

# Governance of the Energy Union: Council confirms deal reached with the European Parliament

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Renewable energy directive: By 2030 32% of the energy consumed in the EU will come from renewables.

The EU ambassadors of the member states confirmed, on behalf of the Council, the provisional agreement reached on 19-20 June between the Bulgarian Presidency and the European Parliament on the **Energy Union governance regulation**.

The Council has today agreed on a new governance system for the energy union. This will ensure that we remain firmly on track to meet our long-term energy and climate objectives. This regulation is a key tool for modernising our energy policies as it ensures transparency, coherence, and cost-efficiency, and improves collaboration.

*Temenuzhka Petkova, Minister of Energy of Bulgaria*

The governance regulation is a key part of the clean energy package. It is the 'umbrella' piece of legislation which is intended to ensure that the EU's 2030 energy and climate targets are achieved. It defines how member states will collaborate both with each other and with the Commission to reach the EU's ambitious clean energy goals, including the renewable energy targets and the energy efficiency targets, as well as the EU's long-term greenhouse gas emissions goals. It also sets out control mechanisms that will help ensure that the targets are met, and that the range of actions proposed constitute a coherent and coordinated approach. In addition, the regulation provides for reporting under the UNFCCC and Paris Agreement.

A structured, iterative process between the member states and the European Commission and a system of regional consultations and Commission recommendations on national energy and climate plans will help ensure that the efforts to meet EU targets are on track and will ensure better synergies between national efforts in these areas. At the same time the regulation allows individual countries sufficient flexibility to adapt to their national

conditions and needs.

The national energy and climate plans will include national targets, contributions, policies and measures for each of the five dimensions of the energy union: decarbonisation, energy efficiency, energy security, internal energy market as well as research, innovation and competitiveness.

Further key elements of the governance regulation are as follows:

Timeline for the **national energy and climate plans**: co-legislators agreed that member states will need to submit their draft plans to the Commission by 31 December 2018, and that the Commission will issue its recommendations at the latest by 30 June 2019. The deadline for the submission of the final national energy and climate plans is 31 December 2019.

- **Progress reports**: the first biennial progress report on the implementation of the national energy and climate plans is due on 15 March 2023.
- **Renewable energy and energy efficiency trajectories**: in order to reach its overall renewable energy target of 32% by 2030, the EU needs to have met 18% of the target by 2022, 43% by 2025, and 65% by 2027. It was also agreed to set three reference years for energy efficiency (2022, 2025 and 2027).
- **Gap-filler mechanism**: co-legislators agreed on the principle of triggering the gap-filler mechanism for renewable energy: if there is a gap at EU level, those member states which fall below their reference points will have to cover the gap by implementing measures at national level. There is also an obligation to cover any gap against the 2020 renewable energy baseline – should that occur within one year. For energy efficiency, the focus will be on measures at EU level.
- **Long term strategies**: the co-legislators agreed on an article on EU and member states' long-term strategies, setting out a timetable, with an indicative annex which will highlight the comparability of their long-term strategies, as well as improve the link between the long term strategies at national level and at EU level.

## **Background and next steps**

The governance regulation is a cornerstone of the clean energy package. This mega-package was presented by the Commission in November 2016 and consists of eight legislative proposals. The governance regulation aims to integrate and simplify the existing, overlapping set of planning, reporting and monitoring requirements under the EU energy and climate legislation. Member states will prepare national energy and climate plans which outline how they intend to contribute to the goals of the energy union, in particular the 2030 EU targets on renewables, energy efficiency and greenhouse gas emissions.

The Council adopted its position on the proposal on 18 December 2017. This enabled the Bulgarian Presidency to start trilogue negotiations with the European Parliament on 21 February 2018. A provisional deal was reached between the co-legislators on 19 – 20 June.

Today's endorsement by EU ambassadors means that the regulation can be submitted for approval to the European Parliament, where the plenary vote is expected in October, and then back to the Council for final adoption. The regulation will enter into force 20 days following its publication in the Official Journal of the EU.

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