4_0.pdf

According to Chapter 2, Article 3 of the Regulation, integrated national energy and climate plans shall consist of the following main sections:

- a) An overview of the process followed for establishing the plan consisting of an executive summary, a description of the public consultation and involvement of stakeholders and their results, and of regional cooperation with other Member States in preparing the plan;
- b) A description of national objectives, targets, and contributions relating to the dimensions of the Energy Union;
- c) A description of the planned policies and measures in relation to the corresponding objectives, targets, and contributions set out under point (b) as well as a general overview of the investment needed to meet the corresponding objectives, targets, and contributions;
- d) A description of the current situation of the five dimensions of the Energy Union, including with regard to the energy system and greenhouse gas emissions and removals, as well as projections with regard to the objectives referred to in point (b) with already existing policies and measures;

- e) Where applicable, a description of the regulatory and non-regulatory barriers and hurdles to delivering the objectives, targets, or contributions related to renewable energy and energy efficiency;
- f) An **assessment of the impacts of the planned policies and measures** to meet the objectives referred to in point (b), including their consistency with the long-term greenhouse gas emission reduction objectives under the Paris Agreement and the long-term strategies;
- g) A **general assessment of the impacts of the planned policies and measures on competitiveness** linked to the five dimensions of the Energy Union;
- h) An annex setting out the member state's methodologies and policy measures for achieving the energy savings requirement.

Furthermore, under Article 8, Member States shall describe their assessment, at national and, where applicable, regional level, of:

- The **impacts on the development of the energy system and greenhouse gas emissions** and removals for the duration of the plan and for a period of ten years following the latest year covered by the plan, under the planned policies and measures or groups of measures, including a comparison with the projections based on existing policies and measures or groups of measures as referred to in paragraph 1;
- The **macroeconomic and, to the extent feasible, the health, environmental, skills, and social impact of the planned policies and measures or groups of measures**, including a **comparison with the projections based on existing policies and measures or groups of measures**. The methodology used to assess those impacts shall be made public;
- **Interactions** between existing policies and measures or groups of measures and planned policies and measures or groups of measures within a policy dimension and between existing policies and measures or groups of measures and planned policies and measures or groups of measures of different dimensions. Projections concerning security of supply, infrastructure, and market integration shall be linked to robust energy efficiency scenarios.

Source: https://eur-lex.europa.eu/legal-content/EN/TXT/?toc=OJ%3AL%3A2018%3A328%3ATOC&uri=uriserv%3AOJ.L_.2018.328.01.0001.01.ENG#:~:text=This%20Regulation%20sets%20out%20the%20necessary%20legislative

The integrated NECP approach requires a coordination of purpose across all government departments. It also provides a level of planning that aims to ease public and private investment. The fact that all EU countries are using a similar template means that they can work together to make efficiency gains across borders (*National Energy and Climate Plans (NECPs)*). Each member state must submit a progress report every two years.

The EU Regulation on the Governance of the Energy Union and Climate Action (EU 2018/1999) requires that an NECP should include an assessment of the impacts of the planned policies and measures (Box 4.5, bullet (f)); but it does not specifically state that countries undertake an SEA for the NECP.

Notably, the EU SEA Directive (2001/42/EC) (transposed into EU member states' laws) does not apply SEA to policies. But it does apply to energy plans, and NECPs are plans, and the EU Directive explicitly requires an SEA for energy plans. It does not appear that SEAs have routinely been undertaken when NECPs have been developed by EU member states. The UK did not prepare such an SEA for its draft NECP in 2020 (Box A36.2).

Box A36.2: Environmental assessment of the UK's draft NECP

Section 5 of the report on the UK's integrated NECP (DBEIS 2020 Section 5) discusses the impact assessment of planned policies and measures. It sets out climate risks and the expected impacts (improvements) of proposed measures on air quality, as well as the macroeconomic health, environmental, employment, and education, skills, and social impacts, including just transition aspects. But these issues are described in very general terms in narrative format with some tables. It concludes that future investments will be likely to be highly sensitive to how climate change evolves over the next two to three decades. There is

no indication of what impact assessment methodology was used, if any. If SEA had been applied to this plan and other NECPs, it would likely have addressed a much wider range of environmental and social concerns likely to arise when implementing the NECP.

Those member states that did undertake an SEA include Bulgaria, Ireland, and Slovenia (Box A36.3). But the 'quality' of these SEAs varies. Some were completed after the Strategic Environmental Management Plans (SEMPs) (see Section 3.5) started to be implemented, others are still not complete (e.g., Bulgaria). Only two of the SEAs could be judged as complying with the steps required by the EU Directive (Spain and Slovenia).

Box A36.3: SEA of NECP, Slovenia, 2019-2022

Slovenia carried out a comprehensive SEA of its NECP in parallel to the plan process. It involved both internal (experts) and open scoping on effects, criteria, and measures. This involved extensive stakeholder participation, including a scoping workshop with interested ministries, organizations, and NGOs, as well as public discussion and a public presentation of the SEA report. The SEA addressed various key themes: mitigation and adaptation to climate change; population and health; sustainable use of natural resources; biodiversity and good ecological status of protected areas, including Natura 2000 European Ecological Network; protection of cultural heritage; landscape and stable society. The significance of likely impacts was assessed for four scenarios: existing measures; additional measures 1; additional measures 2; and an ambitious scenario with the recommendations of the European Commission 2030 with a view to 2050.

The SEA was prepared by an external team of SEA experts. The process of plan preparation was led by the Ministry of Infrastructure, and the SEA process by the Ministry of the Environment and Spatial Planning, which issued an opinion on the SEA Report quality and an environmental acceptability decision (after checking that environmentally accepted measures and mitigation measures were included in the plan).

Sources: (a) Personal; communication, Vesna Kolar, 03-02/2024; (b) <https://www.energetika-port.si/dokumenti/strateski-razvojni-dokumenti/nacionalni-energetski-in-podnebni-nacrtdokumenti/%23c96>

A36.2 EU applicant countries

Contracting parties (countries aspiring to join the EU) of the Energy Community¹ are also developing NECPs (first drafts due by June 2023, final draft by June 2024). Unlike EU member states, they are obliged by an SEA Decision of the Community's Ministerial Council² and the Governance Regulation of the Community³ for SEAs to be prepared when preparing such plans. Their preparation is monitored by the Energy Community Secretariat. To date (February 2023)⁴, the following have been completed:

- Albania: the NECP was adopted before the SEA was completed. The NECP will be reviewed to reflect the SEA findings before finalisation.
- Macedonia: adopted the NECP without the (obligatory) consent of the Ministry of Environment to ensure its alignment with the SEA and that public comments have been considered. The NECP will be reviewed before finalisation.
- Georgia, Montenegro and Serbia are currently undertaking SEAs for their NECPs.
- Other countries are in the early stage of the NECP process, except for Ukraine due to martial law and the ongoing conflict with Russia.

¹ For more information about The Energy Community, visit (www.energy-community.org).

² https://www.energy-community.org/dam/jcr:33b7fa10-df38-44ae-b2bf-58c250a4a298/Decision_2016_13_MC_ENV.pdf

³ https://www.energy-community.org/dam/jcr:c755f9db-f6e7-448c-9cf5-0a5f02113ae2/19thMCDDecision14_CEPII_30112021.pdf

⁴ Information provided by Energy Community Secretariat, Vienna. Personal communication, Vesna Kolar, 03/02/2024