

# Governance of the energy union and climate action

2016/0375(COD) - 30/11/2016 - Legislative proposal

**PURPOSE:** to set out the necessary legislative foundation for a reliable and transparent governance that ensures the achievement of the objectives and targets of the Energy Union.

**PROPOSED ACT:** Regulation of the European Parliament and of the Council.

**ROLE OF THE EUROPEAN PARLIAMENT:** the European Parliament decides, in accordance with the ordinary legislative procedure and on an equal footing with Council.

**BACKGROUND :** in its [Energy Union strategy](#) of 25 February 2015, the Commission stressed the need for an integrated governance to make sure that energy-related actions at Union, regional, national and local level all contribute to the Energy Union's objectives, thereby broadening the scope of Governance beyond the 2030 Framework for Climate and Energy to all five key dimensions of the Energy Union. These are (i) energy security; (ii) internal energy market; (iii) moderation of demand; (iv) decarbonisation; and (v) research, innovation and competitiveness.

In its [resolution of 15 December 2015](#), the European Parliament called for the Energy Union governance to be ambitious, reliable, transparent, and democratic and fully inclusive of the European Parliament and to ensure that the 2030 climate and energy targets are achieved.

Current planning and reporting requirements (for both the Commission and Member States) in the energy and climate fields provide benefits, but they are found in a wide range of separate pieces of legislation adopted at different points in time.

Moreover, some of the current requirements have been defined with a view to achieving the corresponding 2020 targets, and are not suited to supporting the achievement of the 2030 Framework for Energy and Climate, nor are they synchronised with the planning and reporting obligations under the Paris Agreement, which was adopted at the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC) in December 2015 (COP 21).

The proposal has been prepared in parallel to the reviews in the energy policy sector, particularly regarding renewable energy, energy efficiency and market design.

**IMPACT ASSESSMENT:** the impact assessment concluded that a new, single legal act fully incorporating the [Monitoring Mechanism Regulation](#) (MMR) is the preferred option. The regulatory fitness check (REFIT) supporting the proposed Regulation suggests that a significant reduction of administrative burden on Member States as well as on the Commission could be expected from the new approach, but it can only partially quantify such impacts due to the limited availability of reliable data.

**CONTENT:** the draft regulation aims at ensuring a coordinated and coherent implementation of the Energy Union Strategy across its five dimensions, as well as the collective achievement of the Energy Union objectives through a combination of EU and national measures on the basis of streamlined planning, reporting and monitoring obligations and a functional governance process between the Commission and Member States.

Specifically, the proposal brings together the existing scattered planning and reporting obligations from the main pieces of EU legislation across energy, climate and other Energy Union related policy areas and thereby achieve a major simplification of obligations, by reducing, aligning and updating such requirements, and removing duplications.

In all, the proposal integrates, streamlines or repeals more than 50 existing individual planning, reporting and monitoring obligations of the energy and climate acquis.

More precisely, the proposal:

- sets out the obligation for Member States to produce a national integrated energy and climate plan for the period 2021 to 2030 by 1 January 2019, as well as for subsequent ten-year periods;
- establishes a consultation process between the Commission and Member States before the finalisation of the plan, based on the draft national plan to be provided to the Commission by 1 January 2018, and every ten years thereafter for the following ten year periods. In this framework, the Commission will be able to make recommendations regarding the level of ambition of objectives, targets and contributions as well as on specific policies and measures included in the plan. Other Member States will also be able to comment on the draft plan in the framework of regional consultations. The plans need to be updated by 1 January 2024 (still with a 2030 perspective);
- sets out the obligation for Member States to prepare and report to the Commission long-term low emission strategies with a 50 years perspective, which are key to contribute towards broader sustainable development goals, as well as moving towards the long-term goal set by the Paris Agreement;
- sets out the obligation for Member States to produce biennial progress reports on the implementation of the plans from 2021 onwards across the five dimensions of the Energy Union to track progress;
- sets out the obligation of the Commission to monitor and assess Member States progress in relation to the objectives set in the national plan;
- sets out the requirements for national and Union inventory systems for GHG emissions, policies, measures and projections;
- sets out the mechanisms and principles for cooperation and support between Member States and the Union.

**BUDGETARY IMPLICATIONS:** officials, temporary agents or external personnel working in the Energy and Climate action policy areas will be allocated for the performance of the tasks in the Commission, within the existing overall human resources. Regarding the European Environment Agency, a phasing in of additional contract agents (up to 3 in 2020) is requested on top of the existing human resources programming for the EEA.

The costs resulting from the implementation of the proposed regulation (estimated at EUR 9.908 million, including administrative expenses)

will be fully accommodated under the current programmed financial envelope of the budget items in question until 2020.

As far as the financial resources needed for the European Environment Agency (EUR 1.635 million) are concerned, those will be additional to the current financial programming.

DELEGATED ACTS: the proposal contains provisions empowering the Commission to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union.