

EREF response to the Call for Evidence on the Governance Regulation Review Report

August 2023

Despite a legally binding overall climate neutrality target (European Climate Law), there are neither national climate neutrality targets nor a framework to set binding national reduction targets for after 2030. Even if 13 EU countries have set these national targets for themselves, significant inconsistencies still exist across Member states in terms of standards of national climate ambition and governance enabling conditions.

EREF therefore recommends amending the Governance Regulation to introduce economy-wide national climate neutrality targets for each Member State including national binding energy and national binding sectoral targets (for ESR and non-ESR sectors) including the development of detailed plans to achieve those sectoral targets.

EREF has always advocated for binding national targets as enforcement measures of last resort. Despite these binding targets, four EU Member States (Ireland, Netherlands, Romania, and France) were in 2021 below their 2020 target. Two and a half years later (summer 2023), it is still not clear what steps will be taken to ensure these Member States are no longer below their national trajectory. This demonstrates that the delivery gap mechanism (Article 32) is not working properly. Not only do we need quicker intervention, but there also needs to be much more transparency about discussions between the European Commission and the Member States. Additionally, the Commission needs to have the possibility to call for stricter measures whenever a Member State is below its trajectory for its 2030 national renewable energy contribution.

In addition, the Governance Regulation needs to be amended to the new elements added under the revision of the Renewable Energy Directive (RED):

- 1) The revised RED includes an additional non-binding top up target of 2,5%, but the revised RED itself will not give clarity on how this part of the target will be met. The Governance Regulation needs to include what kind of additional measures will be taken to achieve this non-binding part of the 2030 EU renewable energy target.
- 2) New and revised policies will require changes in the NECPs template (Annex I) to give a boost to renewables. Particular attention should be given to streamlined admin procedures and permitting (including key performance indicators) and planning to accelerate the deployment of all available renewable sources to deliver the energy transition.

The assessment of the first National Energy and Climate Plans (NECPs) shows that their current design is insufficient to address the remaining gap between measures and objectives. EREF calls for the strengthening of the monitoring and reporting processes of the implementation of the NECPs.

The original NECP template in Annex I of the Governance Regulation from 2018 needs to be updated with respect to recent and ongoing changes in EU legislation of the Fit for 55% and REPowerEU packages. Special attention should be given to a clear methodology relating to financing measures, as well as policies, timelines and measures to phase out of subsidies for fossil fuel and nuclear energy.

During the RED revision, there have been several attempts to dilute. The articles in the Governance Regulation which relate to renewable energy should remain firmly focused on renewables. The Member States' contribution setting process in the area of renewable energy (Article 5) and the Annex with the formula for calculating national contributions for the renewable energy share (Annex II) should not be weakened. Any attempts to dilute the RED by adding low carbon fuels in the provisions must be rejected.