Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (Text with EEA relevance)

REGULATION (EU) 2018/1999 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 11 December 2018

on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) and Article 194(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee[(1)],

Having regard to the opinion of the Committee of the Regions[(2)],

Acting in accordance with the ordinary legislative procedure[(3)],

Whereas:

(1) This Regulation sets out the necessary legislative foundation for reliable, inclusive, cost-efficient, transparent and predictable governance of the Energy Union and Climate Action (governance mechanism), which ensures the achievement of the 2030 and long-term objectives and targets of the Energy Union in line with the 2015 Paris Agreement on climate change following the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (the 'Paris Agreement'), through complementary, coherent and ambitious efforts by the Union and its Member States, while limiting administrative complexity.

(2) The Energy Union should cover five dimensions: energy security; the internal energy market; energy efficiency; decarbonisation; and research, innovation and competitiveness.

(3) The goal of a resilient Energy Union with an ambitious climate policy at its core is to give Union consumers, including households and businesses, secure, sustainable, competitive and affordable energy, and to foster research and innovation by means of attracting investment, which requires a fundamental transformation of Europe's energy system. Such a transformation is also closely linked to the need to preserve, protect and improve the quality of the environment and to promote the prudent and rational utilisation of natural resources, in particular through the promotion of energy efficiency and energy savings and the development of new and renewable forms of energy. That goal can be achieved only through coordinated action, combining both legislative and non-legislative acts at Union, regional, national and local level.

(4) A fully functional and resilient Energy Union would convert the Union into a leading region for innovation, investment, growth and social and economic development, in turn providing a good example of how pursuing high ambitions in terms of climate change mitigation is intertwined with measures to foster innovation, investment and growth.

(5) Parallel to this Regulation, the Commission has developed and adopted a series of initiatives in sectoral energy policy, in particular with regard to renewable energy, energy efficiency, including on the energy performance of buildings, and market design. Those initiatives form a package under the overarching theme of energy efficiency first, the Union's global leadership in renewables, and a fair deal for energy consumers, including by addressing energy poverty and promoting fair competition in the internal market.

(6) In its conclusions of 23 and 24 October 2014, the European Council endorsed a 2030 Framework for Energy and Climate for the Union based on four key Union-level targets: a reduction of at least 40 % in economy-wide greenhouse gas (GHG) emissions, an indicative target of improvement in energy efficiency of at least 27 %, to be reviewed by 2020 with a view to increasing the level to 30 %, a share of renewable energy consumed in the Union of at least 27 %, and electricity interconnection of at least 15 %. It specified that the target for renewable energy is binding at Union level and that it will be fulfilled through Member States' contributions guided by the need to deliver collectively the Union target. A recast of Directive 2009/28/EC of the European Parliament and of the Council[(4)] has introduced a new, binding, renewable energy target for the Union for 2030 of at least 32 %, including a provision for a review with a view to increasing the Union-level target by 2023. Amendments to Directive 2012/27/EU of the European Parliament and of the Council[(5)] have set the Union-level target for improvements in energy efficiency in 2030 to at least 32,5 %, including a provision for a review with a view to increasing the Union-level targets.

(7) The binding target of at least a 40 % domestic reduction in economy-wide GHG emissions by 2030 compared to 1990 was formally approved as the Intended Nationally Determined Contribution of the Union and its Member States to the Paris Agreement at the Environment Council meeting on 6 March 2015. The Paris Agreement was ratified

by the Union on 5 October 2016[6] and entered into force on 4 November 2016. It replaces the approach taken under the 1997 Kyoto Protocol, which was approved by the Union by Council Decision 2002/358/EC[7] and which will not be continued beyond 2020. The Union's system for monitoring and reporting emissions and removals should be updated accordingly.

(8) The Paris Agreement increased the level of global ambition on climate change mitigation and sets out a long-term goal in line with the objective to keep the global average temperature increase to well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5 °C above pre-industrial levels.

(9) In pursuit of the temperature goals in the Paris Agreement, the Union should aim to achieve a balance between anthropogenic GHG emissions by sources and removals by sinks as early as possible and, as appropriate, achieve negative emissions thereafter.

(10) For the climate system the cumulative total anthropogenic emissions over time are relevant for the total concentration of GHGs in the atmosphere. Various scenarios for the Union's contribution to long-term objectives, inter alia a scenario on achieving net zero GHG emissions in the Union by 2050 and negative emissions thereafter, and the implications of those scenarios on the remaining global and Union carbon budget should be analysed by the Commission. The Commission should prepare an analysis for the purposes of a long-term Union strategy for the Union's contribution to the commitments of the Paris Agreement of holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5 °C above pre-industrial levels, including various scenarios, inter alia a scenario on achieving net zero GHG emissions within the Union by 2050 and negative emissions thereafter and their implications on the global and Union carbon budget.

(11) Although the Union pledged to deliver ambitious cuts in GHG emissions by 2030, the threat of climate change is a global issue. The Union and its Member States should therefore work with their international partners in order to ensure a high level of ambition by all Parties in line with the long-term goals of the Paris Agreement.

(12) In its conclusions of 23 and 24 October 2014, the European Council also agreed that a reliable and transparent governance mechanism without any unnecessary administrative burden and with sufficient flexibility for Member States should be developed to help ensure that the Union meets its energy policy goals, while fully respecting Member States' freedom to determine their energy mix. It emphasised that such a governance mechanism should build on existing building blocks, such as national climate programmes, national plans for renewable energy and energy efficiency as well as the need to streamline and bring together separate planning and reporting strands. It also agreed to step up the role and rights of consumers, transparency and predictability for investors, inter alia by systematic monitoring of key indicators for an affordable, safe, competitive, secure and sustainable energy system and to facilitate coordination of national climate and energy policies and foster regional cooperation between Member States.

(13) In its communication of 25 February 2015 on A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy, the Commission refers

to the need for an integrated governance mechanism to ensure that energy-related actions at Union, regional, national and local level all contribute to the Energy Union's objectives, thereby broadening the scope of governance — beyond the 2030 Framework for Climate and Energy — to all five dimensions of the Energy Union.

(14) In its communication of 18 November 2015 on the State of the Energy Union, the Commission further specified that integrated national energy and climate plans, addressing all five dimensions of the Energy Union, are necessary tools for a more strategic energy and climate policy planning. As part of that communication, the Commission Guidance to Member States on integrated national energy and climate plans provided the basis for Member States to start developing national plans for the period 2021 to 2030 and set out the main pillars of the governance mechanism. The communication also specified that such governance should be anchored in law.

(15) In its conclusions of 26 November 2015 on the governance system of the Energy Union, the Council recognised that governance of the Energy Union will be an essential tool for the efficient and effective construction of the Energy Union and the achievement of its objectives. The Council underlined that the governance mechanism should be based on the principles of integration of strategic planning and reporting on the implementation of climate and energy policies and coordination between actors responsible for energy and climate policy, at Union, regional and national level. It also underlined that the governance mechanism should ensure that the agreed energy and climate targets for 2030 are met and should monitor the Union's collective progress towards the achievement of the policy objectives across the five dimensions of the Energy Union.

(16) The European Parliament's resolution of 15 December 2015 entitled ‘Towards a European Energy Union’ called for the governance mechanism of the Energy Union to be ambitious, reliable, transparent, democratic and fully inclusive of the European Parliament and to ensure that the 2030 climate and energy targets are achieved.

(17) The European Council has repeatedly stressed the need to take urgent measures in order to ensure the achievement of a minimum target of 10 % of electricity interconnections. In its conclusions of 23 and 24 October 2014, the European Council decided that the Commission supported by the Member States will take urgent measures in order to ensure the achievement of a minimum target of 10 % of electricity interconnections, as a matter of urgency, and no later than 2020 at least for Member States which have not yet attained a minimum level of integration in the internal energy market. The communication of the Commission of 23 November 2017 on strengthening Europe's energy networks assesses progress towards achieving the 10 % interconnection target and suggests ways in which to operationalise the 15 % interconnection target for 2030.

(18) The main objective of the governance mechanism should therefore be to enable the achievement of the objectives of the Energy Union and in particular the targets of the 2030 Framework for Climate and Energy, in the field of GHG emission reduction, energy from renewable sources and energy efficiency. Those objectives and targets stem from the Union policy on energy and from the need to preserve, protect and improve the quality of the environment and to promote the prudent and rational utilisation of

natural resources, as provided for in the EU Treaties. None of those objectives, which are indissociably linked, can be regarded as secondary to the other. This Regulation is therefore linked to sectoral law implementing the 2030 targets for energy and climate. While Member States need flexibility to choose policies that are best-matched to their national energy mix and preferences, that flexibility should be compatible with further market integration, increased competition, the attainment of climate and energy objectives and the gradual shift towards a sustainable low-carbon economy.

(19) A socially acceptable and just transition to a sustainable low-carbon economy requires changes in investment behaviour, as regards both public and private investment, and incentives across the entire policy spectrum, taking into consideration citizens on whom and regions on which the transition to a low-carbon economy could have adverse impacts. Achieving GHG emission reductions requires a boost to efficiency and innovation in the European economy and in particular should also create sustainable jobs, including in high-tech sectors, and lead to improvements of air quality and public health.

(20) In view of the international commitments in the Paris Agreement, Member States should report on actions that they undertake to phase out energy subsidies, in particular for fossil fuels. When reporting, Member States may choose to base themselves on existing definitions for fossil fuel subsidies used internationally.

(21) As GHGs and air pollutants largely derive from common sources, policy designed to reduce GHGs can have co-benefits for public health and air quality, in particular in urban areas, that could offset the near-term costs of GHG mitigation. As data reported under Directive (EU) 2016/2284 of the European Parliament and of the Council[(8)] represent an important input for the compilation of the GHG inventory and the national plans, the importance of compilation and reporting of consistent data between Directive (EU) 2016/2284 and the GHG inventory should be recognised.

(22) The experience gained in implementing Regulation (EU) No 525/2013 of the European Parliament and the Council[(9)] indicated the need for synergies and coherence with reporting under other legal instruments, in particular with Directive 2003/87/EC of the European Parliament and of the Council[(10)], Regulation (EC) No 166/2006 of the European Parliament and of the Council[(11)], Regulation (EC) No 1099/2008 of the European Parliament and of the Council[(12)] and Regulation (EC) No 517/2014 of the European Parliament and of the Council[(13)]. The use of consistent data to report GHG emissions is essential to ensuring the quality of emissions reporting.

(23) In line with the Commission's strong commitment to better regulation and consistent with a policy that promotes research, innovation and investment, the governance mechanism should result in a significant reduction of administrative burden and complexity for the Member States and relevant stakeholders, the Commission and other Union institutions. It should also help to ensure coherence and adequacy of policies and measures at Union and national level with regard to the transformation of the energy system towards a sustainable low-carbon economy.

(24) The achievement of the Energy Union objectives and targets should be ensured through a combination of Union initiatives and coherent national policies set out in integrated

national energy and climate plans. Sectoral Union law in the energy and climate fields sets out planning requirements, which have been useful tools to drive change at the national level. Their introduction at different times has led to overlaps and insufficient consideration of synergies and interactions between policy areas, to the detriment of cost-efficiency. Current separate planning, reporting and monitoring in the climate and energy fields should therefore as far as possible be streamlined and integrated.

(25) The integrated national energy and climate plans should cover ten-year periods and should provide an overview of the current energy system and policy situation. They should set out national objectives for each of the five dimensions of the Energy Union and corresponding policies and measures to meet those objectives and have an analytical basis. The integrated national energy and climate plans covering the first period from 2021 to 2030 should pay particular attention to the 2030 targets for GHG emission reductions, renewable energy, energy efficiency and electricity interconnection. Member States should aim to ensure that the integrated national energy and climate plans are consistent with, and contribute to, achieving the United Nations Sustainable Development Goals. In their integrated national energy and climate plans, Member States may build upon existing national strategies or plans. For the first draft and final integrated national energy and climate plan, a different deadline is provided as compared to subsequent plans, in order to provide Member States with adequate preparation time for their first plans after the adoption of this Regulation. Nevertheless, Member States are encouraged to provide their first draft integrated national energy and climate plans as early as possible in 2018, in order to allow proper preparation, in particular for the facilitative dialogue to be convened in 2018 in accordance with Decision 1/CP.21 of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC).

(26) In their integrated national energy and climate plans, Member States should assess the number of households in energy poverty, taking into account the necessary domestic energy services needed to guarantee basic standards of living in the relevant national context, existing social policy and other relevant policies, as well as Commission indicative guidance on relevant indicators, including geographical dispersion, that are based on a common approach for energy poverty. In the event that a Member State finds that it has a significant number of households in energy poverty, it should include in its plan a national indicative objective to reduce energy poverty.

(27) A mandatory template for the integrated national energy and climate plans should be established to ensure that all national plans are sufficiently comprehensive and to facilitate comparison and aggregation of national plans, while at the same time ensuring sufficient flexibility for Member States to set out the details of national plans reflecting national preferences and specificities.

(28) The implementation of policies and measures in the areas of energy and climate has an impact on the environment. Member States should therefore ensure that the public is given early and effective opportunities to participate in and to be consulted on the preparation of the integrated national energy and climate plans in accordance, where applicable, with the provisions of Directive 2001/42/EC of the European Parliament and

of the Council[14] and the United Nations Economic Commission for Europe (UNECE) Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters of 25 June 1998 (the 'Aarhus convention'). Member States should also ensure involvement of social partners in the preparation of the integrated national energy and climate plans, and aim to limit administrative complexity when fulfilling their obligations with regard to public consultation.

(29) When carrying out public consultations, and in line with the Aarhus Convention, Member States should aim to ensure equal participation, that the public is informed by public notices or other appropriate means such as electronic media, that the public is able to access all relevant documents, and that practical arrangements related to the public's participation are put in place.

(30) Each Member State should establish a permanent multi-level energy dialogue, bringing together local authorities, civil society organisations, the business community, investors and other relevant stakeholders to discuss the different options envisaged for energy and climate policies. It should be possible for the Member State's integrated national energy and climate plan as well as its long-term strategy to be discussed within the framework of that dialogue. The dialogue may take place by means of any national structure, such as a website, public consultation platform or another interactive communication tool.

(31) Regional cooperation is key to ensuring the effective achievement of the objectives of the Energy Union in a cost-optimal manner. The Commission should facilitate such cooperation between the Member States. Member States should get the opportunity to comment on other Member States' integrated national energy and climate plans before they are finalised to avoid inconsistencies and potential negative impacts on other Member States and ensure that common objectives are met collectively. Regional cooperation in elaborating and finalising integrated national energy and climate plans as well as in their subsequent implementation should be essential to improving the effectiveness and efficiency of measures and fostering market integration and energy security.

(32) Where they cooperate in the framework of this Regulation, Member States should take into consideration existing regional cooperation fora, such as the Baltic Energy Market Interconnection Plan (BEMIP), Central and South-Eastern Europe Connectivity (CESEC), Central-West Regional Energy Market (CWREM), the North Seas Countries' Offshore Grid Initiative (NSCOGI), the Pentalateral Energy Forum, Interconnections for South-West Europe and the Euro-Mediterranean Partnership. Member States are encouraged to envisage cooperation with signatories to the Energy Community, third-country members of the European Economic Area and, where appropriate, with other relevant third countries. Moreover, the Commission may, with a view to promoting market integration, cost-efficient policies, effective cooperation, partnerships and consultations, identify further opportunities for regional cooperation covering one or more of the five dimensions of the Energy Union in accordance with this Regulation, with a long-term vision and based on existing market conditions.

(33) The Commission may undertake discussions with relevant third countries in order to explore the possibility to extend towards them the application of provisions established under this Regulation, in particular those related to regional cooperation.

(34) Integrated national energy and climate plans should be stable to ensure the transparency and predictability of national policies and measures in order to ensure investment certainty. National plans should however be updated once during the ten-year period covered to give Member States the opportunity to adapt to significant changing circumstances. For the plans covering the period 2021 to 2030, Member States should update their plans by 30 June 2024. Objectives, targets and contributions should only be modified to reflect an increased overall ambition in particular as regards the 2030 targets for energy and climate. As part of the updates, Member States should make efforts to mitigate any adverse environmental impacts that become apparent as part of the integrated reporting.

(35) Stable long-term strategies are crucial to contribute towards economic transformation, jobs, growth and the achievement of broader sustainable development goals, as well as to move in a fair and cost-effective manner towards the long-term goal set by the Paris Agreement. Furthermore, Parties to the Paris Agreement are invited to communicate, by 2020, their mid-century, long-term low GHG emission development strategies. In that context, the European Council invited the Commission on 22 March 2018 to present, by the first quarter of 2019, a proposal for a strategy for long-term Union GHG emission reductions in accordance with the Paris Agreement, taking into account the integrated national energy and climate plans.

(36) Member States should develop long-term strategies with a perspective of at least 30 years contributing to the fulfilments of the Member States' commitments under the UNFCCC and the Paris Agreement, in the context of the objective of the Paris Agreement of holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5 °C above pre-industrial levels and achievement of long-term GHG emission reductions and enhancements of removals by sinks in all sectors in line with the Union's objective. Member States should develop their strategies in an open and transparent manner and should ensure effective opportunities for the public to participate in their preparation. Their integrated national energy and climate plans and the long-term strategies should be consistent with each other.

(37) The land use, land use change and forestry (LULUCF) sector is highly exposed and very vulnerable to climate change. At the same time, the sector has huge potential to provide for long-term climate benefits and to contribute significantly to the achievement of Union and international long-term climate goals. It can contribute to climate change mitigation in several ways, in particular by reducing emissions, maintaining and enhancing sinks and carbon stocks, and providing bio-materials that can substitute fossil or carbon-intensive materials. Long-term strategies underpinning sustainable investment aiming to increase effective carbon sequestration, sustainable resource management, and long-term stability and adaptability of carbon pools, are essential.

(38) When developing further interconnections, it is important to make a complete assessment of the costs and benefits, including the full technical, socio-economic and environmental impacts thereof as required by Regulation (EU) No 347/2013 of the European Parliament and of the Council[15] and take into account the positive externalities of interconnections, such as the integration of renewables, security of supply and increased competition in the internal market.

(39) As is the case for planning, sectoral Union law in the energy and climate fields sets out reporting requirements, many of which have been useful tools to drive change at the national level, complementary to market reforms, but those requirements have been introduced at different times, leading to overlaps and cost-inefficiency, as well as insufficient consideration of synergies and interactions between policy areas such as GHG mitigation, renewable energy, energy efficiency and market integration. To strike the right balance between the need to ensure a proper follow-up of the implementation of the integrated national energy and climate plans and the need to reduce administrative complexity, Member States should establish biennial progress reports on the implementation of the plans and other developments in the energy system. Some reporting however, particularly with regard to reporting requirements in the climate field stemming from the UNFCCC and Union law, would still be necessary on an annual basis.

(40) Member States' integrated national energy and climate progress reports should mirror the elements set out in the template for the integrated national energy and climate plans. A template for the integrated national energy and climate progress reports should be detailed in subsequent implementing acts given their technical nature and the fact that the first progress reports are due in 2023. The progress reports should be carried out in order to ensure transparency towards the Union, other Member States, regional and local authorities, market actors including consumers, any other relevant stakeholders and the general public. They should be comprehensive across the five dimensions of the Energy Union and, for the first period, at the same time put emphasis on areas covered by the targets of the 2030 Climate and Energy Framework.

(41) Under the UNFCCC, the Union and its Member States are required to develop, regularly update, publish and report to the Conference of the Parties national inventories of anthropogenic emissions by sources and removals by sinks of all GHGs using comparable methodologies agreed by the Conference of the Parties. The GHG inventories are key to enabling the tracking of progress with the implementation of the decarbonisation dimension and for assessing compliance with the legislative acts in the field of climate, in particular Regulation (EU) 2018/842 of the European Parliament and of the Council[16] and Regulation (EU) 2018/841 of the European Parliament and of the Council[17].

(42) Decision 1/CP.16 of the Conference of the Parties to the UNFCCC requires the establishment of national arrangements to estimate anthropogenic emissions by sources and removals by sinks of all GHGs. This Regulation should enable the establishment of those national arrangements.

(43) Experience in the implementation of Regulation (EU) No 525/2013 has demonstrated the importance of transparency, accuracy, consistency, completeness and comparability of information. Building on that experience, this Regulation should ensure that Member States use robust and consistent data and assumptions across the five dimensions and make publicly available comprehensive information concerning the assumptions, parameters and methodologies used for the final scenarios and projections taking into account statistical restrictions, commercially sensitive data, and compliance with the data protection rules, and report on their policies and measures, and projections as a key component of the progress reports. The information in those reports should be essential for demonstrating the timely implementation of commitments under Regulation (EU) 2018/842. Operating and continuously improving systems at Union and Member State level coupled with better guidance on reporting should significantly contribute towards an ongoing strengthening of the information necessary in order to track progress in the decarbonisation dimension.

(44) This Regulation should ensure reporting by Member States on adaptation to climate change and the provision of financial, technological and capacity-building support to developing countries, thereby facilitating the implementation of the Union's commitments under the UNFCCC and Paris Agreement. Furthermore, information on national adaptation actions and support is also important in the context of the integrated national energy and climate plans, especially as regards adaptation to those adverse effects of climate change related to the security of the Union's energy supply such as the availability of cooling water for power plants and biomass availability for energy, and information on support relevant to the external dimension of the Energy Union.

(45) The Paris Agreement reaffirms that the Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights and gender equality. Member States should therefore adequately integrate the dimensions of human rights and gender equality in their integrated national energy and climate plans and long-term strategies. Through their biennial progress reports they should report information on how the implementation of their integrated national energy and climate plans contributes to the promotion of both human rights and gender equality.

(46) In order to limit administrative burden on Member States and the Commission, the latter should establish an online platform (e-platform) to facilitate communication, promote cooperation and facilitate public access to information. That should facilitate timely submission of reports as well as improved transparency on national reporting. The e-platform should complement, build on and benefit from existing reporting processes, databases and e-tools, such as those of the European Environment Agency, Eurostat, the Joint Research Centre and the experience gained from the Union's Eco-Management and Audit Scheme.

(47) The Commission should ensure that the final integrated national energy and climate plans are publicly available online. The e-platform, once operational, should be used by the Commission to host and make publicly available the final integrated national energy and climate plans, the updates thereof, the long-term strategies and other relevant reporting information provided by Member States. Before the e-platform becomes

operational, the Commission will use its own websites to facilitate public online access to the final integrated national energy and climate plans.

(48) As concerns data to be provided to the Commission by means of national planning and reporting, information from Member States should not duplicate data and statistics which have already been made available via Eurostat in the context of Regulation (EC) No 223/2009 of the European Parliament and of the Council[18] in the same form as under the planning and reporting obligations laid down in this Regulation and are still available from the Commission (Eurostat) with the same values. Where available and appropriate in terms of timing, reported data and projections provided in the integrated national energy and climate plans should build on and be consistent with Eurostat data and the methodology used for reporting European statistics in accordance with Regulation (EC) No 223/2009.

(49) In view of the collective achievement of the objectives of the Energy Union Strategy, in particular the creation of a fully functional and resilient Energy Union, it will be essential for the Commission to assess the draft integrated national energy and climate plans, the integrated national energy and climate plans and, based on progress reports, their implementation. For the first ten-year period, this concerns in particular the achievement of the Union's 2030 targets for energy and climate and national contributions to those targets. Such assessment should be undertaken on a biennial basis, and on an annual basis only where necessary, and should be consolidated in the Commission's State of the Energy Union reports.

(50) With due respect to the Commission's right of initiative, the ordinary legislative procedure, and the institutional balance of power, the European Parliament and the Council should address, on an annual basis, the progress achieved by the Energy Union on all dimensions of Energy and Climate policies.

(51) The Commission should assess the overall impact of the policies and measures of the integrated national energy and climate plans on the operation of the Union climate and energy policy measures, in particular with regard to the need for additional Union policies and measures in view of the necessary increase in GHG emission reduction and removals in the Union in line with the Paris Agreement commitments.

(52) Aviation has impacts on the global climate as a result of the release of CO_2 as well as of other emissions, including nitrogen oxides emissions, and mechanisms, such as cirrus cloud enhancement. In the light of the rapidly developing scientific understanding of those impacts, an updated assessment of the non-CO_2 impacts of aviation on the global climate is already provided for in Regulation (EU) No 525/2013. The modelling used in this respect should be adapted to scientific progress. Based on its assessments of such impacts, the Commission should, by 1 January 2020, present an updated analysis of the non-CO_2 effects of aviation, accompanied, where appropriate, by a proposal on how best to address those effects.

(53) In accordance with the current UNFCCC GHG reporting guidelines, the calculation and reporting of methane emissions is based on global warming potentials (GWP) relating to a 100-year time horizon. Given the high GWP and relatively short atmospheric lifetime of methane, leading to a significant impact on the climate in the short and middle

term, the Commission should analyse the implications for implementing policies and measures for the purpose of reducing the short- and middle-term impact of methane emissions on Union GHG emissions. The Commission should consider policy options for rapidly addressing methane emissions and should put forward a Union strategic plan for methane as an integral part of the Union's long-term strategy.

(54) To help ensure coherence between national and Union policies and objectives of the Energy Union, there should be an ongoing dialogue between the Commission and the Member States and, where appropriate, between the Member States. As appropriate, the Commission should issue recommendations to Member States, including on the level of ambition of the draft integrated national energy and climate plans, on the subsequent implementation of policies and measures of the notified integrated national energy and climate plans, and on other national policies and measures of relevance for the implementation of the Energy Union. Whereas recommendations have no binding force, as set out in Article 288 of the Treaty on the Functioning of the European Union (TFEU), Member States should nevertheless take due account of such recommendations and explain in subsequent progress reports how they have done so. With regard to renewable energy, the Commission assessment is to be based on the objective criteria. If the Commission issues a recommendation with regard to a Member State's draft national plan, it should do so as quickly as possible, having regard, on the one hand, to the need for the Commission to add up certain quantified planned contributions of all Member States in order to assess the ambition at Union level, and, on the other, the need to provide adequate time for the Member State concerned to take due consideration of the Commission's recommendations before finalising its national plan, and the need to avoid the risk of delay of the Member State's national plan.

(55) Cost-effective deployment of renewable energy is one of the key objective criteria for assessing Member States' contributions. The cost structure of deploying renewable energy is complex and varies significantly between Member States. It includes not only the costs of support schemes, but, inter alia, the connection costs of installations, system backup, providing system security and costs that need to be borne when complying with environmental restrictions. Thus, when comparing Member States based on that criterion, all costs related to deployment, whether they are borne by the Member State, final consumers or project developers, should be accounted for. The Commission's recommendations with regard to the Member States' renewable ambitions should be based on a formula set out in this Regulation which is based on objective criteria. Thus, the assessment of the renewable energy ambition of the Member States should indicate the relative effort made by the Member States, while also taking into consideration relevant circumstances affecting the renewable energy development. The assessment should also include data originating from independent quantitative or qualitative data sources.

(56) Should the ambition of integrated national energy and climate plans or their updates be insufficient for the collective achievement of the Energy Union objectives and, for the first period, in particular the 2030 targets for renewable energy and energy efficiency, the Commission should take measures at Union level in order to ensure the collective achievement of those objectives and targets (thereby closing any ‘ambition gap’).

Should progress made by the Union towards those objectives and targets be insufficient for their delivery, the Commission should, in addition to issuing recommendations, propose measures and exercise its powers at Union level or Member States should take additional measures in order to ensure achievement of these objectives and targets (thereby closing any 'delivery gap'). Such measures should also take into account early efforts made by Member States towards the 2030 target for renewable energy by reaching in or before 2020 a share of energy from renewable sources above its national binding target, or by making early progress towards its national binding 2020 target or in the implementation of its contribution to the Union's binding target of at least 32 % of renewable energy in 2030. In the area of renewable energy, such measures can also include voluntary financial contributions by Member States to a Union renewable energy financing mechanism managed by the Commission, which would be used to contribute to the most cost-efficient renewable energy projects across the Union, thus providing the Member States with the option to contribute to the Union target achievement at the lowest possible cost. Member States' national renewable energy targets for 2020 should serve as baseline shares of renewable energy from 2021 onwards and should be maintained throughout the period. In the area of energy efficiency, additional measures can, in particular, aim to improve the energy efficiency of products, buildings and transport.

(57) Member States' national renewable energy targets for 2020 as set out in Annex I to Directive (EU) 2018/2001 of the European Parliament and of the Council[19] should serve as the starting point for their national indicative trajectory for the period 2021 to 2030, unless a Member State voluntarily decides to set a higher starting point. In addition, they should constitute for this period a mandatory baseline share that forms equally part of Directive (EU) 2018/2001. Consequently, in that period the share of energy from renewable sources in each Member State's gross final consumption of energy should not be lower than its baseline share.

(58) If a Member State does not maintain its baseline share as measured over a one-year period, it should, within one year, take additional measures to cover this gap to its baseline scenario. Where a Member State has effectively taken such necessary measures and fulfilled its obligation to cover the gap, it should be deemed to comply with the mandatory requirements of its base-line scenario as from the moment in time when the gap in question occurred and both under this Regulation and under Directive (EU) 2018/2001.

(59) In order to enable adequate monitoring and early corrective action by Member States and the Commission, and in order to avoid the 'free rider' effect, the indicative trajectories of all Member States and, as a result, also the indicative trajectory of the Union should reach, in 2022, 2025 and 2027 at least certain minimum percentages of the total increase in renewable energy foreseen for 2030, as set out in this Regulation. The achievement of these 'reference points' in 2022, 2025 and 2027 will be assessed by the Commission on the basis, inter alia, of the Member States' integrated national energy and climate progress reports that Member States should present. Member States below their reference points should explain in their next progress report how they will

cover the gap. If the indicative reference points of the Union are not met, Member States below their reference points should cover the gap by implementing additional measures.

(60) The Union and the Member States should strive to provide the most up-to-date information on their GHG emissions and removals. This Regulation should enable such estimates to be prepared in the shortest timeframes possible by using statistical and other information, such as, where appropriate, space-based data provided by the Copernicus Programme established by Regulation (EU) No 377/2014 of the European Parliament and of the Council[20] and by other satellite systems.

(61) Under Regulation (EU) 2018/842, the approach of the annual commitment cycle taken in Decision No 406/2009/EC of the European Parliament and of the Council[21] should continue. That approach requires a comprehensive review of Member States' GHG inventories to enable the assessment of compliance and the application of corrective action, where necessary. A review process at Union level of the GHG inventories submitted by Member States is necessary to ensure that compliance with Regulation (EU) 2018/842 is assessed in a credible, consistent, transparent and timely manner.

(62) Member States and the Commission should ensure close cooperation on all matters relating to the implementation of the Energy Union, with close involvement of the European Parliament on matters related to this Regulation. The Commission should as appropriate assist Member States in implementing this Regulation, particularly with regard to the establishment of the integrated national energy and climate plans and associated capacity building, including by mobilising internal resources from internal modelling capacity and, where appropriate, external expertise.

(63) Member States should ensure that their integrated national energy and climate plans take into consideration the latest country-specific recommendations issued in the context of the European Semester.

(64) Member States should use the energy efficiency first principle, which means to consider, before taking energy planning, policy and investment decisions, whether cost-efficient, technically, economically and environmentally sound alternative energy efficiency measures could replace in whole or in part the envisaged planning, policy and investment measures, whilst still achieving the objectives of the respective decisions. This includes, in particular, the treatment of energy efficiency as a crucial element and a key consideration in future investment decisions on energy infrastructure in the Union. Such cost-efficient alternatives include measures to make energy demand and energy supply more efficient, in particular by means of cost-effective end-use energy savings, demand response initiatives and more efficient conversion, transmission and distribution of energy. Member States should also encourage the spread of that principle in regional and local government, as well as in the private sector.

(65) The European Environment Agency should assist the Commission, as appropriate and in accordance with its annual work programme, with assessment, monitoring and reporting work.

(66) The power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in order to amend the general framework for the integrated national energy

and climate plans template for the purpose of adapting the template to amendments to the Union Energy and Climate policy framework that are directly and specifically related to the Union's contributions under the UNFCCC and the Paris Agreement, take account of changes in the GWPs and internationally agreed inventory guidelines, and set substantive requirements for the Union inventory system and set up the registries. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making[(22)]. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council should receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts. It should also take into account, where necessary, decisions adopted under the UNFCCC and the Paris Agreement.

(67) In order to ensure uniform conditions for the implementation of this Regulation, in particular with regard to; integrated national energy and climate progress reports; integrated reporting on national adaptation actions, financial and technology support provided to developing countries and auctioning revenues; annual reporting on approximated GHG inventories, GHG inventories and accounted GHG emissions and removals; the Union renewable energy financing mechanism, national inventory systems; the inventory review; the Union and national systems for policies and measures and projections; and reporting on GHG policies and measures and projections, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011[(23)].

(68) In order to exercise the implementing powers laid down in this Regulation, the Commission should be assisted in its tasks under this Regulation by a Climate Change Committee which reinstates the existing Climate Change Committee established by Article 8 of Decision 93/389/EEC, Article 9 of Decision 280/2004/EC and Article 26 of Regulation (EU) No 525/2013 and by an Energy Union Committee. In order to ensure consistency of policies and aim at maximising synergies between sectors, both climate and energy experts should be invited to the meetings of both committees when implementing this Regulation.

(69) The Commission should review the implementation of this Regulation in 2024 and every five years thereafter and make amending proposals as appropriate to ensure the proper implementation thereof and the achievement of its objectives. Those reviews should take into account developments and should be informed by the results of the global stocktake of the Paris Agreement.

(70) This Regulation should integrate, amend, replace and withdraw certain planning, reporting and monitoring obligations currently contained in sectoral energy and climate Union legislative acts to ensure a streamlined and integrated approach to the main planning, reporting and monitoring strands. The following legislative acts should therefore be amended accordingly:

— Directive 94/22/EC of the European Parliament and of the Council[(24)],

— Directive 98/70/EC of the European Parliament and of the Council[25],

— Directive 2009/31/EC of the European Parliament and of the Council[26],

— Regulation (EC) No 663/2009 of the European Parliament and of the Council[27],

— Regulation (EC) No 715/2009 of the European Parliament and of the Council[28],

— Directive 2009/73/EC of the European Parliament and of the Council[29],

— Council Directive 2009/119/EC[30],

— Directive 2010/31/EU of the European Parliament and of the Council[31],

— Directive 2012/27/EU,

— Directive 2013/30/EU of the European Parliament and of the Council[32],

— Council Directive (EU) 2015/652[33].

(71) For reasons of coherence and legal certainty, nothing in this Regulation should prevent the application of the derogations pursuant to the relevant Union sectoral law in the area of electricity and electricity risk preparedness.

(72) This Regulation should also integrate in full the provisions of Regulation (EU) No 525/2013. As a consequence, Regulation (EU) No 525/2013 should be repealed from 1 January 2021. However, in order to ensure that the implementation of Decision No 406/2009/EC continues under Regulation (EU) No 525/2013 and that certain aspects linked to the implementation of the Kyoto Protocol remain enshrined in law, it is necessary that certain provisions remain applicable after that date.

(73) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States alone and can therefore, by reason of the scale and effects of the proposed action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that article, this Regulation does not go beyond what is necessary to achieve those objectives,

HAVE ADOPTED THIS REGULATION:

(**1**) OJ C 246, 28.7.2017, p. 34.

(**2**) OJ C 342, 12.10.2017, p. 111.

(**3**) Position of the European Parliament of 13 November 2018 (not yet published in the Official Journal) and Decision of the Council of 4 December 2018.

(**4**) Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (OJ L 140, 5.6.2009, p. 16).

(**5**) Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1).

(**6**) Council Decision (EU) 2016/1841 of 5 October 2016 on the conclusion, on behalf of the European Union, of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (OJ L 282, 19.10.2016, p. 1).

(**7**) Council Decision 2002/358/EC of 25 April 2002 concerning the approval, on behalf of the European Community, of the Kyoto Protocol to the United Nations Framework Convention on Climate Change and the joint fulfilment of commitments thereunder (OJ L 130, 15.5.2002, p. 1).

(**8**) Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC (OJ L 344, 17.12.2016, p. 1).

(**9**) Regulation (EU) No 525/2013 of the European Parliament and of the Council of 21 May 2013 on a mechanism for monitoring and reporting greenhouse gas emissions and for reporting other information at national and Union level relevant to climate change and repealing Decision No 280/2004/EC (OJ L 165, 18.6.2013, p. 13).

(**10**) Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

(**11**) Regulation (EC) No 166/2006 of the European Parliament and of the Council of 18 January 2006 concerning the establishment of a European Pollutant Release and Transfer Register and amending Council Directives 91/689/EEC and 96/61/EC (OJ L 33, 4.2.2006, p. 1).

(**12**) Regulation (EC) No 1099/2008 of the European Parliament and of the Council of 22 October 2008 on energy statistics (OJ L 304, 14.11.2008, p. 1).

(**13**) Regulation (EU) No 517/2014 of the European Parliament and of the Council of 16 April 2014 on fluorinated greenhouse gases and repealing Regulation (EC) No 842/2006 (OJ L 150, 20.5.2014, p. 195).

(**14**) Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment (OJ L 197, 21.7.2001, p. 30).

(**15**) Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009 (OJ L 115, 25.4.2013, p. 39).

(**16**) Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

(**17**) Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU (OJ L 156, 19.6.2018, p. 1).

(**18**) Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics and repealing Regulation (EC, Euratom) No 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No 322/97 on

Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programmes of the European Communities (OJ L 87, 31.3.2009, p. 164).

(**19**) Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (see page 82 of this Official Journal).

(**20**) Regulation (EU) No 377/2014 of the European Parliament and of the Council of 3 April 2014 establishing the Copernicus Programme and repealing Regulation (EU) No 911/2010 (OJ L 122, 24.4.2014, p. 44).

(**21**) Decision No 406/2009/EC of the European Parliament and of the Council of 23 April 2009 on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020 (OJ L 140, 5.6.2009, p. 136).

(**22**) OJ L 123, 12.5.2016, p. 1.

(**23**) Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

(**24**) Directive 94/22/EC of the European Parliament and of the Council of 30 May 1994 on the conditions for granting and using authorizations for the prospection, exploration and production of hydrocarbons (OJ L 164, 30.6.1994, p. 3).

(**25**) Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC (OJ L 350, 28.12.1998, p. 58).

(**26**) Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide and amending Council Directive 85/337/EEC, European Parliament and Council Directives 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC, 2008/1/EC and Regulation (EC) No 1013/2006 (OJ L 140, 5.6.2009, p. 114).

(**27**) Regulation (EC) No 663/2009 of the European Parliament and of the Council of 13 July 2009 establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy (OJ L 200, 31.7.2009, p. 31).

(**28**) Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (OJ L 211, 14.8.2009, p. 36).

(**29**) Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (OJ L 211, 14.8.2009, p. 94).

(**30**) Council Directive 2009/119/EC of 14 September 2009 imposing an obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products (OJ L 265, 9.10.2009, p. 9).

(**31**) Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

(**32**) Directive 2013/30/EU of the European Parliament and of the Council of 12 June 2013 on safety of offshore oil and gas operations and amending Directive 2004/35/EC (OJ L 178, 28.6.2013, p. 66).

(**33**) Council Directive (EU) 2015/652 of 20 April 2015 laying down calculation methods and reporting requirements pursuant to Directive 98/70/EC of the European Parliament and of the Council relating to the quality of petrol and diesel fuels (OJ L 107, 25.4.2015, p. 26).