



National energy and climate plans

Catalysts for the energy transition or
box-ticking exercises?

Introduction and context: what are national energy and climate plans (NECPs) and how are they being updated?

The European Union has set ambitious targets to reduce greenhouse gas emissions, increase renewable energy and improve energy efficiency by 2030. The successful implementation of these targets largely depends on how they are executed at the national level. To ensure improved coordination and stronger commitment, Member States are required by the EU's Regulation on the Governance of the Energy Union and Climate Action¹ to develop dedicated national energy and climate plans (NECPs) that outline how they will achieve these goals. As per the Governance Regulation, the aim is to maintain solidarity amongst the states and monitor progress towards the commonly agreed energy and climate targets. These plans were submitted in 2018 and 2019 and were assessed by the European Commission in 2020. According to the Governance Regulation, the plans must be updated by 2024, with a first draft due by 30 June 2023.

The revision of the NECPs is taking place within the context of a rapidly evolving environment for the energy sector and amidst the ongoing climate emergency.² Numerous EU and national initiatives are currently underway to enhance security of energy supply, mitigate the impacts of inflation on energy prices, and accelerate measures to address the climate crisis. This changing context has significantly shifted since the Governance Regulation was adopted and the initial plans were submitted. Although the update was already planned, it has now become more crucial than ever to ensure that Member States can adjust their ambitions accordingly to respond to these shifting circumstances.

The NECPs are outdated and require revision to reflect new targets and developments. They were already ill-suited for the challenge and failed to fully capture the potential of decarbonisation across Member States. But with new strategies such as the Fit for 55 package, the REPowerEU plan, and associated financing instruments, including the European Structural and Investment (ESI) Funds, the Modernisation Fund, the Recovery and Resilience Facility (RRF) and the Just Transition Fund (JTF), the policy framework at the EU level has changed the assumptions for future decarbonisation efforts. Updating the NECPs presents an opportunity to review and increase national ambitions for climate action and accelerate investments.

¹ European Parliament and the Council of the European Union, [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](#), EUR-Lex, 21 December 2018.

² Intergovernmental Panel on Climate Change, [Synthesis Report of the IPCC Sixth Assessment Report \(AR6\)](#), Intergovernmental Panel on Climate Change, 20 March 2023.

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However, the revision process is technical and requires coordination among various national authorities responsible for energy and economic policies, climate issues, investments and management of EU funds. In its guidance on the process and scope involved in updating the plans,³ the Commission insists on the numerous challenges that need to be considered and provides a detailed list of the obligations and recommendations that Member States should undertake when preparing the NECP reviews. These include key factors for ensuring that the energy transition is sufficiently ambitious and successful. For instance, the Commission invites Member States to assess the number of households experiencing energy poverty, suggesting that the transition cannot happen without taking into consideration vulnerable groups and providing them with dedicated support. Member States should also include greenhouse gas projections for sectoral developments and describe existing and planned policies. As a result, there is a risk of perceiving this process as a purely technical exercise driven by EU obligations, rather than as a political momentum in which all countries demonstrate their willingness to adapt their national agendas to address the global crisis. The need to consult with stakeholders is a way of ensuring that the process is open and transparent, and one that allows interested partners and experts to contribute to the drafting. But for this to happen, early information and guarantees that contributions can be considered in a meaningful way are needed. Previous assessments⁴ show that the limited involvement of stakeholders had an impact on the quality of the NECPs, and this situation risks being repeated if the lack of dialogue persists.

There are further risks with this update, as several processes are unfolding simultaneously, which could hinder the ambition of the NECP review. NECP updates are taking place in parallel with the reporting process of the initial NECP, as the progress reports were due in the first half of 2023, with subsequent updates to be submitted at a later date.⁵ In addition, the policy framework is still under review at the EU level. In fact, some of the key files for the 2030 targets will not be finalised by the time the draft plans are submitted. Indeed, the Renewable Energy Directive (RED) and the Energy Efficiency Directive (EED), part of the Fit for 55 package, were only recently agreed upon without a formal vote. But they must be taken into account when updating the plans.

Additionally, Member States must add information to their plans on investment volumes, including contributions from EU funds. Yet, the update is taking place at the same time as Member States are planning additional investments to be included in their dedicated REPowerEU chapters, the amendments to the recovery and resilience plans. At the time of the deadline, only a few countries had finalised the preparation of their new chapters. In any case, the updating of the NECPs is an opportunity to explore the potential for synergies with the various planning instruments supported by EU funds. After a long planning and programming period, national recovery plans and cohesion policy-funded programmes are now ready to be implemented. These are crucial instruments to support decarbonisation, despite only partially aligning with the higher targets set in the Fit for 55 package. Moreover, the transition process outlined in the Territorial Just Transition Plans (TJTPs) must be reflected in the NECPs. This also presents an opportunity

³ European Commission, [Commission Notice on the Guidance to Member States for the update of the 2021-2030 national energy and climate plans 2022/C 495/02 C/2022/9264](#), EUR-Lex, 29 December 2022.

⁴ CEE Bankwatch Network, [Making the grade? A review of eight national energy and climate plans in central and eastern Europe](#), CEE Bankwatch Network, March 2019.

⁵ Reportnet, [GovReg: Integrated national policies and measures \[2023\]](#), Reportnet, accessed 28 June 2023.

for Member States to establish a clear strategy for the role of the Modernisation Fund and its potential to implement ambitious NECPs.

Therefore, the timing of the revision poses a significant challenge, which may impact the drafting of the updates and the quality of the process. The following report shows how seven central and eastern European (CEE) countries are approaching the NECP revision and details how the context has changed since the initial NECPs were prepared in 2018 and 2019. In particular, the report highlights key steps taken to transform the energy system and evaluates the progress made in updating national energy plans. It also provides recommendations to make sure that this process results in national pathways that align with EU climate targets.

Overview of the situation in the CEE region: the long road towards renewed NECPs

The key role of EU funds in advancing the energy transition in CEE countries

Since the adoption of the initial NECPs in 2019 and 2020, a significant number of decisions have been taken that not only support their implementation, but also go beyond what was already agreed. Several central and eastern European countries have taken positive steps towards phasing out coal, removing bottlenecks to promote renewable energies, decarbonising heating systems and improving energy efficiency in buildings. Important reforms are currently being implemented, with some driven by EU legislation and others linked to EU funding processes. Reforms under the Recovery and Resilience Facility and enabling conditions under the cohesion policy are notable in this regard. Additionally, billions of euros from the Recovery and Resilience Facility, cohesion policy funds and the Modernisation Fund were allocated between 2021 and 2022, directing much-needed investments to various support schemes.

This progress is illustrated by very positive examples of plans that are currently being developed. For instance, Member States in the CEE region are making use of EU funds by establishing ambitious schemes to deploy renewable sources of energy. Using the RRF, offshore wind farms are due to be constructed in Poland, and a photovoltaic park will be installed on an old network of mines and coal power plants in Romania. With the support of cohesion policy funds, the city of Warsaw can modernise its grid by deploying smart grid technologies through the automation of high-voltage lines. Elsewhere, efforts are being made to renovate the building stock in countries like the Czech Republic, where the RRF-funded New Green Saving scheme is in place. With the support of cohesion policy funds, Hungary will implement a measure for energy efficient renovations and Slovakia is working towards decarbonisation by supporting the development of prosumers and energy communities. Lastly, countries like Bulgaria are investing in clean mobility and public transport through funding from the RRF. These measures would probably not have been implemented without EU funds. In this sense, they act as important enablers for facilitating, or even surpassing, the implementation of the NECPs. As such, they serve as a catalyst for energy transition in the CEE region, supporting the advancement of EU goals for sustainable energy.

EU funds as a partial driver of change

At the same time, numerous hurdles continue to impede progress toward achieving the 2030 goals. EU funds will only partially respond to the challenge, and there is still a significant gap between current actions

and goals set.⁶ In addition to the limited availability of resources, there are concerns regarding the quality and adequacy of the measures funded by the EU, which may prevent the realisation of their full potential in meeting EU targets. First-hand experience shows that there is an alarming reluctance to make transformative investments. There is often a notable discrepancy between the planned programming of measures and their actual implementation. Indeed, a recent report by the European Court of Auditors⁷ highlighted this issue, revealing that the expenditure on climate action was much lower than the percentage the EU had committed to spending (13 per cent versus 20 per cent). The report also adds that underlying bottlenecks have not yet been addressed, which raises questions about the readiness of Member States to take significant steps in increasing their climate spending during the current period.

Much will depend on how EU funds are managed and the extent to which projects can benefit from them. It is evident that many of the existing measures either fall short in terms of their transformative impact or suffer from poor implementation. This is linked to the effectiveness of EU funds, and the way they are disbursed. In an attempt to maximise the speed of absorption, subsidies are often granted without drawing a proper distinction between beneficiaries, which hinders the optimal use of EU funds. Improving this aspect is crucial to ensure that EU funds effectively leverage investments in areas where they are most needed.

Additionally, it is unfortunate to see that certain countries still include unfavourable decisions regarding climate action within their spending plans. Fossil fuels remain eligible for EU funds, and this continues to play a crucial role in some countries, particularly in the transition from coal to gas power. This is particularly evident in Romania and Poland, where EUR 1.7 billion and EUR 2 billion respectively are earmarked for fossil gas in the current period.⁸

Moreover, the choice of investments within EU funds sometimes raises questions and the sectors in need are only supported in a limited way. For instance, the insufficient focus on energy efficiency compared to actual needs is a concern,⁹ while the power sector continues to receive a significant share of funds despite its dependence on fossil fuels. The emergence of mixed gas/hydrogen projects also raises the risk of further lock-in effects. In general, ensuring the genuine additionality of EU funds remains an issue, which could hamper their full effectiveness in realising the changes required.

As a result, the allocation of EU funds presents both opportunities and challenges in driving the transformation needed to achieve the 2030 goals. But while EU funds make a substantial contribution to implementing these goals and those of the NECPs, it is important to acknowledge that EU funding alone will not be sufficient to fully realise these goals. The strategies adopted by Member States also play a crucial role. And as this report reveals, many of their decisions are undermining the potential effectiveness of EU-funded investments.

⁶ Climate Action Network Europe, [The contribution of EU spending plans to ambitious NECPs - CAN Europe](#), *Climate Action Network Europe*, 30 August 2022.

⁷ European Court of Auditors, [Climate spending in the 2014-2020 EU budget: not as high as reported](#), *European Court of Auditors*, 30 May 2022.

⁸ CEE Bankwatch Network, [Energy insecurity: EU funds for fossil gas in Poland and Romania contradict climate goals](#), *CEE Bankwatch Network*, 2023

⁹ Euractiv.sk, [‘Campaigners push EU-backed ‘renovation loan’ to decarbonise buildings’](#), *Euractiv.sk*, 2022.

National policy contradictions: recent decisions by Member States do not enshrine EU objectives

In addition to the partial use of EU funds, what is especially concerning is the path taken by some governments at a national level since the adoption of the NECPs. This is particularly true following Russia's invasion of Ukraine, which has spawned the current energy crisis and increase in inflation.

In the current context, including the EU's response in creating the REPowerEU strategy, there is an increased tendency for many countries to adopt short-term measures. In practice, this often means measures that continue to support fossil fuels and prolong or increase the reliance on gas and coal. This trend is particularly evident in central and eastern European countries, where measures have been taken to slow down the transition away from fossil fuels, backtrack on previous commitments, or even de facto recarbonise the economy. For instance, since the energy crisis in 2022, Hungarian authorities have responded by increasing domestic fossil fuel production and delaying the phase-out of coal power plants, moves that clearly undermine climate goals. In Bulgaria, there are also indications that previous commitments to decarbonise the power sector could be reversed. Fortunately, this is not the case everywhere, as other countries seem determined to advance the uptake of renewable energy. For example, Estonia passed a law in October 2022 setting a new renewable electricity target of 100 per cent by 2030.

Additionally, the significant investments needed in energy efficiency and savings are being neglected. While there have been some new initiatives and calls for energy efficiency, some Member States continue to overlook the importance of these investments, which are crucial to the development of new energy policies. There is also a notable absence of essential reforms to decarbonise heating systems, as exemplified by Slovakia, which lacks a strategy for modernising its district heating systems. The same applies to investments in, and planning for, renewables, even though the CEE region stands to benefit from the multiple advantages they offer.¹⁰

From programming EU funds to updating the NECPs

In retrospect, the decisions taken since the adoption of the NECPs have not translated into a transformative agenda capable of reaching the 2030 targets. This is largely due to the lack of ambition in most of the NECPs, which have thus far been poorly implemented. In addition, there has not been enough coordination between the NECPs and the utilisation of EU funds, which have the potential to drive change but are currently limited in their effectiveness. After programming more than EUR 1 trillion in EU funds via the RRF and cohesion policy funds, the updating of the NECPs in 2023 and 2024 represents a chance to correct these faults. But as countries progress in updating their NECPs, there are multiple risks ahead that could compromise the ambition required to follow through on these plans, a factor that will need to be considered to make sure the process does not become a box-ticking exercise.

One of the risks lies in the technical issues involved in updating the NECPs. An example of this is the NECP progress reports, which have not always been taken seriously in some countries, such as in Slovakia, where data are missing. Inaccurate or inconsistent data can undermine the effectiveness of the updated plans.

Another risk is the suboptimal nature of the public consultation process. Instead of placing public participation at the centre of the process, where both stakeholders and citizens can have their say, it has

¹⁰ Ember, [In it together: the road to a cleaner, cheaper CEE power system](#), Ember, 15 May 2023.

often been neglected. As previously reported, in preparing their spending plans for the RRF11 and cohesion policy funds,12 most Member States have failed to involve the public in the decision-making process. Therefore, it is crucial to prioritise and enhance public participation when updating the NECPs, ensuring that the public can contribute their perspectives.

At this stage, it is too early to assess the level of transparency and participation in the updating of the NECPs. However, there is a clear need to significantly increase openness compared to what Member States are accustomed to. As of now, limited information is being shared, and civil society organisations have not been adequately consulted.

Our recommendation is that it is not too late to engage widely with civil society throughout the process of updating the NECPs. This will not only provide much-needed transparency but also enable stakeholders to share their valuable perspectives and expertise. By incorporating a diverse range of voices, the NECPs can be updated with a more comprehensive understanding of the challenges and opportunities ahead, leading to a more effective and inclusive plan for achieving the European Union’s climate and energy goals.

Country section – summary

While some countries cling to outdated habits and targets that impede progress, others are making positive and significant strides in adapting to new crises. These countries have developed more informed strategies and possess a clearer vision of what a transformative energy transition should entail. Here we present the current positions of seven central and eastern European countries on energy and climate issues and how they are likely to be reflected in the NECP updates.

Bulgaria

Initial NECP

One of the most concerning aspects of the current version of the Bulgarian NECP is the lack of a general plan to phase out coal and other fossil fuels. The plan states: ‘Bulgaria will make maximum use of the existing potential of indigenous coal in the country in compliance with applicable environmental legislation ... [with] the potential to provide feedstocks for electricity generation in the next 60 years’.¹³

Furthermore, the plan’s focus on promoting gas as an ecological alternative to coal is based on outdated justifications used for scaling up gas use, such as energy security, security of supply and low energy prices. Additionally, the plan encourages domestic gasification through energy efficiency projects aimed at gas users, rather than considering a gas diversification strategy, as recommended by the European

¹¹ CEE Bankwatch Network, [Secrecy surrounding €672 billion in EU recovery funding jeopardises building back better](#), CEE Bankwatch Network, 9 February 2021.

¹² CEE Bankwatch Network, [Public participation at stake in participatory processes in the EU](#), CEE Bankwatch Network, 16 December 2022.

¹³ Ministry of Energy of the Republic of Bulgaria, Ministry of the Environment and Water of the Republic of Bulgaria, [Integrated Energy and Climate Plan of the Republic of Bulgaria 2021-2030](#), EUR-Lex, 21 February 2020.

Commission.¹⁴ The draft plan originally set a national target for the share of energy from renewable sources in gross final energy consumption of 25 per cent by 2030, which was discouragingly low in ambition considering Bulgaria had already reached 18.8 per cent in 2016. The Commission subsequently recommended that Bulgaria increase the level of ambition for 2030 to a renewable share of at least 27 per cent as Bulgaria's contribution to the EU's 2030 target for renewable energy.¹⁵

The measures aimed at tackling energy efficiency outlined in Bulgaria's NECP lacked ambition even in 2019. Four years on, the targets set for reducing primary energy consumption by 27.89 per cent and final energy consumption by 31.67 per cent are even more outdated. Additionally, the plan does not include a definition of energy poverty. Finally, the country's target of reducing greenhouse gases (GHGs) by 49 per cent by 2030 compared with 1990 levels falls short of the EU's target of 55 per cent.

Current policies

The current political situation in Bulgaria is highly unstable. In April 2023, the country held its fifth election in just two years. As of June 2023, the two parties with majority votes have managed to form a coalition (one of the partners being a coalition itself), which includes the Bulgarian Green Movement (Zeleno dvizhenie). The previous government, which was forced to resign in August 2022 after losing a no-confidence vote, was relatively progressive compared with its predecessors and even boasted a deputy climate prime minister. Indeed, Bulgaria's recovery and resilience plan, formally adopted in May 2022, supports the green transition through ambitious reforms, including the adoption of a clear framework for phasing out coal and binding commitments to cut greenhouse gas emissions in the power sector by 40 per cent by 2025. But the political climate has since changed. The caretaker government – in office between August 2022 and May 2023 – tried to renew negotiations with Gazprom with the aim of resuming Russian gas supplies. In addition, key government officials and political party representatives have been calling for the continued operation of the country's coal mines, the reopening of the national recovery plan, and even the revision of the climate goals to which it had previously committed. Significantly, they have expressed the desire for Bulgaria to abandon its goal of reducing emissions from the coal industry by 40 per cent by the end of 2025. In March 2023, members and observers of the Energy Transition Commission (ETC), established as part of the European Green Deal Advisory Board, wrote to the then government to seek transparency on its request to re a proposed reform aimed at decarbonising the energy sector.¹⁶ To date, there seems to be no indication that politicians, trade unions or members of the coal industry have any intention of backing down. Furthermore, it is unclear whether the incumbent government, despite the presence of the Green Movement in the coalition, will be any more progressive on its climate policies.

New NECP

There has been no information on the update of the NECP thus far, and civil society has yet to be involved in the process. One major area that the NECP needs to address is the setting of dates for the phase-out of

¹⁴ European Commission, [Commission Recommendation of 18 June 2019 on the draft integrated National Energy and Climate Plan of Bulgaria covering the period 2021-2030 \(2019/C 297/02\)](#), *EUR-Lex*, 3 September 2019.

¹⁵ *Ibid.*

¹⁶ Meglena Antonova, Apostol Dyankov, Todor Todorov, [Subject: Negotiations between Bulgaria and the European Commission on the possibility of revising the C4.R10 reform in the Bulgarian National Recovery and Resilience Plan \(NRRP\)](#), *Energy Transition Commission*, 27 March 2023.

coal and other fossil fuels. The absence of these goals and, indeed, any concrete decarbonisation plan, is impeding Bulgaria from accessing funding from the Just Transition Fund. This situation means that an allocation of EUR 1.2 billion previously earmarked for three just transition regions is now in jeopardy. Bulgaria's recovery plan includes other milestones and reforms, such as establishing a definition and strategy for energy poverty, simplifying the conditions for accelerating the deployment of renewable energy sources, and transposing the Renewable Energy Directive. There have been substantial delays in implementing these measures, which has in turn held back the disbursement of funds from the RRF. It should also be noted that the existing NECP does not outline any investment needs, an important component that should be included in the plan.

As ever, public participation and meaningful involvement of the civil sector are essential for ensuring that the NECP is successfully realised. This includes the provision of an adequate public consultation period. In this context, the demise of the Energy Transition Commission ETC, which was established with the responsibility of developing Bulgaria's roadmap to achieving climate neutrality in line with the European Green Deal, is particularly disappointing. Operational for only a limited period in 2022, the ETC was intended to be a space for multilevel climate and energy dialogue on initiatives such as the RRF and NECP. The absence of any explanation from the government as to why the ETC has ceased to function speaks volumes.

Estonia

Outdated NECP

Estonia's current NECP,¹⁷ published on 19 December 2019, was developed on the basis of Estonia's Energy Sector Development Plan until 2030 (ENMAK 2030),¹⁸ which was drawn up in 2017 and is now widely considered to be outdated. The NECP calls for an 80 per cent reduction in greenhouse gas emissions by 2050 compared with 1990 levels, including a 70 per cent emissions reduction target by 2030. It does not explicitly include the goal of climate neutrality. In addition, the NECP continues to prioritise a favourable regulatory environment for large investments in shale oil production, which does not align with its Territorial Just Transition Plan.

In the NECP, the target for the share of renewable energy in final electricity consumption is set at 40 per cent and the target for the share of renewable energy in final energy consumption is set at 42 per cent. However, these targets do not correspond with the new national climate law. The increased use of biomass and peat as renewable energy sources is controversial as it threatens the biodiversity of forests and peatlands. The practice also conflicts with the need to preserve forests and peatlands as carbon sinks.

Final energy consumption in Estonia is projected to remain at current levels, which do not align with the energy efficiency targets outlined in the recent Fit For 55 package. Primary energy consumption is projected to decrease by 14 per cent due to investments in the modernisation of the oil shale industry, which is clearly

¹⁷ Ministry of Economic Affairs and Communications of Estonia, Ministry of the Environment of Estonia, Ministry of Rural Affairs of Estonia, [Estonia's 2030 National Energy and Climate Plan \(NECP 2030\)](#), EUR-Lex, 19 December 2019.

¹⁸ Ministry of Economic Affairs and Communications of Estonia, [Energy Sector Development Plan](#), Ministry of Economic Affairs and Communications of Estonia, accessed 27 June 2023.

no longer a viable strategy. The NECP states that Estonia does not have any major problems with energy poverty and that people experiencing energy poverty are entitled to receive a general subsistence allowance. The situation has changed drastically in the past year, with the government introducing new allowances to cover electricity and heating bills due to exceptionally high prices. However, these subsidies are not a sustainable solution, and therefore a long-term strategy is needed to reduce energy poverty. The EU's latest directives on the electricity market and renewable energy highlight the importance of energy communities, but they receive no mention in Estonia's NECP.

New legislation and investments for energy transformation

Since the NECP was first published, there has been notable progress, including the adoption of new legislative targets and measures. One significant development was the Estonian government's endorsement to support the EU's goal of achieving climate neutrality by 2050. Estonia's Territorial Just Transition Plan foresees the phasing out of oil shale in electricity production by 2035 and across the entire energy sector by 2040. In 2022, Estonia's parliament also adopted a new renewable electricity target of 100 per cent by 2030 and a renewable energy target of 65 per cent by 2030.

Signals from the ground, however, point to less ambitious action, as the oil shale industry has expanded its mining sites and hired new staff to meet winter demands. Nonetheless, the oil shale phase-out targets for 2035 and 2040 are understood to remain on track. Estonia's recovery and resilience plan should contribute to the achievement of these targets through strategic investments. The plan includes initiatives aimed at increasing renewable energy production in industrial areas, piloting the production and use of renewables-based hydrogen, piloting electricity and heat storage projects, strengthening the electricity grid, and supporting the reconstruction of buildings. In addition, Estonia's cohesion policy programmes include investments in the reconstruction of district heating systems, the purchase of biomethane buses for public transport and the construction of refuelling stations, all of which complement the investments and reforms already outlined in the recovery plan.

Due to the energy crisis, the government decided that electricity, gas and district heating would be sold to consumers at a fixed price and as a universal service from 1 October 2022 to 31 March 2023. From a long-term perspective, though, this was an ill-judged solution, as it incentivised the consumption of fossil electricity and fossil gas instead of energy savings. Redressing matters somewhat, the Ministry of Economic Affairs and Communications organised an information campaign for consumers, providing them with tips on how to save energy.¹⁹ In addition, transmission system operator Elering is compiling a list of volunteer consumers who are willing to shift their electricity consumption if necessary. However, to achieve a significant reduction and/or shift in demand, a more systematic policy intervention than just voluntary commitments is needed.

In a less sustainable endeavour, Elering, in cooperation with the private sector, was responsible for the construction of a liquified fossil gas (commonly termed liquified natural gas or LNG) terminal in Paldiski with capacity to host a floating storage and regasification unit (FSRU). However, a similar terminal has also been established in Finland, and currently, it appears that the FSRU will be docked there instead.

¹⁹ Ministry of Economic Affairs and Communications of Estonia, [Koos saame energiakriisiga hakkama](#), *Ministry of Economic Affairs and Communications of Estonia*, 22 October 2022.

Consequently, there is no need for either a temporary or a permanent FSRU in Estonia, as the existing facility in Finland is sufficient to meet regional demand.

To accelerate the development of renewable energy and ensure that the new target of 100 per cent renewable electricity by 2030 is met, the State Chancellery recently carried out an audit of renewable energy planning and procedures related to environmental impact assessments and licensing.

Updating the NECP

A new national development plan for the energy sector, currently being prepared by the Ministry of Economic Affairs and Communications, is expected to form the basis of the new NECP. Civil society organisations are involved in the steering committee and in all three working groups on energy efficiency, renewable energy and energy security.

The Ministry began drafting the new NECP in early 2023. Stakeholders were asked to provide written feedback on the first working draft by 8 May, with an information seminar held on May 10. According to the latest information, no other in-depth engagement methods, such as entering into multilevel climate and energy dialogue as recommended by the European Commission, have been announced or implemented.

The current draft version is considerably more ambitious than the previous NECP. For instance, the 2030 targets for the share of renewable energy in final electricity consumption have increased to 100 per cent, and in final energy consumption to 65 per cent. The document mentions recent policy developments in the context of the REPowerEU chapter and confirms that mapping of suitable areas for wind parks is expected to be finalised in the first quarter of 2024. However, the NECP shows no significant ambition in terms of facilitating energy communities and fails to address Estonia's alarming trends in the land use, land-use change and forestry (LULUCF) sector.

Additionally, the possible inclusion of nuclear energy in the form of SMRs in the new NECP is a cause for concern, given the absence of any science-based analysis supporting nuclear energy as a potential component in Estonia's energy mix. A recent analysis carried out by a consortium led by the Trinomics consultancy,²⁰ commissioned by the state and supported by the Directorate-General for Structural Reform Support (DG REFORM), found that the use of nuclear energy in transitioning to a climate-neutral electricity system was the least recommended – and riskiest – of eight different scenarios for Estonia.

Preliminary evidence points to several issues associated with the use of nuclear energy in Estonia. Firstly, small modular reactors (SMRs), which the government has proposed as a potential viable nuclear technology, currently do not exist commercially and may not become available in the future. Additionally, nuclear energy is more expensive compared with alternative energy sources. There are also numerous and significant safety risks and no existing solutions for the disposal of nuclear waste. Most importantly, nuclear power is not renewable and relies on the import of uranium from, quite possibly, non-democratic countries. Lastly, nuclear power is not a quick enough solution for climate change mitigation and will only serve to delay real action.

²⁰ Trinomics, Stockholm Environment Institute, TalTech, E3 Modelling, [Transitioning to a climate-neutral electricity generation – Deliverable 8 Report: Final report](#), Trinomics, Stockholm Environment Institute, TalTech, E3 Modelling, 13 October 2022.

According to the Trinomics analysis, two of the most promising pathways involve the deployment of renewable energy sources combined with storage solutions and the adoption of sustainable, low-carbon technologies (except for those that are nuclear-based). However, the current version of the NECP draft does not reference these results, which has raised alarm among environmental civil society organisations. As the revised NECP is intended to serve as the foundation for a transformative energy transition in Estonia – one backed by scientific evidence – it is crucial that false solutions in the form of nuclear energy, namely SMRs, are excluded from the plan.

Challenges remain

In their feedback to the draft plan, which government officials shared with interested stakeholders, environmental civil society organisations highlighted key challenges that still need to be addressed. To raise the level of ambition, Estonia's revised NECP needs to:

- Establish a definition of climate neutrality that explicitly prioritises the transition to a 100 per cent renewable energy system, avoiding reliance on carbon capture storage and nuclear energy.
- Set updated targets for renewable electricity and energy efficiency, aiming for 100 per cent renewable energy by 2030 and ambitious energy efficiency improvements.
- Maintain the phase-out dates for oil shale – 2035 for electricity and 2040 for energy production – outlined in the existing Territorial Just Transition Plan.
- Reduce fossil gas consumption.
- Restrict biomass consumption and export to reduce carbon emissions from the LULUCF sector, such as limiting forest logging and the export of pellets to Western Europe.
- Provide incentives that reduce the demand for electricity and heat, such as introducing lower prices during peak hours.
- Increase support for energy efficiency and energy savings in buildings, differentiated based on household income.
- Define the role of energy communities and set indicators for establishing targeted support measures.
- Improve regulations on energy storage.
- Prevent a further biodiversity crisis when pursuing a clean energy transition through accompanying mitigation measures.

Hungary

NECP fails to deliver

Hungary's NECP,²¹ adopted in January 2020, is flawed in several respects. First, its energy efficiency target is nowhere near ambitious enough, setting an extremely weak target of 6.7 per cent compared with 2018 levels. Second, there are no targeted measures to assist those in energy poverty. Third, it sets a renewable energy target of only 21 per cent. Plans to 'green' the electricity sector involve increasing solar photovoltaic capacity to 6500 megawatts (MW) by 2030, but there is little focus on the diversification of renewable sources and, in particular, wind energy.

Even though there is no clear commitment to phase out coal in the residential sector by 2030, there are measures to reduce its usage. These measures aim to relegate coal to a marginal role in heating and completely eliminate its usage in electricity generation by 2030. The plan does not address the issue of existing fossil fuel subsidies. Nuclear investment is proposed as a solution, but the plan does not provide any assessment of how weather-dependent renewables and nuclear production will be balanced.

In July 2020, the parliament enshrined the NECP's targets in law and also declared that Hungary would achieve climate neutrality by 2050. These figures will need to be updated once the revised NECP is approved.

New funding for the energy transition

The above targets have been supported by several financial measures that rely on EU-funded programmes. For instance, the energy chapter in Hungary's recovery and resilience plan allocates grants to increasing the use of renewable energy sources, improving the grid and installing solar panels.

The Environment and Energy Efficiency Operational Programme Plus (EEEOP Plus 2021-2027),²² supported by cohesion policy funds, includes measures on energy efficiency measures under two priorities: priority number 4 – renewing the energy economy; and priority number 5 – just transition. These include both grants and financial instruments to support the refurbishment of residential buildings. However, this allocation will only contribute to the refurbishment of about 39,000 homes by 2029, and only medium-depth renovation is required. There are indications that the draft plan for the RRF loan and REPowerEU chapter would also include some schemes to improve the energy performance of residential buildings. However, even if this were to happen, and even if it were to be combined with the EEEOP Plus, the scale of this would fall short of the 100,000 to 150,000 homes per year required to decarbonise the building stock by 2050. This is worrying for the implementation of the NECP goals, considering that the energy renovation rate of the housing stock is not even 1 per cent, which falls significantly short of the required 3 per cent.

Moreover, the way in which these positive measures are being implemented is questionable, with the risk that their benefits will not be fully realised. One example of this is a call for proposals under the RRF grant for the installation of photovoltaic systems in residential buildings and potential electrification of the heating system. Unfortunately, the way the call was conducted was chaotic. Technical conditions were changed during the application process, resulting in the awarding of subsidies to all applicants without

²¹ Ministry of Innovation and Technology of Hungary, [National Energy and Climate Plan](#), *EUR-Lex*, 22 January 2020.

²² Széchenyi Plan Plus, Government of Hungary, [Környezeti és Energiahatékonysági Operatív Program Plusz](#), *Pályázat*, accessed 28 June 2023.

differentiating between projects. Importantly, the measure did not require or support significant improvements in the energy performance of buildings through insulation.

Government approach to energy policy

With regard to medium- and long-term energy perspectives, the government's approach lacks ambitious milestones. Recent government decisions suggest a continuation of the previous pattern based on new proposals put forward to address the energy crisis. These include fossil fuel diversification, expansion of lignite production and gas-fired power plants, and increased reliance on nuclear power. Regrettably, energy savings and efficiency are low on the agenda. The government's recarbonisation package,²³ released in July 2022, has since been codified and enshrined in further government decisions, which are seen as cornerstones of its climate and energy policy planning.

Notably, the operating life of the Paks I nuclear power plant is expected to be extended until 2057 and, 'ideally', two new nuclear blocks (Paks II) will be constructed by 2030. Additionally, three new combined-cycle gas turbine (CCGT) power plants are planned to be built by 2026 or 2027. At Matra power plant, all units are expected to continue operating, if technically possible, on mostly lignite until one of the CCGT plants is installed at the same location. A final decision on the closure date is due at the end of June 2023. However, such a move would jeopardise the just transition process and further threaten the health of the region's population. Lastly, the government plans to relax logging regulations to ensure firewood supplies continue during the winter season, which will see the suspension of nature conservation rules.

The NECP under review seems to be tailored to the above cornerstones, which rely on the unambitious targets set in the initial NECP without substantially raising the level of ambition. Specifically, the energy efficiency target of keeping gross final energy consumption below 2005 levels by 2030 was unambitious even when it was set four years ago. And despite energy consumption having increased since then, it continues to be used as a benchmark for the 'With Additional Measures' scenario. While the government argues that the above targets would align with the Fit for 55 requirements, they are certainly far from the enhanced Fit for 55 targets.

Another worrying aspect of the NECP is the expectation that electricity demand will grow by 43 per cent by 2030. Of this anticipated increase, electrification will account for 40 to 45 per cent of this growth and re-industrialisation of the economy for the remaining 55 to 60 per cent. In this context, re-industrialisation involves attracting new manufacturing industries, particularly car manufacturing and battery production, both of which are known for their high energy and resource intensity, as well as health risks.

The NECP also lacks a plan for phasing out fossil fuels, not even by 2050. Instead, coal is expected to be replaced by gas, which will then eventually replace electricity in the current energy mix. All this is at odds with climate neutrality and the 'polluter pays' principle. There is also a lack of transparency on the targets for renewable energy sources and greenhouse gas (GHG) emissions. In mid-May, non-governmental organisations were supplied with graphs in relation to these targets, but the information was presented in an unclear way.

²³ Wolters Kluwer, [1335/2022. \(VII. 15.\) Korm. határozat az energia-veszélyhelyzettel összefüggő egyes szükségszerű intézkedések megtételéről](#), Wolters Kluwer, accessed 28 June 2023.

Upon the repeated requests of civil society, the government finally entered into consultations with various groups of stakeholders on climate and energy policy planning. To date, however, no draft document is available. A short summary of the draft NECP is expected to be published for consultation in the second half of June. Once submitted to the European Commission, the full draft is expected to be published in the autumn along with a strategic environmental assessment.

During the revision of the upcoming NECP, it is essential to adopt a transparent approach to the drafting of the plan. This means conducting a consultation process on the full draft and providing a summary where all options are open for discussion. The views and recommendations of academics and experts need to be gauged when establishing the foundations and core assumptions behind the country's energy and climate policy.

Opportunities to reduce energy demand should also be explored, with a focus on strengthening the energy efficiency target. Re-industrialisation should not prevent industry from significantly reducing its overall energy demand, and substantial support should be provided to the residential sector to encourage its contribution to the energy efficiency target.

The NECP should extensively promote energy efficiency improvements, mainly through the renovation of residential buildings. In the medium term, ambitious minimum energy savings requirements, with a preference for deep renovations, should be established. The plan should also provide clear guidance on the timeline, content, scale and funding of housing renovation schemes, taking into account building types, the social status of owners and occupants, and issues of energy poverty.

A timeline for enabling and supporting energy communities should also be clearly indicated. This would ideally involve creating a regulatory environment and providing financial support schemes. It is imperative that renewable energy sources, particularly geothermal and wind, are substantially diversified and connected to the grid. Priority should also be given to reducing biomass by introducing strict sustainability criteria. A mix of approximately 10,000 to 12,000 MW of solar capacity, coupled with 5000 MW of wind capacity, would substantially reduce investment costs, land requirements and the need for non-weather-dependent balancing power.

Latvia

Initial NECP

In its initial NECP,²⁴ Latvia failed to set ambitious targets for the renovation of multi-apartment buildings, identifying only 2000 buildings for renovation. This low target is concerning, as multi-apartment buildings account for a significant share of energy consumption in Latvia and thus offer significant potential for energy savings.

Moreover, while Latvia has set an overall target for renewable energy, it lacks specific targets for key renewable energy sources such as solar and wind. Without these specific targets in place, it will be

²⁴ Cabinet of Ministers of Latvia, [Latvia's National Energy and Climate Plan 2021-2030](#), EUR-Lex, 3 February 2020.

challenging for Latvia to monitor progress and ensure that growth in renewable energy is appropriately distributed across different sources.

Another notable gap in the current NECP is the lack of a final target to phase out fossil gas. While Latvia has outlined a plan to reduce the use of fossil gas in its energy mix, it has yet to set a specific target for its complete phase-out.

Finally, the current NECP includes a target to develop and implement a comprehensive long-term solution to increase the energy efficiency of the housing stock by 2030. However, little progress has been made towards reaching this target and it remains to be seen how it will be achieved.

New steps taken despite political caution in advancing renewables and energy savings targets

Latvia has made some legislative improvements to promote wind energy and multi-apartment building renovation, although some shortcomings remain. The country is also working on adopting a legal framework for energy communities. Additionally, the deployment of renewable energy is accelerating, with two large national wind projects in the planning stage. One of these projects, which involves the collaboration of the state energy company and the state forest company, is slated for state forest land, while the other, a partnership with Estonia, is earmarked for the Baltic Sea. The administrative process for installing solar panels on household roofs has also been improved to make it less bureaucratic and more efficient. There are also various support programmes aimed at replacing fossil fuel-based heating with renewable solutions, connecting to district heating networks, installing solar panels, and improving the energy efficiency of buildings. Yet, although these initiatives are generally positive, they are not designed to be accessed by vulnerable groups within society.

To achieve the goals of the NECP, the national recovery and resilience plan and operational programme include several investments and reforms aimed at improving energy efficiency in various types of buildings, including multi-apartment, single-family, municipal and state-owned, and office-based. Renewable energy technologies for electricity and heat production will be installed in a variety of settings such as multi-apartment buildings, single-family houses, energy communities, agriculture cooperatives, municipality infrastructure and businesses. Additionally, the Riga agglomeration transport system will be reformed to reduce greenhouse gas emissions through bike lanes, strengthened railway systems and improved public transportation.

Although Latvian policy-makers understand that higher targets for renewable energy are inevitable, they are reluctant to adopt them due to concerns about potential economic disadvantages. As such, the government is pushing for a minimum elevation of targets. On the other hand, the government's priority is the rapid deployment of renewable energy and all necessary infrastructure, including legislative acts. The dominant rhetoric is that green objectives should not jeopardise industry or place too great a burden on the economy. However, one positive outcome of the parliament elections in autumn 2022 was the establishment of a new ministry – the Ministry of Climate and Energy – which has taken over the responsibilities for climate and energy from other existing ministries and is now working towards more coordinated and ambitious decarbonisation goals.

One of the main concerns is whether energy efficiency improvements in multi-apartment buildings will receive sufficient attention. Although the new government declaration includes some positive points on the

topic, more action will be needed to ensure progress. So far, there has not been a recent analysis on investment gaps, likely due to the lack of clarity on new targets. Modelling for the investments needed to realise the various targets is ongoing and seems to be based on sound science. However, a model for 2050 has yet to be released. The key question is whether the targets chosen will be sufficiently ambitious.

Preparations for the NECP update

Working groups, including non-governmental organisations, have been established for the purpose of revising the NECP. However, these working group meetings, only held in 2022, primarily served as informative events rather than a platform for meaningful discussions. The Ministry of Climate and Energy claims that intensive work on updating the NECP is already taking place and that negotiations among ministries aimed at proposing measures that will align with the scenarios for the minimum required emission reductions by 2030. However, inclusive engagement has been absent from the early stages of the process.

Recommendations

First, the plan should include a phased-out plan for fossil gas in the energy sector, with specific targets for reduction. Additionally, plans for the development of energy accumulation solutions are necessary to ensure base load as fossil gas is being phased out.

Second, the NECP should include a strategic vision for the desired proportion of renewable energy sources, such as wind and solar. Without a clear plan, there is a risk of overloading the grid during sunny summer days or running out of power on dark winter days.

Third, the NECP should provide a strategic long-term vision for biomass as a transitional fuel. While biomass is currently being used to replace fossil gas, it is not sustainable in large quantities, particularly considering the current use of primary wood. A vision for zero-emission or emission-reduced district heating should be developed, such as through the use of industrial heat pumps, solar and biomass.

Fourth, a clear plan for funding and accelerating building renovation is necessary to achieve the target of renovating 2 per cent of buildings per year. This will require implementing innovative financing schemes, involving private sector-based solutions, and developing diverse programmes tailored to different income groups. Standardisation should also be considered where possible.

Fifth, the transportation sector is currently lagging behind in its decarbonisation efforts and would greatly benefit from the heavy promotion of public transportation and micro-mobility options.

Finally, forests, wetlands and appropriate lands need to be used as carbon sinks to help reach overall emissions reduction targets. However, the forestry and agriculture sectors continue to resist measures aimed at reducing greenhouse gas emissions in the land use, land-use change and forestry (LULUCF) sector.

Poland

Assessing the NECP and its implementation²⁵

The current NECP²⁶ does not align with EU climate objectives and reduction targets. It does not set a date for phasing out coal, nor does it include a plan for closing coal mines or divesting from coal assets. Perhaps the most worrying aspect of the plan is the crucial role assigned to coal in the energy mix, which is expected to maintain a share of more than 50 per cent until the first nuclear power plant is established in the 2030s. These serious shortcomings blatantly contradict the EU's objective of achieving climate neutrality by 2050.

Poland's NECP does not cohere with the country's other national strategies and plans, representing a missed opportunity to develop a complex, inter-sectoral strategy for climate action and energy transformation. Additionally, certain sectoral strategies that had been widely debated in relation to energy transformation, such as the hydrogen strategy and the role of carbon capture and storage (CCS) technologies, are absent from the plan. Additionally, Poland has not adopted a long-term strategy to fulfil its commitments under the Paris Agreement and to meet the objectives of the Energy Union, which should be consistent with the NECP.

The provisions of the NECP focus primarily on investments in transmission networks and cross-border connections, but almost completely ignore the need to adapt the grid to the rapid growth of energy production from renewable energy sources. In many cases, the NECP does not provide detailed information on the planned policies and measures envisaged to achieve the targets and impacts presented. The analytical annexes to the plan, which contain projections of climate and energy indicators, present two scenarios: a reference scenario (without NECP implementation)²⁷ and an energy and climate policy scenario (with NECP implementation).²⁸ However, these potential outcomes do not determine the extent of the impact of individual measures in shaping the Polish energy and fuel system. For a more nuanced picture, more information is needed on new planned initiatives or programmes. Furthermore, information on the funds for transformation is not specific enough, with no indication as to how these funds will contribute to the implementation of the objectives set out in the NECP.

Most of the measures outlined in the NECP have either not been implemented or else delayed. Notably, these include the development of the policy to reduce greenhouse gas (GHG) emissions from sectors not covered by the Emissions Trading Scheme and the policy to reduce energy poverty. Also, plans for transforming Poland's outdated and highly polluting heating sector have not been implemented.

Among the few measures that have come to fruition, those related to the expansion of gas infrastructures are particularly noteworthy. The prioritisation of this area, combined with the lack of satisfactory progress in developing non-emitting energy sources and improving energy efficiency, raises concerns about the risk of the Polish economy becoming overly dependent on another fossil fuel, fossil gas, which the NECP

²⁵ For an in-depth assessment, see: Joanna Flisowska, Aleksander Śniegocki, '[A rehash or an idea for the future? Evaluation of Poland's National Energy and Climate Plan three years after adoption](#)', *Polish Green Network, Reform Institute*, 2023.

²⁶ Government of Poland, '[The National Energy and Climate Plan for 2021-2030](#)', *EUR-Lex*, 18 December 2019.

²⁷ Government of Poland, '[Reference Scenario \(RS\): Current situation and projections with policies and measures existing as at the end of 2017 \(without implementing the NECP\) – Annex 1 to the 2021-2030 National Energy and Climate Plan](#)', *EUR-Lex*, 18 December 2019.

²⁸ Government of Poland, '[Energy and Climate Policy \(ECP\) Scenario: Impact assessment of policies and measures – Annex 2 to the National Energy and Climate Plan for 2021-2030](#)', *EUR-Lex*, 18 December 2019.

forecasts to have a prominent future role. The NECP assumes that the 2.6 gigawatts (GW) of installed fossil gas capacity forecast for 2020 will increase to over 7 GW of installed capacity in 2035 and beyond that figure in 2040. The plan also refers to the implementation of projects aimed at enhancing the energy security of the country, including construction of the Baltic Pipe (the gas pipeline connecting Denmark with gas deposits on the Norwegian continental shelf), the extension of the Świnoujście LNG terminal, and the construction of an FSRU in Gdańsk.

Prioritising gas expansion has come at the expense of preparing the country for the likely increased integration of renewable energy sources. This has led to challenges in accommodating the rapid development of renewables, especially the boom in photovoltaics. Specifically, the grid infrastructure does not have the capacity to handle an abrupt addition of wind and sun energy to the energy mix. As declared in the NECP, the country commits to achieving a 21 to 23 per cent share of renewable energy sources in gross final energy consumption by 2030. In its evaluation of the plan, the Commission deemed this target unambitious, recommending a higher value of 25 per cent. It raised similar concerns in relation to the plan's 2030 target for improving energy efficiency, which is set at 23 per cent for primary energy consumption.

NECP revision taking place behind closed doors

Although EU Member States have until the end of June 2023 to submit their revised national energy and climate plans, not even an initial draft or set of assumptions had been made public as of mid-June 2023. According to information revealed by the Ministry of Climate and Environment in mid-April 2023, the drafting of the NECP revision was then in the early stages due to limited capacity, with priority given to the NECP implementation report and the revision of the Energy Policy of Poland until 2040 (EPP 2040) during the first half of 2023.²⁹

It was only in January 2023 that the Ministry announced a tender to select a provider for carrying out analysis and creating a multi-scenario energy forecast for the revised plan. Although the call to submit offers was open until mid-February 2023, the provider was only selected in mid-May 2023.³⁰ Modelling is an important part of the NECP revision, and according to the Regulation on the Governance of the Energy Union and Climate Action, the NECP must be based on an analysis of the current situation and the impact assessment of the planned policies and reforms.³¹ This means that Poland cannot submit its revised NECP before the modelling is complete. According to the tender documentation, the first phase should be completed within 8 weeks after signing the contract, which prevents the June deadline from being met.

The Ministry of Climate and Environment is proceeding with the NECP revision largely behind closed doors. The rare meetings with experts that have been scheduled have only been attended by low-ranking representatives of the Ministry. On 12 June 2023, the Ministry invited stakeholders to participate in pre-consultations aimed at preparing draft updates of both the NECP and the EPP 2040. To initiate a broader discussion, the Ministry also published a forecast scenario for the electricity sector in the context of the

²⁹ Reform Institute, [KPEiK na nowo. Aktualizacja Krajowego Planu na rzecz Energii i Klimatu: czy jesteśmy gotowi na 2030 r.?](#), Reform Institute, accessed 2 June 2023.

³⁰ Ministry of Climate and Environment of Poland, [Wykonanie analiz i wieloscenariuszowej prognozy energetycznej na potrzeby aktualizacji Krajowego planu na rzecz energii i klimatu](#), eProcurement Platform, accessed 21 June 2023.

³¹ European Parliament and the Council of the European Union, [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](#), EUR-Lex, 52-54, accessed 28 June 2023.

political and economic situation following Russia's invasion of Ukraine.³² However, the long-awaited draft of the NECP revision itself was not released. The Ministry stated that the proposed documents would undergo full public consultations at a later stage. It should be noted that the pre-consultation period lasted only 18 days (12 to 30 June 2023), which is less than the minimum period of 21 days recommended in the government's public consultation standards.³³

Although specific details about the revised NECP have not been disclosed, the revision process is linked with the ongoing revision of the EPP 2040. Disappointingly, the process of revising the plan lacks transparency, with only general information made available to the public. With the required modelling work yet to be completed, the final proposal is expected to be made public in the second half of 2023.³⁴

Certain key measures and objectives contained in the updated EPP 2040 may provide clues to the direction of the revised NECP.³⁵ The EPP 2040 expects renewable energy sources to account for approximately 50 per cent of energy production by 2040, with 28 GW of installed capacity by 2025, 50 GW by 2030 and 88 GW by 2040. This includes plans for wind energy, with targets of 20 GW by 2030 and 38 GW by 2040. Offshore wind is expected to contribute 5.9 GW and 18 GW respectively, while onshore wind will contribute 14 GW and 20 GW. In terms of energy investments, 86 per cent will be comprised of renewable energy sources and nuclear energy.

The plan prioritises an increase in energy efficiency in the building sector and the industry as a whole. In the first instance, efforts will focus on addressing energy poverty and enabling the use of low-temperature heat sources. There will also be a thorough evaluation of investment plans in fossil gas capacities across the energy system, with plans to replace fossil gas with 'decarbonised gases', especially hydrogen.

In the medium term, there may be a temporary increase in the use of hard coal units, which could slow down the previously planned pace of reducing coal extraction and usage. Regrettably, this will be accompanied by the deployment of large-scale nuclear power plants and SMR technology, which are forecast to contribute 7.3 GW, accounting for 23 per cent of energy generation in 2040.

Investments are earmarked for power grids along with energy and heat storage, with a focus on grid development, automation and cyber-security measures. According to the government's proposal, these investments should double the installed capacity of energy sources, reaching 130 GW by 2040. Coal is expected to be gradually replaced by gas as a 'transitional fuel', leading to a 65 per cent decrease in emissions in the electricity sector and a 76 per cent decrease in emissions in electricity generation, measured in kilogrammes of carbon dioxide produced per megawatt hour (kgCO₂/MWh).

The revised NECP is expected to reflect the above priorities. However, the Ministry of Climate and Environment runs separate modelling processes for the NECP and EPP 2040 due to their different structures and time perspectives. For the pre-consultation, though, the Ministry presented a joint energy sector

³² Ministry of Climate and Environment of Poland, [Prekonsultacje w zakresie aktualizacji dokumentów strategicznych – KPEiK/PEP2040](#), *Website of the Republic of Poland*, accessed 21 June 2023.

³³ Ministry of Digital Affairs of Poland, [Jak prowadzimy konsultacje?](#), *Website of the Republic of Poland*, accessed 21 June 2023.

³⁴ Ministry of Climate and Environment of Poland, [Założenia do aktualizacji Polityki energetycznej Polski do 2040 r. z marca 2022 r.](#), *Website of the Republic of Poland*, accessed 29 May 2023.

³⁵ Ibid. See also: Ministry of Climate and Environment of Poland, [Minister A. Moskwa: Odpowiedzią na najważniejsze wyzwania transformacji energetycznej w Polsce jest spójna strategia działania](#), *Website of the Republic of Poland*, accessed 29 May 2023.

analysis. Against this backdrop, even though the assumptions for the EPP 2040 increase Poland's ambitions in deploying renewable energy sources, its overall energy policy still falls short of aligning with the EU's energy transformation targets.

Government's use of EU funds

Since the adoption of the NECP, substantial support from EU funds has facilitated the implementation of the climate and energy transition in Poland. However, because of its low transformative ambition, outdated targets and lack of specific measures to achieve its energy transformation goals, the NECP provides a poor roadmap for maximising the potential of these funds. Since the first NECP was released in 2019, matters have been complicated further. Firstly, the national recovery plan, adopted only a year and a half after the NECP, contains reforms and investments not included in the NECP, which makes it difficult to assess their wider impact on the energy transformation. Secondly, during the EU funds programming phase from 2019 to 2022, the authorities did not feel obliged to develop progressive, ambitious projects. This decision was based on their reasoning that the Partnership Agreement and structural programmes had to align with the NECP.

Through the recovery plan, cohesion policy funds, and support from the Modernisation Fund, Poland has invested in key sectors while implementing crucial legislation to develop renewables and energy efficiency not foreseen in the NECP. This includes relaxing what is known as the 10H rule, which limits the deployment of onshore wind turbines, and creating a legal framework for the biomethane market. The NECP acknowledges biomethane as a potential fuel of the future, but gives no consideration to its sustainable production. Poland has also decided to increase the support for investment in energy-efficient housing under the Clean Air Programme, which is supported by both the RRF and cohesion policy funds. Additionally, it has introduced a limit on the share of new gas heating in single-family homes, although this restriction only applies to RRF funds. The only alignment between the NECP plan and the recovery plan is in the increased emphasis placed on the role of renewables in the electricity sector.

Recommendations for updating the NECP

- Adopt a vision for achieving the goal of climate neutrality by 2050 and, on this basis, develop sectoral pathways consistent with the EU's 2030 and Fit for 55 targets.
- Present a coherent package of national measures to ensure emissions reductions in all sectors, complementing EU-wide instruments such as the EU Emissions Trading System (EU ETS), ETS2 and zero-emission standards for buildings and vehicles.
- Provide for coordination and coherence with the EPP 2040, the national recovery plan and the REPowerEU chapter.
- Integrate sectoral strategies and financial instruments, addressing them in a cross-cutting manner across sectors and policies.
- Plan ahead rather than repeat unimplemented reforms and targets from the current NECP.
- Formulate ambitious transformative targets in a way that guides the business sector towards decarbonisation, ensuring the plan includes the 'do no significant harm' principle.

- Adopt an ambitious national renewable energy target, develop and present effective policies and measures to achieve this target, and give priority to improving the legal framework for prosumers, including energy communities.
- Review the objectives and provisions of the NECP with respect to the ‘energy efficiency first’ principle.
- Improve the social dimension of the NECP, adopt a strategy to combat energy poverty, and involve the Ministry of Family and Social Policy in drafting energy poverty measures.
- Include strategies for so-called ‘decarbonised’ gases, including hydrogen, biomethane and CCS technologies.
- Include information on funding sources for energy transformation and present a strategy for the use of the Modernisation Fund, an instrument that does not have a comprehensive strategy until 2030.
- Include the post-2030 perspective in the NECP.
- Improve social participation and stakeholder involvement in the preparation of the NECP in line with Commission guidance³⁶ and apply the good practices developed during the preparation of the cohesion policy programmes for 2021 to 2027.

According to the Ministry of Climate and Environment, only some of these recommendations will be considered during the revision process. The government’s top immediate priority is to diversify energy supply in the wake of Russia’s invasion of Ukraine. This will involve increasing the share of renewables, such as photovoltaics as well as onshore and offshore wind, in the energy mix. Analysis conducted for the EPP 2040 revision indicates the potential for renewable energy to contribute up to 47 per cent of the final energy consumption by 2030, which is more than double the target set in the current NECP. Unfortunately, fossil fuels will still play a role in the NECP as ‘transition fuels’. The government claims that the revised NECP will provide better coordination between goals and the respective measures necessary to achieve them.³⁷

Romania

Assessment of the initial NECP

Romania’s existing NECP³⁸ suffers from several shortcomings that hinder its effectiveness in achieving its desired climate trajectory. Specifically, there is a lack of coherence between the objectives set and the measures proposed to meet them. The plan merely presents an inventory of actions without providing a clear perspective on how they complement each other. Indeed, many of the measures lack deadlines for

³⁶ European Commission, [Commission Notice on the Guidance to Member States for the update of the 2021-2030 national energy and climate plans \(2022/C 495/02\)](#), *Official Journal of the European Union*, 29 December 2022.

³⁷ Reform Institute, [KPEiK na nowo. Aktualizacja Krajowego Planu na rzecz Energii i Klimatu: czy jesteśmy gotowi na 2030 r.?](#), *Reform Institute*, accessed 2 June 2023.

³⁸ Government of Romania, [The 2021-2030 Integrated National Energy and Climate Plan](#), *EUR-Lex*, 28 April 2020.

implementation and are not adequately supported by the necessary funding. The level of ambition for renewables does not reflect the country's potential. For instance, the projected 30.7 per cent share of renewables by 2030 falls short of the European Commission's recommended target of 34 per cent. The feasibility of even this limited target is doubtful given Romania's heavy reliance on coal. Despite some references to the decarbonisation plan for the Oltenia energy complex, the NECP fails to set a specific date for the phase-out of coal and only envisages a reduction in installed capacity. Tellingly, the plan still anticipates approximately 2 GW of installed coal capacity by 2030.

Recovery and resilience plan lacks clarity despite progress

In recent years, several steps have been taken to advance decarbonisation. As part of the national recovery and resilience plan, Romania has committed to phasing out coal by 2032 through the establishment of a national regulatory framework, which was approved in December 2022.³⁹ This establishes the framework for phasing out coal-based electricity generation from the national energy mix. To that end, it sets deadlines for the closure and conservation of coal-based energy groups and introduces measures to ensure that the necessary technical resources are put in place for the safe and stable operation of the national electricity system, the closure of coal mines, land rehabilitation, occupational conversion and retraining, as well as other socio-economic measures to support the transition of the workforce and economic opportunities at the local level.

Unfortunately, gas is considered the most suitable fuel for the energy transition. There is significant government support for expanding the gas distribution system, initiating the exploitation of new offshore gas perimeters, installing new fossil gas cogeneration units, and launching financial support measures to cover the gas bills for citizens without encouraging them to reduce their consumption. Most of these investments will be financed by various instruments, including the national recovery plan, the Modernisation Fund, the cohesion policy funds via operational programmes for 2021 to 2027, and the national local development plan, among others. The total cost of these fossil gas investments, funded by EU and state public funds, is expected to reach EUR 4.5 billion, which risks deepening Romania's dependence on fossil fuels.⁴⁰ Most of these projects are not expected to be completed until 2026 and will operate for at least 25 years, locking Romania into a fossil gas-based future.

In addition to the planned gas investments, Romania also intends to increase its nuclear energy production. In November 2022, the Romanian nuclear producer Nuclearelectrica signed a memorandum of understanding with the subsidiary of a major European steel manufacturer for the deployment of SMRs. This follows previous grants from the US administration for SMR development in 2022.⁴¹

In parallel, minimal steps are being taken to support the deployment of renewables. In October 2022, the government committed to follow the Commission's recommendation to increase the target for the share of

³⁹ Parliament of Romania, [LEGE nr. 334 din 29 noiembrie 2022 pentru aprobarea Ordonanței de urgență a Guvernului nr. 108/2022 privind decarbonizarea sectorului energetic](#), *Legislative Portal*, 29 November 2022.

⁴⁰ Raluca Petcu, [Energy crunch underlines the urgency of overhauling Romania's energy plans](#), *CEE Bankwatch Network*, 3 November 2022.

⁴¹ Nuclearelectrica, [On the occasion of United Nations Conference on Climate Change \(COP27\), Nuclearelectrica's SMR project company \(RoPower\) and Donalam \(part of AFV Beltrame Group\) sign MoU for SMRs deployment in Romania and join the UN Coalition for 24/7 Carbon-Free Energy](#), *Nuclearelectrica*, 15 November 2022.

renewable energy sources in final energy consumption from 30.7 per cent to 34 per cent.⁴² However, despite the government's declared support for renewables, there seems to be a discrepancy between the official stance and the actions taken at the government and ministry levels. Recent legal developments intended to accelerate the deployment of new renewable energy infrastructure, particularly for wind and solar, are now being misinterpreted by the Ministry of Agriculture and Rural Development, which has sought to block wind and solar energy projects from being built on plots larger than 50 hectares.⁴³ Given the well-known tendency of the Government to continuously change the legislation, these provisions are in the process of being amended again. The legal framework for the development of the offshore wind sector is still in the preparation stage, with no clear deadline for its publication or promulgation, blocking investment in a sector where Romania has significant potential – the technical development potential of offshore wind capacity in Romania.⁴⁴ Most importantly, there is an urgent need to invest in the expansion, modernisation and digitalisation of the national electricity grid in order to efficiently integrate new renewable energy capacity.

This limited ambition also extends to energy savings, with current plans falling short of actual investment needs. In the recovery plan, there is an opportunity to earmark funds toward implementing the long-term renovation strategy outlined in the NECP. However, only EUR 2 billion is planned for this purpose, which is insufficient. Other energy efficiency projects for the public and private building sectors can be financed through regional operational programmes, but the financial resources allocated amount to only EUR 1.25 billion. This is also inadequate for meeting investment needs until 2030, which indicate resources of EUR 5 billion according to the long-term renovation strategy.⁴⁵ The government has supported the deployment of smart metres and other demand response technologies to assist consumers. The initiative has benefitted 1.8 million people,⁴⁶ with the goal of targeting 70 per cent of the population by 2028. Another aspect of energy efficiency interventions is the development of the prosumer sector. Currently, nearly 24,000 prosumers are connected to the grid.⁴⁷

Since the adoption of the NECP, the authorities have taken measures to address energy poverty. One of the most important of these measures is the definition of a vulnerable consumer, which was included in a social protection law passed in September 2021.⁴⁸ The law establishes criteria for classifying families and single persons as vulnerable energy consumers and outlines social protection measures to ensure these consumers gain access to energy resources that meet essential household needs, with the aim of preventing and combatting energy poverty. The social protection measures primarily focus on providing financial

⁴² Economedia, '[Secretar de stat în Ministerul Energiei: Ținta de energie din surse regenerabile pentru anul 2030 ar putea crește de la 30,7% la 34%](#)', *Economedia.ro*, 13 October 2023.

⁴³ InvesTenergy, '[Alarmant! În timp ce Comisia Europeană susține accelerarea investițiilor în regenerabile, România le blochează! Interpretând eronat legislația, Ministerul Agriculturii respinge dosarele de autorizare a proiectelor fotovoltaice. Specialiștii prezintă riscurile](#)', *InvesTenergy*, 21 November 2022.

⁴⁴ Laura Nazare, '[The Romanian renewable energy sector: a potential still untapped](#)', *Bankwatch Romania*, December 2020.

⁴⁵ Government of Romania, '[Strategia Națională din 27 noiembrie 2020 de renovare pe termen lung pentru sprijinirea renovării parcului național de clădiri rezidențiale și nerezidențiale, atât publice, cât și private, și transformarea sa treptată într-un parc imobiliar cu un nivel ridicat de eficiență energetică și decarbonat până în 2050](#)', *Legislative Portal*, 27 November 2020.

⁴⁶ National Regulatory Authority for Energy – ANRE, '[Raport: privind stadiul implementării sistemelor de măsurare inteligentă a energiei electrice la 31.12.2021 conform Calendarului de implementare a sistemelor de măsurare inteligentă a energiei electrice la nivel național pentru perioada 2019-2028, aprobat prin Decizia președintelui ANRE nr. 778/08.05.2019](#)', *National Regulatory Authority for Energy – ANRE*, May 2019.

⁴⁷ Digi24.ro, '[ANRE: Numărul prosumatorilor racordați la rețeaua electrică a crescut la aproape 24.000, la 31 august](#)', *Digi24.ro*, 27 October 2022.

⁴⁸ Government of Romania, '[LEGE nr. 226 din 16 septembrie 2021](#)', *Legislative portal*, 16 September 2021.

support to cover increased energy bills for heating and electricity. However, no other support programmes have been designed with vulnerable consumers in mind.

Recommendations for updating the NECP

As the government prepares to revise the NECP, it is important to step up efforts to increase the ambition of its energy policy by prioritising renewable energy and storage solutions, rapidly deploying energy efficiency works and doubling the expansion and modernisation of the national electricity network. All of these projects should be implemented in compliance with environmental legislation and with the least possible harm to biodiversity.

In the first instance, renewable energy solutions should be implemented for the portion of the population affected by energy poverty. In addition to providing financial support measures for vulnerable consumers, the government and other relevant institutions, such as the Environmental Fund Administration, which provides financial support for the implementation of environmental protection projects, should develop new financing programmes for vulnerable consumers. These programmes should support the installation of renewable energy solutions to help these groups increase their energy independence and reduce their energy bills. Importantly, the programmes should adopt the model of 100 per cent financial assistance without requiring any financial contribution from beneficiaries. For this to happen, a very clear and coherent database of all vulnerable consumers in Romania should be established in order to better target those who really need quick and efficient solutions to reduce energy poverty. In addition, there should be a drive to improve the energy efficiency of homes in order to reduce energy consumption and improve the living standards of the population.

Local authorities should be encouraged to invest in the creation of energy communities and the government should promote the decentralisation of energy production in rural areas. This is expected to be reinforced with the addition of the REPowerEU chapter.

To ensure that the process is transparent and complies with environmental legislation, the newly revised NECP should include an environmental and economic impact assessment for all projects and measures included in the plan.

Slovakia

NECP hindered by lack of ambition and inaccurate data

The modelling that underlies Slovakia's current NECP⁴⁹ lacks a target for carbon neutrality. Instead, the plan adopts an unambitious approach that emphasises a switch from coal to fossil gas, nuclear and biomass. In addition, the plan projects coal mining and combustion to continue until 2033. The renewable energy target of 19.2 per cent by 2030 is equally unambitious and based on significant inaccuracies, particularly with regard to accounting for heating from biomass in households and small sources of air pollution, factors that have not been properly considered.

In January 2021, the Ministry surprisingly announced that, according to data obtained from a statistical survey conducted by the Slovak Hydrometeorological Institute, Slovakia markedly increased its renewable energy share from 12 per cent to 17 per cent for the year 2019.^{50,51} However, this reported increase should be treated with caution, as the Slovak authorities have been supplying misleading information to Eurostat, the European Statistical Office, dating back to 2010. Therefore, it is high time that the country's renewable energy share was revised to reflect actual figures.⁵²

In a positive development, Slovakia has decided to phase out lignite mining and combustion by 2023, which is expected to reduce Slovakia's greenhouse gas emissions by approximately 3 to 5 per cent, saving EUR 388 to 605 million in electricity prices.

Government's position on energy and climate

The government's lukewarm approach to climate and energy has received heavy criticism, as it continues to rely on fossil fuels, including those supplied by Russia. The country has not placed enough emphasis on renewable sources of energy in its climate and energy planning. That Slovakia negotiated exemptions to the phasing out of Russian fuels gives a clear indication of where its priorities currently lie. In 2022, 60 per cent of the country's fossil gas imports came from Russia. Shockingly, based on the latest figures for 2023, Slovakia is the world's sixth largest importer of Russian fossil fuels.⁵³

The electricity sector in Slovakia boasts a meagre share of renewables. A 2023 study by energy think-tank Ember found that Slovakia has the lowest percentage of electricity generation from wind and solar energy in the EU bloc.⁵⁴ Given the government's plans for a new nuclear power plant, the risk of this negligible renewable energy contribution dwindling even further is likely to increase.

Due to the recent multiple crises, the government implemented various support schemes to support households and companies. However, the level of support provided, which was considerably higher than

⁴⁹ Government of the Slovak Republic, [Integrated National Energy and Climate Plan for 2021 to 2030](#), *EUR-Lex*, 20 December 2019.

⁵⁰ Eurostat, [Share of energy from renewable sources](#), *Eurostat*, accessed 30 June 2023.

⁵¹ Irena Jenčová, 'Slovensko sa ocitlo medzi európskou špičkou v obnoviteľnej energii. Veľmi sa tým nechváli', *Euractiv.sk*, 20 January 2021.

⁵² Irena Jenčová, 'Analytička SHMÚ: Číslo o spotrebe biomasy nesedeli už roky. Nikoho to nezaujímalo', *Euractiv.sk*, 29 January 2021.

⁵³ Centre for Research on Energy and Clean Air, [Payments to Russia for fossil fuels since 24 February 2022](#), *Russia Fossil Tracker*, last updated 30 June 2023.

⁵⁴ Dave Jones et al., [European Electricity Review 2023](#), *Ember*, 31 January 2023.

elsewhere in Europe, had the effect of limiting energy-saving efforts. Indeed, among all Member States, Slovakia allocated the highest proportion of financial support, accounting for over 9 per cent of its gross domestic product (GDP), to protect households and businesses during the energy crisis.⁵⁵ This strongly demotivated them to implement energy saving measures. The government needs to build on this momentum, but this time concentrate its efforts on supporting socially vulnerable families.

More positively, decisions have been made to mitigate the climate crisis. For instance, support for new fossil gas installations was removed from Programme Slovakia, the country's flagship operational programme for 2021 to 2027, which is financed by ESI Funds. In a further amendment to the programme, the Slovak government increased the allocations for energy efficiency and renewable energy sources by 24 per cent.

To step up its climate policy, national and regional authorities need to build capacity to plan, coordinate and implement energy and climate policies. In this context, it is very welcome that the government approved EUR 44 million in cohesion policy funds for a measure aimed at promoting the development of regional and local energy sectors. The measure is expected to strengthen decarbonisation capacity through expert planning and coordination efforts.

Despite the lack of accurate data, Slovakia is among the top three countries with the highest risk of energy poverty in the EU.⁵⁶ The first official attempt to define energy poverty came in 2022 with the launch of an inter-ministerial consultation process. Additionally, there is the possibility of adding schemes for socially vulnerable households to the energy efficiency and renewable energy support programmes under the national recovery plan, Programme Slovakia and through other financial sources.

NECP progress report missing significant data

The NECP progress report⁵⁷ along with its accompanying annexes are publicly available on the Ministry of Economy website. However, in a number of the annexes to the progress report, including those pertaining to energy poverty⁵⁸ and just transition,⁵⁹ the new indicators are incomplete or, in some cases, have not been entered at all. It is therefore evident that the ministry, for reasons unknown, failed to check Eurostat data and include it in the report. This highlights the formal nature of the NECP process in a small country like Slovakia, where limited ministerial capacities contribute to such shortcomings.

Revising the NECP

As part of the process of updating the NECP, the Ministry of Economy invited stakeholders to submit their recommendations in September 2022 and subsequently in February and April 2023. The Ministry of Environment is updating its model by incorporating additional sectors to calculate the carbon neutrality pathway. These outcomes are expected to be discussed at a later stage. However, there are no participatory

⁵⁵ Giovanni Sgaravatti et al., [National fiscal policy responses to the energy crisis](#), *Bruegel*, 26 June 2023.

⁵⁶ Dušana Dokupilová, [Energetická chudoba v regiónoch](#), *Institute for Forecasting, Slovak Academy of Sciences*, 11 May 2023.

⁵⁷ Ministry of Economy of the Slovak Republic, [Správa o stave vykonávania Integrovaného národného energetického a klimatického plánu](#), Ministry of Economy of the Slovak Republic, accessed 30 June 2023.

⁵⁸ Ministry of Economy of the Slovak Republic, [Príloha XIX: Energetická chudoba](#), *Ministry of Economy of the Slovak Republic*, accessed 30 June 2023.

⁵⁹ Ministry of Economy of the Slovak Republic, [Príloha XX: Informácie o tom, ako vykonávanie Integrovaného Národného Energetického a Klimatického Plánu prispeje k spravodlivej transformácii, podpore ľudských práv a rodovej rovnosti a k riešeniu nerovností v oblasti energetickej chudoby](#), *Ministry of Economy of the Slovak Republic*, accessed 30 June 2023.

working groups in place, the deadlines are vague and the process has not been explained. Additionally, the assessment of investment needs and gaps has not been publicly disclosed.

The revised plan needs to consider the objectives and measures of the Fit for 55 package and the REPowerEU plan, placing emphasis on supporting energy savings and accelerating the deployment of renewable energy sources. This will help to reduce emissions and replace fossil fuels in households, the public sector, and industrial heat and electricity generation.

The legislation, standards and methodologies for energy efficiency and renewable energy sources must be reviewed to reflect the Fit for 55 and REPowerEU objectives. Currently, the Primary Energy Factor framework⁶⁰ strongly favours fossil fuels over energy savings. It is essential to review all underlying data and data sources to ensure accuracy and relevance. Importantly, when making these revisions, priority should be given to social and cohesion values.

While the revised NECP should adopt a comprehensive approach encompassing all sectors, it is also necessary to establish prioritisation strategies to ensure the 2030 sub-targets are achieved. To that end, efforts should be made to implement special schemes and measures that support socially vulnerable groups and the least developed regions. This public support needs to be allocated in an efficient and targeted manner.

To enhance the consultation process, it is essential to improve current practices. Multi-stakeholder dialogue should be conducted with transparency and based on meaningful engagement. To ensure this happens, two key principles should be followed. First, the commenting process timeline should be shared so that stakeholders can prepare in advance. This is infinitely preferable to receiving ad-hoc invitations to last-minute events where information is presented for the first time. Second, detailed information on the energy and decarbonisation scenarios under consideration should be published. Commenting on these scenarios at a late stage without the opportunity to incorporate feedback, as was the case in 2018 and 2019, is neither appropriate nor considerate. Any proposed decarbonisation model should be subject to scrutiny and treated as a working document.

Recommendations for the revised NECP

- Define a strategy for phasing out all fossil fuels, including imports from Russia.
- Provide a clear pathway for modernising district heating in line with the European Green Deal, REPowerEU and climate neutrality targets.
- Integrate building renovation and modernisation of the heating sector, enabling the transition to decarbonised low-temperature systems.
- Enable the heat sector to transition from appliances used in building renovation to sustainable heat sources.

⁶⁰ Friends of the Earth-CEPA, [Mikroštúdia: faktor primárnej energie](#), Friends of the Earth-CEPA, 30 November 2021.

- Place emphasis on deep renovation of buildings to enable a temperature reduction within heat distribution systems, thus improving the use of non-fossil fuel renewable energy sources and waste heat.
- Implement short-term and seasonal heat storage, incorporating technologies such as underground storage tanks to enhance the efficiency of heat delivery from solar systems, including during periods with limited sunlight.
- Ensure more robust support mechanisms for heat pumps toward decarbonising the heating sector.

A few days before the deadline to submit the NECP to the European Commission, the Slovak authorities released a new draft plan that will be brought to consultation. The submission should take place during the summer.

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