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COMMISSION RECOMMENDATION

of 18.6.2019

**on the draft integrated National Energy and Climate Plan of Greece covering the period
2021-2030**

{SWD(2019) 261 final}

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THE EUROPEAN COMMISSION,

Having regard to 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 Council¹, and in particular Article 9(2) thereof,

Whereas:

- (1) Pursuant to Regulation (EU) 2018/1999, each Member State is required to submit to the Commission a draft of its integrated national energy and climate plan covering the period from 2021 to 2030 in accordance with Article 3(1) and Annex I of that Regulation. The first drafts of integrated national energy and climate plans had to be submitted by 31 December 2018.
- (2) Greece submitted its draft integrated national energy and climate plan on 25 January 2019. The submission of this draft plan represents the basis and first step of the iterative process between the Commission and Member States for the purpose of the finalisation of the integrated national energy and climate plans and their subsequent implementation.
- (3) Pursuant to Regulation (EU) 2018/1999, the Commission is required to assess the draft integrated national energy and climate plans. The Commission made a comprehensive assessment of the Greek draft integrated national energy and climate plan, taking into consideration the relevant elements of Regulation (EU) 2018/1999. This assessment² is published alongside the present recommendation. The below recommendations are based on that assessment.
- (4) In particular, the Commission's recommendations may address (i) the level of ambition of objectives, targets and contributions with a view to collectively achieving the Energy Union objectives and, in particular, the Union's 2030 targets for renewable energy and energy efficiency as well as the level of electricity interconnectivity that the Member State aims for in 2030; (ii) policies and measures relating to Member State- and Union-level objectives and other policies and measures of potential cross-border relevance; (iii) any additional policies and measures that might be required in the integrated national energy and climate plans; (iv) interactions between and consistency of existing and planned policies and measures included in the integrated

¹ OJ L 328, 21.12.2018, p. 1.

² SWD(2019) 261

national energy and climate plan within one dimension and among different dimensions of the Energy Union.

- (5) In developing its recommendations, the Commission considered, on the one hand, the need to add up certain quantified planned contributions of all Member States in order to assess the ambition at Union level, and, on the other hand, the need to provide adequate time for the Member State concerned to take due consideration of the Commission's recommendations before finalising its integrated national energy and climate plan.
- (6) The Commission's recommendations with regard to the Member States' renewable ambitions are based on a formula set out in Annex II of Regulation (EU) 2018/1999 which is based on objective criteria.
- (7) With regard to energy efficiency, the Commission's recommendations are based on the assessment of the national level of ambition put forward in the draft integrated national energy and climate plan, compared to the collective level of efforts needed to reach the Union's targets, taking into account the information provided on specific national circumstances, where relevant. The final national contributions in the area of energy efficiency should reflect the cost-effective potential for energy savings and be supported with a robust long-term building renovation strategy and measures to implement the energy savings obligation stemming from Article 7 Directive 2012/27/EU of the European Parliament and of the Council³. Member States should also demonstrate that they have properly taken into account the energy efficiency first principle, by explaining notably how energy efficiency contributes to the cost-effective delivery of the national goals of a competitive low-carbon economy, security of energy supply and to address energy poverty.
- (8) The Governance Regulation requires Member States to provide a general overview of the investment needed to achieve the objectives, targets and contributions set out in the integrated national energy and climate plan, as well as a general assessment on the sources of that investment. The national energy and climate plans should ensure the transparency and predictability of national policies and measures in order to ensure investment certainty.
- (9) In parallel, as part of the 2018-2019 European Semester cycle, the Commission has put a strong focus on Member States' energy and climate related investment needs. This is reflected in the 2019 Country Report for Greece⁴ and in the Commission's recommendation for a Council Recommendation to Greece⁵, as part of the European Semester process. The Commission took into account the latest European Semester findings and recommendations in its assessment of the draft integrated national energy and climate plans. The Commission's recommendations are complementary to the latest country-specific recommendations issued in the context of the European Semester. Member States should also ensure that their integrated national energy and climate plans take into consideration the latest country-specific recommendations issued in the context of the European Semester.

³ Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1).

⁴ SWD (2019) 1007 final.

⁵ COM (2019) 508 final of 5.6.2019.

- (10) In addition, the Governance Regulation requires each Member State to take due account of any recommendations from the Commission to its draft integrated national energy and climate plan to be submitted by 31 December 2019 and, if the Member State concerned does not address a recommendation or a substantial part thereof, that Member State should provide and make public its reasons.
- (11) Where applicable, Member States should report the same data in their integrated national energy and climate plans and updates in later years as they report to Eurostat or the European Environment Agency. The use of the same source and, where available, of European statistics, is also essential to calculate the baseline for modelling and projections. Using European statistics will allow for a better comparability of the data and the projections used in the integrated national energy and climate plans.
- (12) All elements of Annex I of the Regulation (EU) 2018/1999 are to be included in the final integrated national energy and climate plan. In this context, the macroeconomic and, to the extent feasible, the health, environmental, employment and education, skills and social impacts of the planned policies and measures should be assessed. The public and other stakeholders are to be engaged in the preparation of the final integrated national energy and climate plan. These and other elements are described in detail in the staff working document published alongside this Recommendation⁶.
- (13) In the final plan Greece should build on the positive interlinkages between planned policies and measures pointed out in the draft plan, and further explore the more challenging policy interlinkages. One such interlinkage is the synergies within the decarbonisation dimension, e.g. the impact accounted emissions and removals in the land use, land use change and forestry sector of planned bioenergy policies. Another interlinkage is the synergies between the decarbonisation, energy security and internal market dimensions with the energy efficiency first principle, e.g. by explaining how energy efficiency contributes to the cost-effective delivery of the national goals of a competitive low-carbon economy and security of energy supply. Energy efficiency could also be considered with regards to the alleviation of energy poverty. The objectives under the research, innovation and competitiveness dimension need to underpin the efforts planned for the other Energy Union dimensions.
- (14) The final integrated national energy and climate plan would benefit from also covering the low-carbon technologies sector, including measures for decarbonising energy- and carbon-intensive industrial sectors and a more comprehensive analysis on where this sector is currently positioned in the global market, highlighting areas of competitive strengths and potential challenges. It could also benefit from further elaboration on the greenhouse gas emissions savings stemming from actions related to the circular economy.
- (15) The Commission's recommendations to Greece are underpinned by the assessment of Greece's draft integrated national energy and climate plan which is published alongside this Recommendation⁷.

⁶ SWD(2019) 261.

⁷ SWD(2019) 261.

HEREBY RECOMMENDS GREECE TAKES ACTION TO:

1. Enable a timely and cost-effective achievement of Greece's 31% contribution to the EU 2030 target for renewable energy, by including in the final plan, among others, an indicative trajectory that reaches all the reference points pursuant to Article 4(a)(2) of (EU) Regulation 2018/1999, and provide detailed and quantified policies and measures complying with the obligations laid down in (EU) Directive 2018/2001. Reconcile the objectives put forward in the draft plan for the share of renewable energy in the heating and cooling sector with the indicative target included in Article 23 of (EU) Directive 2018/2001 and the transport sector in line with Article 25 of (EU) Directive 2018/2001.
2. Substantially increase its ambition towards reducing both final and primary energy consumption in view of the need to increase the level of efforts to reach the Union's 2030 energy efficiency target and support these with policies and measures that would deliver additional energy savings by 2030. Clarify the timeline for the adoption and implementation of the policies foreseen to be in place as of 2020, especially for the new instruments. The measures foreseen to achieve the cumulative savings goal should be designed at an adequate scale.
3. Specify the measures supporting the energy security objectives on diversification and reduction of energy dependency, including measures ensuring flexibility, in particular regarding natural gas. Include an assessment of how the infrastructure projects and regional cooperation contribute to the energy security objectives, also making use of regional cooperation and flexibilities to use the opportunities presented by reducing greenhouse gas emissions for the modernisation of the Greek economy.
4. Include forward-looking objectives and targets concerning market integration, in particular measures to increase competition in the retail and wholesale markets, in line with its commitment under the European Stability Mechanism (ESM) programme of reducing, by 2020, the incumbent's retail and wholesale market shares below 50%. Implement the electricity target model and market coupling with neighbours, based on the timelines agreed under the post-programme surveillance mechanism.
5. Further quantify the national objectives and funding targets in research, innovation and competitiveness, specifically related to the Energy Union, to be achieved between now and 2030, so that they are readily measurable and fit for purpose to support the implementation of targets in the other dimensions of the integrated national energy and climate plan. Underpin such objectives with specific and adequate policies and measures, including those to be developed in cooperation with other Member States, such as the Strategic Energy Technology Plan.
6. Intensify the already good regional cooperation arrangements with Bulgaria and Cyprus as well as with the Central and South Eastern Europe Energy Connectivity (CESEC) countries. In the context of the 'Clean Energy for EU Islands' initiative,

enhance cooperation with Member States and island regions facing similar geographic, climatic and infrastructure related challenges and opportunities in their energy transition. Explore the cross-border potential and the macro-regional aspects of a coordinated energy and climate policy notably in the Adriatic-Ionian with the aim of reducing the region's carbon footprint and implementing an ecosystem approach. The focus of the regional exchanges could be on internal energy market and energy security areas, in view to the changes in the electricity systems accommodating higher shares of renewable electricity, which will increase electricity import and export and enhance the need for system flexibility. In addition, make use of bilateral cooperation and flexibilities to use the opportunities presented by reducing greenhouse gas emissions for the modernisation of the Greek economy.

7. List all energy subsidies, including in particular for fossil fuels, and actions undertaken as well as plans to phase them out.
8. Complement the analysis of the interactions with air quality and air emissions policy with more quantitative information, at least including the required information about the projected air pollutants emissions under the planned policies and measures.
9. Integrate just and fair transition aspects better, notably by providing more details on social, employment, skills and training impacts of planned objectives, and policies and measures. Provide more detailed information on the projects to support a just and fair transition, specifying the form of support and the impact of the initiatives, also making the link to the transition of coal, carbon-intensive or industrial regions. Further develop the approach to addressing energy poverty issues as required by the Regulation (EU) 2018/1999.

Done at Brussels, 18.6.2019

For the Commission
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Member of the Commission