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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the Governance of the Energy Union

(Text with EEA relevance)

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EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

The objectives of the Energy Union and a fundamental transformation of our energy system can only be achieved through a combination of coordinated action – legislative and non-legislative – at EU and national level. To achieve this, the Energy Union needs strong *Governance* ensuring that policies and measures at various levels are coherent, complementary and sufficiently ambitious. The main objective of this initiative is to set out the necessary legislative foundation for this process in view of delivering the Energy Union, which will have to be complemented by non-legislative measures and action for the Governance to succeed.

In line with the **Commission's strong commitment to Better Regulation**, the proposal will result in significant reduction of administrative burden for the Member States, the Commission and other EU Institutions. It will bring 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. It reduces, streamlines and updates such requirements, and removes existing duplications. This proposal streamlines the most relevant existing individual planning, reporting and monitoring obligations that were sometimes overlapping, contradictory, and all had their own frequency and timing. At the same time it introduces better integration between different policy sectors, which today are set out in sectorial legislation. The political Governance process between the Commission and Member States, with close involvement of other EU Institutions, will significantly enhance transparency and thereby bring additional benefits in terms of better regulation.

The proposal is adopted together with a series of initiatives in sectorial energy policy. Following the Commission Communication of 22 January 2014 entitled "A policy framework for climate and energy in the period from 2020 to 2030", in its conclusions of 24 October 2014 the European Council agreed on a climate target of at least 40% domestic reduction in economy-wide greenhouse gas emissions by 2030 compared to 1990, an EU-level binding target of at least 27% for the share of renewable energy consumed in the EU by 2030 and an indicative target at the EU level of at least 27% for improving energy efficiency in 2030 [ref to 15% for interconnections?].¹

The European Council further required the development of a reliable and transparent governance system, without any unnecessary administrative burden, to help ensure that the EU meets its energy policy goals, with the necessary flexibility for Member States and fully respecting their freedom to determine their energy mix. It emphasized that this governance system should build on existing building blocks, such as national climate programmes, national plans for renewable energy and energy efficiency as well as the need to streamline and bring together separate planning and reporting strands.

¹ It also concluded that the energy efficiency target will be reviewed by 2020, having in mind an EU level of 30%.

The Energy Union Strategy of 25 February 2015 states the need for an integrated governance and monitoring process to make sure that energy-related actions at European, regional, national and local level all contribute to the Energy Union's objectives, and thereby broadening the scope of governance – beyond the 2030 Framework for energy and climate – to all five dimensions of the Energy Union (energy security solidarity and trust; internal energy market; moderation of demand; decarbonisation including renewable energy; and research, innovation and competitiveness).

The State of the Energy Union of 18 November 2015 further specified that integrated national energy and climate plans, addressing all five dimensions of the Energy Union, are necessary tools to ensure more strategic planning. The Commission guidance to Member States on the national energy and climate plans annexed to the State of the Energy Union provided the basis for Member States to start developing their plans for the period from 2021 to 2030. The State of the Energy Union also specified that the governance process should be anchored in legislation.

The Conclusions of the Council of 26 November 2015 recognised that the Governance system will be an essential tool for the efficient and effective construction of the Energy Union and the achievement of its objectives and further specified the Council's views on e.g. planning and reporting. In parallel, regular discussions are held between the Commission and Member States in the framework of the Technical Working Group on National Energy and Climate Plans.

The European Parliament's resolution "Towards a European Energy Union" of 15 December 2015 called for the Energy Union Governance to be ambitious, reliable, transparent, democratic and fully inclusive of the European Parliament and to ensure that the 2030 climate and energy targets are achieved. In its earlier resolution² it also asked for the governance structure to be adopted under full co-decision between Parliament and Council.

On this basis, this proposal aims to establish the regulatory framework for the Governance of the Energy Union with two main pillars: First, the streamlining and integration of existing planning, reporting and monitoring obligations in the energy and climate field in order to reflect Better Regulation principles. Second, the definition of a robust political process between Member States and the Commission with close involvement of other EU institutions in view of the achievement of the Energy Union objectives, including its 2030 targets.

The proposed Regulation is supported by an Impact Assessment and a Fitness Check of current planning, reporting and monitoring requirements in the energy acquis including the inter-links with the climate acquis.

Current planning and reporting requirements (for both the Commission and Member States) in the energy and climate fields provide benefits in terms of detailed information on specific policy areas and support the implementation of sectorial legislation. Nevertheless, they are found in a wide range of separate pieces of legislation adopted at different points in time, which has led to certain redundancy, incoherence and overlaps. In addition, the sectorial

² Responding to the Commission's Green Paper entitled 'A 2030 framework for climate and energy policies' (COM(2013)0169).

approach is not compatible with the need to ensure integrated national energy and climate plans and the respective corresponding progress reports and Commission monitoring.

Moreover, some of the planning, reporting and monitoring requirements in areas such as renewable energy, energy efficiency and greenhouse gas emission reductions have been defined in view of the achievement of the corresponding 2020 targets, and are for that reason not suited to support the achievement of the EU's 2030 Framework for Energy and Climate, nor 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.

This proposal also implements EU commitments under the Paris Agreement, which entered into force on 4 November 2016. Under this agreement, the European Union and all other Parties must communicate nationally determined contributions every 5 years, informed by the Agreement's global stocktake taking place in 2023 and every five years thereafter. Furthermore, transparency is at the core of the UNFCCC and of the Paris Agreement which set extensive reporting requirements for Parties including annual reporting on greenhouse gas ("GHG") inventories, setting of national systems and reporting on the implementation of their nationally determined contributions. One of the objectives of this Regulation is therefore to ensure on that the EU complies with its international obligations and that monitoring, reporting and verification requirements under the UNFCCC and Paris Agreement are harmoniously integrated in the governance of the Energy Union.

- **Consistency with existing policy provisions in the policy are**

The proposed Regulation is intrinsically interlinked with several of the main pieces of legislation in the energy and climate acquis.

Based on the outcome of a Fitness Check of the energy acquis and the relevant parts of the climate acquis, the proposed Regulation either leaves intact, repeals or amends planning and reporting obligations on Member States and monitoring obligations on the Commission currently found in sectorial legislation. The proposal has been prepared in parallel to the Commission's reviews of the Energy Efficiency Directive, the Renewable Energy Directive, and of the various pieces of legislation encompassed by the Market Design Initiative with a view to ensure full coherence among these initiatives. References in the Regulation to those reviewed pieces of legislation, as proposed by the Commission, are made. Consistency with other pieces of EU legislation in the climate and energy fields has been ensured.

Moreover, the proposal fully integrates the Climate Monitoring Mechanism Regulation (MMR) to ensure integration between the energy and climate fields. The proposal, in general, continues the approach of existing planning, reporting and monitoring provisions under the Monitoring Mechanism Regulation, which was the result of an earlier streamlining exercise in the climate field. However, this proposal streamlines the existing provisions of the Monitoring Mechanism Regulation with legislation in the energy field, makes the existing provisions fit for monitoring the implementation of the Effort Sharing and the Land Use, Land Use Change and Forestry (LULUCF) Regulations and for fulfilling the EU's commitments under the Paris Agreement. It updates existing provisions in light of the Paris Agreement. Furthermore, it

ensures that the EU is ready to fully participate in the review processes under the Paris Agreement by synchronising the planning and reporting obligations by Member States for the Energy Union as far as possible with the 5-year review cycle of the Paris Agreement.

- **Consistency with other Union policies**

The initiative is also linked to other policy areas such as transport, environment, industry, research, and competition. It is however important to note that this initiative – as far as streamlining and integration of planning and reporting is concerned – focuses on the energy and climate areas, while at the same time incorporating some specific reporting and planning strands in other areas. This is necessary to ensure a manageable process with a focus on the main objectives of the Energy Union.

The aspect of Commission recommendations to Member States as set out by the proposed Regulation is complementary to and should be consistent with the recommendations issued in the context of the European Semester, which focuses on more macro-economic and structural reform issues, whereas the Governance process addresses energy and climate specific policy issues. Dedicated recommendations to all Member States on the preparation and implementation of national plans are necessary to achieve the objectives of the proposed Regulation. Where energy and climate specific policy issues have macroeconomic or structural reform relevance, they should still be part of the European Semester.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The legal bases of the Regulation are Articles [191], 192 and 194, TFEU.

Article 194 TFEU provides the EU with an explicit competence in the energy field. It states that the EU policy in the area of energy shall aim to ensure the functioning of the internal market, ensure security of supply, promote energy efficiency and the development of new and renewable forms of energy, and promote the interconnection of energy networks. Articles 191 and 192 TFEU specify EU competences in the area of environment, including climate change.

The proposed Regulation pursues a legitimate objective within the scope of Article 191(1) TFEU, namely combating climate change, as well as the above mentioned energy policy objectives of Article 194 TFEU. The ordinary legislative procedure applies generally for the adoption of measures according to Article 192 (1) TFEU and in Article 194(2) of the TFEU. While the Commission in principle could make non-binding recommendations to Member States based on the TFEU, it is important to set out the framework for these recommendations and for the follow up process in legislation. The legal bases for the provisions of the proposed Regulation relating to recommendations are also Articles 191, 192 and 194 TFEU; which is justified as recommendations to Member States could play a key role in achieving the objectives set out therein.

- **Subsidiarity (for non-exclusive competence)**

The need to respect the subsidiarity principle is one of the fundamental considerations behind a Governance system based on the approach that the Member States themselves should

establish the national plans and the objectives and measures set out therein. This approach is in full compliance with the limitations to EU action set out in Articles 192(2)(c) and 194(2) second indent TFEU.

Necessity of EU action

As several elements of the Energy Union Strategy relate to objectives set at EU level, action at EU level is needed to ensure the attainment of these objectives, as well as coherence of energy and climate policies within the EU and across its Member States, while preserving flexibility for Member States. Moreover, the majority of the energy challenges facing the Union cannot be met through uncoordinated national action. The same holds true for climate change, which is by its very nature trans-boundary and cannot be solved by local, national or even EU action alone. Therefore, coordination of climate action at all levels is necessary.

Moreover, because of the cross-border relevance of each dimension of the Energy Union, EU action is needed to further promote enhanced cooperation among Member States. None of the Energy Union dimensions could be effectively implemented in the absence of an EU governance process between Member States and the Commission ensuring a more regional approach to energy and climate policy. EU level action is also necessary to create the enabling framework to ensure that the EU is ready to participate fully in the review processes under the Paris Agreement, ensuring maximum synchronisation and synergies.

Finally, EU action is necessary to streamline existing planning, reporting and monitoring obligations, as existing requirements in this regard are set in EU legislation in the energy acquis as well as in the Monitoring Mechanism Regulation – these can only be amended and / or repealed through a legislative proposal at EU level.

EU added-value

The establishment of a solid Energy Union governance system will help to ensure that the EU and its Member States collectively achieve the agreed objectives of the Energy Union and find coordinated and common solutions to common challenges in an effective and affordable manner. This is imperative in view of the considerable investment needs in the energy sector over the next decades.

Member States will benefit from a streamlined and simplified planning and reporting framework for their energy and climate policies. More efficient and coherent administrative procedures both within national authorities and between the Member States will enable a more efficient development and implementation of energy and climate policies. The private sector will benefit from more transparent national regulatory frameworks as basis for investment decisions in the energy and climate fields; and citizens will seize the benefits of better information on the implementation of the Energy Union and its associated policies.

- **Proportionality**

A Governance system anchored in legislation (rather than a non-legislative approach) is necessary to ensure that all Member States contribute to the process and attainment of common objectives and targets in a comparable manner based on solidarity between Member

States, to improve regulatory stability and investor certainty, and to ensure a common understanding on the process between Member States and the Union.

The approach to national planning and reporting is based on the Fitness Check (see below) which had as a main objective to assess the proportionality of the current approach. The proposed Regulation sets out an approach based on integration and streamlining that is fully consistent with the principle of proportionality.

The approach to the iterative process between Member States and the Commission is based on Commission recommendations rather than e.g. Commission Decisions to ensure proportionality and full respect of the Member State's rights under Article 194 TFEU (see below).

- **Choice of the instrument**

A regulation rather than a directive is necessary to ensure direct effect of the provisions and thereby ensure comparability of national plans and reports. A regulation is also necessary to avoid transposition by Member States, which would delay the applicability of the provisions and would not enable the national energy and climate plans to be in place well before 2021.

Moreover, many of the provisions of the Regulation are not directed to Member States and could therefore not be implemented by national transposition (e.g. obligations on the Commission, the process around Commission recommendations, the European Environment Agency, etc.); in the cases of which a Regulation is preferable.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

A Fitness Check of the planning, reporting and monitoring obligations within the EU energy acquis (REFIT) supported the preparations of the proposed Regulation. The Fitness Check also evaluated interlinkages between the planning, reporting and monitoring obligation in the energy acquis with the obligations under key EU climate legislation.

The general conclusion of the Fitness Check is that while the existing planning, reporting and monitoring system within the EU energy acquis has delivered overall good results, there is potential for significant improvement of the current EU energy acquis in this regard, as well as strengthening interlinkages with the EU climate acquis, thus significantly improving the current benefits/costs ratio.

On this basis the Fitness Check strongly suggested that a systematic integration of Member States' planning and reporting as well as of the Commission's monitoring will be necessary to ensure coherence and enable Member States as well as the Commission to make full use of synergies and ensure consistency between various planning and reporting strands. This improvement and development of the system will also help make the system fit for purpose under the new overarching framework of the Energy Union, encompassing the 2030 energy and climate targets.

- **Stakeholder consultations**

A public consultation was launched on 11 January 2016 to collect views and input from stakeholders and citizens. The consultation lasted over 12 weeks and closed on 22 April 2016. The consultation focused on: i) how current planning and reporting obligations in the energy and climate field could be streamlined to better serve the objectives of the Energy Union; ii) how to best proceed to develop integrated planning, reporting and monitoring tools and; iii) how to set up a Governance process conducive to the attainment of the objectives of the Energy Union.

The online survey received a total of 103 submissions with additional submissions by email, out of which 15 from Member States (Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, Germany, Hungary, Latvia, Lithuania, Malta, The Netherlands, Poland, Slovakia and Sweden). The responses to this public consultation fed into the Commission's evaluation and Fitness Check of existing planning and reporting obligations as well as into the Impact Assessment underpinning the proposed Regulation.

A vast majority of respondents recognised the importance of existing planning and reporting obligations, but also agreed on the need to better streamline, align and integrate existing planning and reporting obligations to avoid gaps, duplications and inconsistencies.

A majority of stakeholders agreed on the necessity to focus the streamlining efforts on planning obligations more closely related to the objectives of the 2030 Framework (notably greenhouse gas emissions in the non-ETS sectors, renewable energy and energy efficiency) to avoid policy overlaps and inefficiencies. Several stakeholders pointed towards the necessity to better integrate the National Renewable Energy Action Plans (NREAPs), the National Energy Efficiency Action Plans (NEEAPs), and climate planning requirements, while also highlighting the necessity of streamlining and reducing overall planning obligations.

Concerning the nature of the initiative, a vast majority of respondents considered that a single legislative act is the preferred option for streamlining planning and reporting obligations in the energy and climate field post 2020. Member States were more divided between the legislative and the non-legislative options.

With regard to the structure of the national plans, most respondents considered that they should reflect all five dimensions of the Energy Union, be produced on the basis of a detailed template and have a clear focus on the areas with quantified EU targets. A limited number of respondents – but notably including several Member States – rather favour short strategic national plans. Several stakeholders, including a majority of Member States, insisted on the necessity of avoiding new administrative burden or additional costs.

On the political process governing the finalisation and review of the plans, many respondents advocated a transparent and participatory planning process conducive to investor confidence and widespread public acceptance.

Finally, respondents generally agreed that the new Governance system should facilitate the coordination of national energy policies and foster regional cooperation and that the Commission should play an important role in the process.

Ongoing discussions with Member States in the context of dedicated Technical Working Group confirmed the necessity of developing integrated national plans on the basis of an agreed template that would ensure comparability and streamline existing planning and reporting requirements.

- **Collection and use of expertise**

The Fitness Check and the Impact Assessment underpinning the proposed Regulation were supported by two studies carried out on behalf of the Commission by Trinomics and Amec Foster Wheeler during the first half of 2016 [insert links].

The scope and approach to the national plans in the proposed Regulation and its Annex 1 (template for national plans) has benefitted from the work carried out by the Technical Working Group on National Energy and Climate Plans, chaired by the Commission with representation of all Member States.

Expertise reflected in stakeholder contributions during the public consultation has been used as additional source of knowledge to complement the analysis.

- **Impact assessment**

The Impact Assessment accompanying this proposal has been prepared and developed in line with the applicable Better Regulation guidance, and has been evaluated by the Regulatory Scrutiny Board, which issued a positive opinion. Improvements as recommended by the Board have been incorporated in the final version.

With regard to policy options for streamlining of planning, reporting and monitoring obligations, based on the Fitness Check the options assessed range from soft (non-legislative) guidance to Member States to various legal approaches to streamline and integrate existing obligations with varying degrees of integration of the Monitoring Mechanism Regulation in the new Regulation.

Various policy options were also assessed with respect to the governance process, in particular the periodicity of integrated national energy and climate plans, corresponding progress reports and the Commission's monitoring; the iterative process between Member States and the Commission including recommendations to Member States; the possible policy response where the aggregated efforts by Member States would be insufficient to meet the agreed objectives at EU level; and the role of regional consultation in the development of national plans.

The Impact Assessment concluded that a new, single legal act fully incorporating the MMR is the preferred option. With regard to the periodicity of planning, reporting and monitoring, the assessment pointed to the need to allow for some formal updates of the national plans as well as biennial progress reports from the Member States and monitoring reports from the Commission including annual reports for specific policy areas. As regards the iterative governance process between Member States and the Commission, the assessment concluded that it should cover both the development (ambition) and implementation (delivery) of national plans and that this process would be the basis for the Commission to issue

recommendations on national plans and progress reports. In addition it concluded that mandatory regional consultations of other Member States on draft and final national plans are necessary to ensure adequate coordination of national planning processes and policies in the context of the Energy Union.

The above mentioned combination of preferred policy options would result in the best impacts in terms of reduced administrative burden and flexibility to Member States while at the same time ensuring a Governance scheme that is sufficiently strong to ensure that the objectives of the Energy Union are met.

Link to the executive Summary of the Impact Assessment: [insert]

Link to the positive opinion of the Regulatory Scrutiny Board: [insert]

- **Regulatory fitness and simplification**

Ensuring regulatory fitness and simplification is one of the core objectives of the proposed Regulation. In line with the Commission's commitment to Better Regulation, the proposal has been prepared inclusively, based on transparency and continuous engagement with stakeholders.

The Fitness Check (REFIT) supporting the proposed Regulation suggests that significant reduction of administrative burden on Member States as well as on the Commission could be expected from the new approach, while only partially quantifying such impacts. At the same time, the new approach would result in a series of benefits significantly enhancing coherence and effectiveness. The proposal does not include any exemptions with regard to micro-enterprises nor does it include any dedicated approach to SMEs as such entities are not impacted by the initiative.

The proposed Regulation will enhance the role of e-reporting.

- **Fundamental rights**

As the proposed policy primarily addresses Member States as institutional actors, it is consistent with the Charter for fundamental rights.

4. BUDGETARY IMPLICATIONS

As further set out in the financial statement, the proposed Regulation will have a limited impact on financial and human resources of the EU.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

The proposed regulation sets out an annual report by the Commission on the State of the Energy Union, biennial assessments by the European Commission on the implementation of the national plans and progress towards Energy Union objectives and annual assessments by the Commission in areas such as the implementation of the Effort Sharing Regulation. This should include identification of insufficient implementation. The Member States progress

reports should also relate to how the proposed regulation is being implemented, e.g. in explaining how Commission recommendations have been accounted for.

The Regulation will be subject to a formal review in [2026]. This review will assess the overall functioning of the regulation. The review should take into account the results of the global stocktake of the Paris agreement.

- **Explanatory documents (for directives)**

Not applicable.

- **Detailed explanation of the specific provisions of the proposal**

Chapter One of the proposed Regulation sets out the scope and subject matter, i.e. to establish the necessary governance mechanism to deliver on the objectives of the Energy Union, and in particular the 2030 targets for greenhouse gas emission reductions, renewable energy and energy efficiency. It also sets out the definitions of terms used.

Chapter Two of the proposed Regulation 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. Annex I provides a template for the plans and sets out the required information in relation to the process for establishing the plan, the objectives and targets to be achieved for each dimension, information relating to policies and measures and projections and on the parameters and variables used in preparing the information included in the plans.

This Chapter also establishes an iterative consultation process between the Commission and the 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 period. In this framework the Commission will be able to make recommendations regarding the level of ambition of objectives and targets 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).

Chapter Three of the proposed Regulation 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. These reports are important to track progress of the National Plans. The information regarding the policies and measures implemented to achieve the objectives of the plans and the projections regarding future developments are key instruments for tracking progress. In these progress reports, Member States are also required to report biennially on their national climate change adaptation planning and strategies, aligning the timeline with the Paris Agreement.

This Chapter also specifies the reports which have to be produced annually, e.g. in view of complying with the international commitments of the European Union and its Member States, and to have the necessary basis for the compliance assessment under Regulation (EU) No [] [Effort Sharing Regulation] and Regulation (EU) No [] [LULUCF]. Among these reports, the

GHG inventory report is one of the key elements for tracking progress with the decarbonisation dimension of the National Plans and in view of the EU's obligation to report annually its GHG inventory to the UNFCCC in order to prove its compliance with the mitigation commitments under the UNFCCC and the Paris Agreement. Member States are also required to report annually on support to developing countries to allow the Union and its Member States to implement their commitments under the UNFCCC and Paris Agreement. It also provides for transparency on the use of revenue generated from the auctioning of allowances under the Directive establishing a scheme for greenhouse gas emission allowance trading (the ETS Directive).

This Chapter also provides for the necessary content of these reports across the five dimensions, and establishes an e-reporting platform which should build on and benefit from existing reporting processes, databases and e-tools, such as those of the European Environment Agency (EEA), Eurostat (ESTAT) and the Joint Research Centre (JRC).

Chapter Four of the proposed Regulation sets out the obligation for Member States to prepare and report to the Commission long-term strategies with a 50 years perspective, which are key to contribute towards economic transformation, jobs, growth and the achievement of broader sustainable development goals, as well as moving in a fair and cost-effective manner towards the long-term goal set by the Paris Agreement. It will therefore facilitate the implementation of the requirement under the Paris Agreement to develop mid-century, long-term low greenhouse gas emission development strategies.

Chapter Five of the proposed Regulation sets out the necessary monitoring and assessment by the Commission to monitor Member States progress in relation to the objectives set in the national plan. It also sets out the right for the Commission to make recommendations on how to enhance the ambition of the national plans or regarding the implementation of the plans in order to achieve the objectives already set.

This Chapter furthermore provides for the aggregate assessment of the first national plans to identify an eventual gap to the EU targets as a whole. It provides for Commission recommendations based on the progress reports and sets out that the Commission shall take action at the EU level if the assessment of progress suggests that the EU's 2030 targets will not be met (i.e. reducing the eventual gap, or closing the gap). It also sets out the approach to the Commission's annual State of the Energy Union.

Chapter Six of the proposed Regulation sets out the requirements for national and Union inventory systems for GHG emissions. The establishment of such systems is required internationally. Member States and the EU are also required to establish systems for policies and measures and projections, which are instrumental for ensuring timely and consistent reporting of information which is crucial for tracking progress in the implementation of the National Plans

This Chapter also provides the legal basis for the establishment of Union and national registries in order to take account for the nationally determined contributions and allows for the use of internationally transferred mitigation outcomes under Articles 4(13) and 6 of the Paris Agreement.

Chapter Seven of the Proposed Regulation sets out the mechanisms and principles for cooperation and support between Member States and the Union. It also sets out the role of the European Environmental Agency to support the Commission as appropriate with monitoring and reporting work under this Regulation.

Chapter Eight of the proposed Regulation sets out the necessary provisions for conferral of certain powers to the Commission to adopt delegated and implementing acts in precisely defined situations.

Chapter Nine of the proposed Regulation establishes an Energy Union Committee (an examination committee under Regulation (EU) No 182/2011) and sets out provisions on the review of the Regulation in 2026, repeals and amendments of other pieces of EU legislation to ensure coherence, as well provisions on transitional measures and entry into force.

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the Governance of the Energy Union

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the European Commission,

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

[Having regard to the opinion of the European Economic and Social Committee³,]

[Having regard to the opinion of the Committee of the Regions⁴,]

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) In view of the objectives of the Energy Union and the need for a strong Governance that ensures coherence, complementarity and sufficient level of ambition of policies and measures at the various levels, this Regulation sets out the necessary legislative foundation for a Governance system that ensures that efforts by the Union and its Member States are coherent and sufficient to meet common challenges and that the Union's Better Regulation principles are respected.
- (2) In its Communication on "A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy", the Commission proposed a European Energy Union covering five key dimensions: energy security, the internal energy market; energy efficiency; decarbonisation; and research, innovation and competitiveness.
- (3) The goal of the Energy Union with an ambitious climate policy at its core is to give EU consumers – households and businesses – secure, sustainable, competitive and affordable energy; which requires a fundamental transformation of Europe's energy system. This objective can only be achieved through a combination of coordinated action – legislative and non-legislative – at EU and national level. To achieve this, the Energy Union needs strong Governance that ensures coherence, complementarity and sufficient level of ambition of policies and measures at the various levels.
- (4) The Commission's proposal for this Regulation was developed in parallel to and is adopted together with a series of initiatives in sectorial energy policy, notably with

³ OJ C [...], [...], p. [...].

⁴ OJ C [...], [...], p. [...].

regard to renewable energy, energy efficiency and market design. These initiatives form a package under the overarching theme of energy efficiency first, the EU's global leadership in renewables, and a fair deal for energy consumers.

- (5) The European Council agreed on 24 October 2014 on the 2030 Framework for Energy and Climate for the EU based on three key targets: at least 40 percent cut in economy wide greenhouse gas ("GHG") emissions, at least 27% improvement in energy efficiency and at least 27% for the share of renewable energy consumed in the EU. It specified that the target for renewable energy is binding on the EU-level and that it will be fulfilled through Member States contributions guided by the need to deliver collectively the EU target.
- (6) The binding target of at least a 40 percent domestic reduction in economy-wide greenhouse gas emissions by 2030 compared to 1990 was formally approved as the Intended Nationally Determined Contribution of the Union and its Member States to the Paris Agreement at the Environment Council meeting on 6 March 2015. The Paris Agreement was ratified by the Union on the 5 October 2016 and entered into force on 4 November 2016. It replaces the approach taken under the 1997 Kyoto Protocol which will not be continued beyond 2020. Therefore the Union's system for monitoring and reporting emissions should be updated in the light of this.
- (7) The European Council also concluded on 24 October 2014 that a reliable and transparent governance system, without any unnecessary administrative burden, should be developed to help ensure that the EU meets its energy policy goals, with the necessary flexibility for Member States and fully respecting their freedom to determine their energy mix. It emphasized that this governance system should build on existing building blocks, such as national climate programmes, national plans for renewable energy and energy efficiency as well as the need to streamline and bring together separate planning and reporting strands. It also agreed to step up the role and rights of consumers, transparency and predictability for investors, inter alia by systematic monitoring of key indicators for an affordable, safe, competitive, secure and sustainable energy system and to facilitate coordination of national energy policies and foster regional cooperation between Member States.
- (8) The Commission's Energy Union Strategy of 25 February 2015 states the need for an integrated governance and monitoring process to make sure that energy-related actions at European, regional, national and local level all contribute to the Energy Union's objectives, thereby broadening the scope of Governance – beyond the 2030 Framework for energy and climate – to all five dimensions of the Energy Union.
- (9) In its State of the Energy Union of 18 November 2015 the Commission further specified that integrated national energy and climate plans, addressing all five dimensions of the Energy Union, are necessary tools for a more strategic energy and climate policy planning. As part of the State of the Energy Union, the Commission Guidance to Member States on integrated national energy and climate plans provided the basis for Member States to start developing national plans for the period 2021 to 2030 and set out the main pillars of the governance process. The State of the Energy Union also specified that the governance process should be anchored in legislation.

- (10) The Conclusions of the Council of 26 November 2015 recognised that the governance system of the Energy Union will be an essential tool for the efficient and effective construction of the Energy Union and the achievement of its objectives. They underlined that the governance system should be based on the principles of integration of strategic planning and reporting on the implementation of climate and energy policies and coordination between actors responsible for energy and climate policy, at EU, regional and national level. They also underlined that the governance system should ensure that the agreed targets for 2030 are met; and that the Governance would monitor the EU's collective progress towards the achievement of the policy objectives across the five dimensions of the Energy Union.
- (11) The European Parliament's resolution "Towards a European Energy Union" of 15 December 2015 called for the governance framework for the Energy Union to be ambitious, reliable, transparent, democratic and fully inclusive of the European Parliament and to ensure that the 2030 climate and energy targets are achieved.
- (12) Based on the above, the main objective of the Energy Union Governance should be to enable the achievement of the objectives of the Energy Union and notably the targets of the 2030 Framework for energy and climate. While Member States need flexibility to choose policies that are best-matched to their national energy mix and preferences, this flexibility must be compatible with further market integration, increased competition and the attainment of Union-level climate and energy objectives.
- (13) In line with the Commission's strong commitment to Better Regulation, the Energy Union Governance should result in significant reduction of administrative burden for the Member States, the Commission and other EU Institutions and it should help to ensure coherence and adequacy of policies and measures at EU and national level with regard to the transformation of the energy system towards a low carbon economy.
- (14) This transition to a low carbon economy requires changes in investment behaviour and incentives across the entire policy spectrum. Achieving greenhouse gas emission reductions requires a boost to efficiency and innovation in the European economy and in particular should also lead to improvements of air quality.
- (15) The experience gained in implementing Regulation (EU) No 525/2013 has shown the need for synergies and coherence with reporting under other legal instruments, in particular with Directive 2003/87/EC⁵, with Regulation (EC) No 166/2006⁶, with Directive 2001/81/EC⁷, with Regulation (EC) No 517/2014⁸, and with Regulation

⁵ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community OJ L 275, 25.10.2003, p. 32.

⁶ Regulation (EC) No 166/2006 of the European Parliament and of the Council of 18 January 2006 concerning the establishment of a European Pollutant Release and Transfer Register OJ L 33, 4.2.2006, p. 1.

⁷ Directive 2001/81/EC of the European Parliament and of the Council of 23 October 2001 on national emission ceilings for certain atmospheric pollutants OJ L 309, 27.11.2001, p. 22.

⁸ Regulation (EC) No 517/2014 of the European Parliament and of the Council of 17 May 2006 on certain fluorinated greenhouse gases OJ L 150, 20.5.2014, p. 195–230.

(EC) No 1099/2008⁹. The use of consistent data to report greenhouse gas emissions is essential to ensuring the quality of emissions reporting.

- (16) As greenhouse gases and conventional air pollutants derive from common sources, policy designed to reduce GHGs can have co-benefits for air quality that may offset some or all of the near-term costs of GHG mitigation. The Intergovernmental Panel on Climate Change (IPCC) noted that GHG emissions controls can have near-term health co-benefits from reduced air pollution, which may offset a substantial fraction of mitigation costs. As data reported under Directive 2001/81/EC on National Emissions Ceilings for certain pollutants (the "NEC Directive")¹⁰ represent an important input for the compilation of the GHG inventory, this Regulation recognises the importance of compilation and reporting of consistent data between the NEC Directive and the GHG inventory.
- (17) The achievement of the Energy Union objectives should be ensured through a combination of sectorial EU initiatives and coherent national policies set out in integrated national energy and climate plans. Sectorial EU legislation in the energy and climate fields sets out planning requirements, which have been useful tools to drive change at the national level. Their introduction at different moments in time has led to overlaps and insufficient consideration of synergies and interactions between policy areas. Current separate planning, reporting and monitoring in the climate and energy fields should therefore as far as possible be streamlined and integrated.
- (18) The integrated national energy and climate plans should cover ten-year periods and provide an overview of the current energy system and policy situation; set out national objectives for each of the five dimensions of the Energy Union and corresponding policies and measures to meet those objectives; have an analytical basis; and include a 50-years perspective. The plans covering the first period from 2021 to 2030 should pay special attention to the 2030 targets for greenhouse gas emission reductions, renewable energy and energy efficiency.
- (19) A mandatory template for the national plans should be established to ensure that all national plans are sufficiently comprehensive and to facilitate comparison and aggregation of national plans, while at the same time ensuring sufficient flexibility to Member States to set out the details of national plans reflecting national preferences and specificities.
- (20) Implementation of policies and measures in the areas of the energy and climate impacts the environment. It is therefore necessary to ensure transparency in planning in the energy and climate areas, in particular, where applicable, in accordance with the United Nations Economic Commission for Europe (UNECE) Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters of 25 June 1998 (the Aarhus convention) and the provisions of

⁹ Regulation (EC) No 1099/2008 of the European Parliament and of the Council of 22 October 2008 on energy statistics OJ L 304, 14.11.2008, p. 1.

¹⁰ Directive 2001/81/EC of the European Parliament and the Council on National Emission Ceilings for certain pollutants (OJ L 309, 27.11.2001, p. 22).

Directive 2001/42/EC¹¹. Consequently, Member States shall consult stakeholders and the public and give them early and effective opportunities to participate in the preparation of the integrated national energy and climate plans.

- (21) Regional cooperation is key to ensure an effective achievement of the objectives of the Energy Union. Member States should as appropriate get the opportunity to comment on other Member States' plans before they are finalised to avoid as far as possible potential negative impacts on other Member States and ensure that common objectives are met collectively. Regional cooperation in elaborating and finalising national plans as well as in the subsequent implementation of national plans will be essential to improve effectiveness and efficiency of measures and foster market integration and energy security.
- (22) National plans should be as stable as possible to ensure transparency and stability of national policies and measures and thereby ensure investor certainty. To give the opportunity to adapt to changing circumstances, updates of national plans should however be foreseen once in the period covered to give Member States the opportunity to adapt to changing circumstances. For the plans covering the period from 2021 to 2030, Member States may update their plans in 2024. Targets and objectives should only be updated towards an increased overall ambition.
- (23) As is the case for planning, sectorial EU legislation in the energy and climate fields sets out reporting requirements, many of which have been useful tools to drive change at the national level, but these have been introduced at different moments in time which has led to overlaps and insufficient consideration of synergies and interactions between policy areas such as GHG mitigation, renewable energy, energy efficiency and market integration. To strike the right balance between the need to ensure a proper follow-up of the implementation of national plans and the need to reduce administrative burden, Member States should therefore establish biennial integrated progress reports on the implementation of the plans and other developments in the energy system. Some reporting however, notably with regard to reporting requirements in the climate field stemming from the United Nations Framework Convention on Climate Change (UNFCCC) and EU Regulations, would be necessary on a yearly basis.
- (24) Member States' integrated progress reports should mirror the elements set out in the template for the national plans. A template for the integrated progress reports should be detailed in subsequent implementing act(s) given their technical nature and the fact that the first progress reports are not due until 2021. The progress reports should be carried out as to ensure transparency towards the EU, other Member States and market actors including consumers, should be comprehensive across the five dimensions of the Energy Union and, for the first period, at the same time put emphasis on areas covered by the 2030 Framework targets.
- (25) Under the UNFCCC, the Union and its Member States are required to develop, regularly update, publish and report to the Conference of the Parties national

¹¹ Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment.

inventories of anthropogenic emissions by sources and removals by sinks of all greenhouse gases using comparable methodologies agreed by the Conference of the Parties. The GHG inventories are key to enabling the tracking of progress with the implementation of the decarbonisation dimension and for assessing compliance with the Climate legislation, in particular Regulation [XXX on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement] and Regulation [XXX on the inclusion of greenhouse gas emissions and removals from land-use, land-use change and forestry]. .

- (26) Building on the experience gained in implementing Regulation (EU) No 525/2013 that demonstrated the importance of transparency, accuracy, consistency, completeness and comparability of information, this Regulation should ensure Member States report on their policies and measures and projections as a key component of the Progress reports. This information will be paramount for demonstrating the timely implementation of commitments under Regulation (EU) No [] [on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement]. Operating and continuously improving systems at Union and Member State level coupled with better guidance on reporting should significantly contribute towards continuously improving the robustness of the information necessary for tracking progress with the decarbonisation dimension.
- (27) This Regulation should ensure reporting by Member States on adaptation to climate change and the provision of financial, technological and capacity-building support to developing countries, thereby facilitating the Union to implement its commitments under the UNFCCC and Paris Agreement. Furthermore, information on national adaptation actions and support is also important in the context of the Integrated Climate and Energy National Plans, especially as regards adaptation to those adverse effects of climate change related to the security of the Union's energy supply such as the availability of cooling water for power plants and biomass availability for bioenergy, and information on support relevant to the external dimension of the Energy Union.
- (28) In order to limit administrative burden on Member States and the Commission, the latter should establish an online reporting platform to facilitate communication and promote cooperation. This will ensure timely submission of reports and facilitate improved transparency on national reporting. The e-reporting platform should build on and benefit from existing reporting processes, databases and e-tools, such as those of the European Environment Agency (EEA), Eurostat (ESTAT) and the Joint Research Centre (JRC).
- (29) Stable long-term strategies are key to contribute towards economic transformation, jobs, growth and the achievement of broader sustainable development goals, as well as moving in a fair and cost-effective manner towards the long-term goal set by the Paris Agreement. Furthermore, Parties to the Agreement are invited to communicate, by 2020, their mid-century, long-term low greenhouse gas emission development strategies.

- (30) It will be essential for the Commission to assess draft national plans as well as the implementation of notified national plans by means of progress reports in view of the collective achievement of the objectives of the Energy Union Strategy, for the first period in particular with regard to the EU-level 2030 targets and national contributions to these targets. Such assessment should be undertaken generally on a biennial basis, and on an annual basis where necessary, and should be consolidated in the Commission's State of the Energy Union reports.
- (31) To help ensure coherence between national and EU policies and objectives of the Energy Union, the Commission should engage with Member States in an iterative dialogue. As appropriate, it should issue recommendations to Member States including on the level of ambition, in order to identify an eventual gap to the EU targets, on the subsequent implementation of policies and measures of the notified national plans, and on other national policies and measures of relevance for the implementation of the Energy Union. Member States should take utmost account of such recommendations and explain in subsequent progress reports how they have been taken into consideration and implemented.
- (32) Should, following such iterative dialogue, the Union be at risk of not meeting the objectives of the Energy Union and for the first period in particular the targets of the Union's 2030 Framework for Climate and Energy, the Commission may take measures at Union level in order to ensure the achievement of these objectives and targets. Such measures would be taken in addition to national measures in the areas of renewable energy and energy efficiency and should take into account contributions made by ambitious Member States to the respective 2030 targets when sharing the effort for collective target achievement.
- (33) It is essential to establish inventories of emissions and sinks to facilitate policy planning, and also to meet the obligations under international climate co-operation. Decision 1/CP.16 of the Conference of the Parties of the UNFCCC requires the establishment of national arrangements to estimate anthropogenic emissions by sources and removals by sinks of all greenhouse gases. This Regulation should enable this requirement to be implemented.
- (34) The Union and the Member States should strive to provide the most up-to-date information on their greenhouse gas emissions. This Regulation should enable such estimates to be prepared in the shortest timeframes possible by using statistical and other information, such as, where appropriate, space-based data provided by the Global Monitoring for Environment and Security programme and other satellite systems.
- (35) Under Regulation (EU) No [] [on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement], the approach of the annual commitment cycle taken in Decision No 406/2009/EC will continue. This requires a comprehensive review of Member States' greenhouse gas inventories to enable the assessment of compliance and the application of corrective action, where necessary. A review process at Union level of the greenhouse gas inventories submitted by Member States

is necessary to ensure that compliance with the aforementioned Regulation is assessed in a credible, consistent, transparent and timely manner.

- (36) Member States and the Commission should ensure close cooperation on all matters relating to the implementation of the Energy Union and this Regulation, with close involvement of the European Parliament. The Commission should as appropriate assist Member States in implementing this Regulation, notably with regard to the establishment of the national plans and associated capacity building.
- (37) The European Environment Agency should assist the Commission, as appropriate and in accordance with its annual work programme, with assessment, monitoring and reporting.
- (38) The power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in order to amend Annex I and, in accordance with decisions taken within the framework of the UNFCCC, this Regulation; take account of changes in the global warming potentials (GWPs) and internationally agreed inventory guidelines; set substantive requirements for the Union inventory system; and set up the registries pursuant to Article 32. It is of particular importance that the Commission carries out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.
- (39) The Commission should be assisted in its tasks under this Regulation by an Energy Union Governance Committee, inter alia to prepare implementing acts. It should replace and take on the assignments of the Climate Change Committee and other committees as appropriate. In order to ensure uniform conditions for the implementation of Articles 12(3), 20(6), 28(3) and 29(3) of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers.
- (40) The Commission should review the implementation of this regulation in 2026 and make amending proposals as appropriate to ensure the proper implementation of the Regulation and the achievement of its objectives. The review should take into account evolving circumstances and be informed by the results of the global stocktake of the Paris Agreement.
- (41) This Regulation integrates, amends, replaces and/or repeals certain planning, reporting and monitoring obligations currently contained in sectorial energy and climate EU legislation to ensure a streamlined and integrated approach to the main planning, reporting and monitoring strands. It also integrates in full, mutatis mutandis, the Regulation (EU) No 525/2013. The corresponding provisions in these pieces of legislation should be modified accordingly.
- (42) Since some of the objectives of this Regulation cannot be achieved by the Member States alone and can therefore, by reason of the scale and effects of the proposed

action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary to achieve those objectives.

- (43) Articles 192 and 194 give the Union the competence to take action in the areas of environment and energy, including with regard to the objectives of this Regulation.

HAVE ADOPTED THIS REGULATION:

CHAPTER 1

GENERAL PROVISIONS

Article 1

Subject matter and scope

1. This Regulation establishes the Governance necessary to
 - (a) deliver on the objectives and targets of the Energy Union, and for the first ten-year period in particular the EU's 2030 targets for energy and climate. The governance mechanism shall be based on integrated national energy and climate plans covering ten-year periods starting from 2021 to 2030, corresponding integrated national energy and climate progress reports by the Member States and integrated monitoring arrangements by the European Commission. It defines a structured, iterative process between the Commission and Member States in view of the finalisation of the national plans and their subsequent implementation, including with regard to regional cooperation, and corresponding Commission action;
 - (b) ensure the timeliness, transparency, accuracy, consistency, comparability and completeness of reporting by the Union and its Member States to the UNFCCC and Paris Agreement secretariat.
2. This Regulation shall apply to the five dimensions of the Energy Union: energy security, energy market, energy efficiency, decarbonisation and research, innovation and competitiveness.

Article 2

Definitions

For the purposes of this Regulation, the definitions in [RECAST OF DIRECTIVE 2009/28/EC], Directive 2010/31/EU and Directive 2012/27/EU apply.

The following definitions also apply:

- (1) 'adopted policies and measures' are policies and measures for which an official government decision has been made by the date of submission of the national plan and there is a clear commitment to proceed with implementation;
- (2) 'implemented policies and measures' are policies and measures for which one or more of the following applies at the date of submission of the national plan: national legislation is in force, one or more voluntary agreements have been established, financial resources have been allocated, human resources have been mobilized;
- (3) 'planned policies and measures' are options under discussion and having a realistic chance of being adopted and implemented after the date of submission of the national plan;
- (4) 'projections' means projections of anthropogenic greenhouse gas emissions by sources and removals by sinks or developments of the energy system including at

least quantitative estimates for a sequence of four future years ending with 0 or 5 immediately following the reporting year;

- (5) 'projections without measures' means projections of anthropogenic greenhouse gas emissions by sources and removals by sinks that exclude the effects of all policies and measures which are planned, adopted or implemented after the year chosen as the starting point for the relevant projection;
- (6) 'projections with measures' means projections of anthropogenic greenhouse gas emissions by sources and removals by sinks that encompass the effects, in terms of greenhouse gas emission reductions or developments of the energy system, of policies and measures that have been adopted and implemented;
- (7) 'projections with additional measures' means projections of anthropogenic greenhouse gas emissions by sources and removals by sinks or developments of the energy system that encompass the effects, in terms of greenhouse gas emission reductions, of policies and measures which have been adopted and implemented to mitigate climate change or meet energy objectives, as well as policies and measures which are planned for that purpose;
- (8) 'the EU's 2030 targets for energy and climate' means the 2030 targets agreed by the European Council 23-24 October 2014' with regard to domestic reduction of economy-wide greenhouse gas emissions improvement in energy efficiency, and the share of renewable energy consumption in the EU or any subsequent targets in this regard agreed by the European Council or Council and Parliament.
- (9) 'global warming potential' or 'GWP' of a gas means the total contribution to global warming resulting from the emission of one unit of that gas relative to one unit of the reference gas, CO₂, which is assigned a value of 1;
- (10) 'national inventory system' means a system of institutional, legal and procedural arrangements established within a Member State for estimating anthropogenic emissions by sources and removals by sinks of greenhouse gases, and for reporting and archiving inventory information;
- (11) 'indicator' means a quantitative or qualitative factor or variable that contributes to better understanding progress in implementing policies and measures and greenhouse gas emission trends and developments in the energy system;
- (12) 'policies and measures' means all instruments which contribute to meeting the objectives of the integrated national energy and climate plans and/or to implement commitments under Article 4(2)(a) and (b) of the UNFCCC, which may include those that do not have the limitation and reduction of greenhouse gas emissions or change in the energy system as a primary objective;
- (13) 'the public' means one or more natural or legal persons, and, in accordance with national legislation or practice, their associations, organisations or groups;
- (14) 'system for policies and measures and projections' means a system of institutional, legal and procedural arrangements established for reporting policies and measures and projections relating to anthropogenic emissions by sources and removals by

sinks of greenhouse gases and to the energy system, inter alia as required by Article 29 of this Regulation;

- (15) 'sensitivity analysis' means an investigation of a model algorithm or an assumption to quantify how sensitive or stable the model output data are in relation to variations in the input data or underlying assumptions. It is carried out by varying input values or model equations and by observing how the model output varies correspondingly
- (16) 'technical corrections' means adjustments to the national greenhouse gas inventory estimates made in the context of the review carried out pursuant to Article 28 when the submitted inventory data are incomplete or are prepared in a way that is not consistent with relevant international or Union rules or guidelines and that are intended to replace originally submitted estimates;
- (17) 'quality assurance' or 'QA' means a planned system of review procedures to ensure that data quality objectives are met and that the best possible estimates and information are reported to support the effectiveness of the quality control programme and to assist Member States;
- (18) 'quality control' or 'QC' means a system of routine technical activities to measure and control the quality of the information and estimates compiled with the purpose of ensuring data integrity, correctness and completeness, identifying and addressing errors and omissions, documenting and archiving data and other material used, and recording all QA activities.
- (19) 'key indicators' mean the key indicators for the progress made with regard to the five dimensions of the Energy Union as presented in the Commission's annual State of the Energy Union.

CHAPTER 2

INTEGRATED NATIONAL ENERGY AND CLIMATE PLANS

Article 3

Integrated national energy and climate plans

1. By 1 January 2019 and every 10 years thereafter, each Member State shall notify to the Commission an integrated national energy and climate plan. The plans shall contain the elements set out in paragraph 2 and Annex I and shall be consistent with existing long-term strategies. The first plan shall cover the period from 2021 to 2030. The next plans shall cover the ten years period following immediately the end of the period covered by the previous plan.
2. The main sections of the integrated national energy and climate plan shall be:
 - (a) an overview of the process for establishing the integrated national energy and climate plan consisting of an executive summary, consultation and involvement of stakeholders and their results, and regional cooperation in preparing the plan;
 - (b) a description of the national objectives and targets for each of the five dimensions of the Energy Union;
 - (c) a description of the policies and measures to meet the corresponding objectives and targets set out under point (b);
 - (d) a description of the current state of the energy system with regard to the five dimensions of the Energy Union as well as projections with regard to the objectives set out under point (b) with existing (already implemented and adopted) policies and measures;
 - (e) an assessment of the impact of the planned policies and measures to reach the objectives set out under point (b)
 - (f) an annex on the Member State's long-term strategy for the renovation of the national stock of residential and commercial buildings (both public and private) [THIS REFERS TO THE TEXT OF THE AMENDING PROPOSAL] (in accordance with Article 2a of Directive 2010/31/EC)
 - (g) an annex, in accordance with the requirements and structure laid down in Annex II to this regulation, on the Member State's methodologies and policy measures for achieving the energy savings requirement in accordance with [THIS REFERS TO THE TEXT OF THE AMENDING PROPOSAL Art. 7 (a) and (b)] and Annex IV of the Energy Efficiency Directive].
3. The Commission shall be empowered to adopt delegated acts in accordance with Article 33 of this Regulation to amend Annex I.

Article 4

National objectives and targets for each of the five dimensions of the Energy Union

1. Member States shall set out in their integrated national energy and climate plan the following main objectives and targets, as specified in Section A.2. of Annex I:
 - (a) as regards the dimension "Decarbonisation":
 - (1) with respect to greenhouse gas emissions and removals:
 - i. the Member State's binding national target for greenhouse gas emissions and the annual binding national limits under Regulation (EU) No [] [on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement];
 - ii. the Member State's commitments under Regulation [] [on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry into the 2030 climate and energy framework];
 - iii. if applicable, other national objectives and targets consistent with existing long-term strategies; if applicable, other objectives and targets, including sector targets and adaptation goals.
 - (2) with respect to renewable energy:
 - i. with a view to achieving the Union's binding target of at least 27% renewable energy in 2030 as referred to in [THIS REFERS TO THE TEXT OF THE RECAST OF DIRECTIVE 2009/28/EC] Article 3 of Directive, a contribution to this target in terms of its share of energy from renewable sources in gross final consumption of energy in 2030, with a linear trajectory for that contribution from 2021 onwards;
 - ii. trajectories for the sectorial share of renewable energy in final energy consumption from 2021 to 2030 in the heating and cooling, electricity, and transport sector;
 - iii. trajectories by renewable energy technology that the Member State plans to use to achieve the overall and sectorial trajectories for renewable energy from 2021 to 2030 including total expected gross final energy consumption per technology and sector in Mtoe, total planned installed capacity per technology and sector in MW.
 - (b) as regards the dimension "Energy Efficiency":
 - (1) the indicative national energy efficiency contribution to achieving the Union's [binding] energy efficiency target of [30%] in 2030 as referred to in [THIS REFERS TO THE TEXT OF THE AMENDING PROPOSAL] Article 1(1) and Article 3(4) of Directive 2012/27/EU based on either primary or final energy consumption, primary or final energy savings, or energy intensity;

Member States shall express their contribution, expressed in terms of absolute level of primary energy consumption and final energy consumption in 2020

- and 2030, with a linear trajectory for that contribution from 2020 to 2030. They shall explain their underlying methodology and the conversion factors used;
- (2) the cumulative amount of energy savings to be achieved over the period 2021-2030 under Article 7 of Directive 2012/27/EU on energy saving obligations;
 - (3) the objectives for the long-term renovation of the national stock of residential and commercial buildings (both public and private);
 - (4) the total floor area to be renovated or equivalent annual energy savings to be achieved from 2020 to 2030 under Article 5 of Directive 2012/27/EU on the renovation of central government buildings;
 - (5) other national energy efficiency objectives, including long term targets or strategies and sectorial targets in areas such as transport, heating and cooling;
- (c) as regards the dimension "Energy Security":
- (1) national objectives with regard to the diversification of energy sources and supply from third countries;
 - (2) national objectives with regard to the readiness to cope with constrained or interrupted supply of an energy source, in coherence with the plans to be established under [reference to the SoS Regulation] including a timeframe for when the objectives should be met;
 - (3) national objectives with regard to deployment of alternative domestic energy sources;
- (d) as regards the dimension "Internal Energy Market":
- (1) the level of electricity interconnectivity that the Member State aims for in 2030 in consideration of the electricity interconnection target for 2030 of at least 15 percent;
 - (2) key national objectives for electricity and gas transmission infrastructure that are necessary for the achievement of objectives and targets under any of the five dimensions of the Energy Union Strategy;
 - (3) national objectives related to other aspects of the internal energy market such as market integration and coupling, including a timeframe for when the objectives should be met;
 - (4) national objectives with regard to ensuring electricity system adequacy as well as flexibility of the energy system with regard to renewable energy production, including a timeframe for when the objectives should be met;
- (e) as regards the dimension "Research, Innovation and Competitiveness":
- (1) national objectives for public and private research and innovation efforts including spending relating to the Energy Union; if applicable, including a timeframe for when the objectives should be met;
 - (2) national 2050 objectives for the deployment of low carbon technologies;

- (3) national objectives with regard to the competitiveness of the energy system.

Article 4a

Member States' contribution setting process in the area of renewable energy

When setting their contribution for their share of energy from renewable sources in gross final consumption of energy in 2030 or the last year of the period covered by national plan, with a linear trajectory for that contribution, pursuant to point Article 4(1)(a)(2)(i), Member States shall ensure that the following is taken into account:

- (a) the measures provided for in Directive [recast of Directive 2009/28/EC];
- (b) the measures adopted to reach the energy efficiency target adopted pursuant to Directive 2012/27/EU; and
- (c) other measures to promote renewable energy within Member States and at Union level.
- (d) circumstances affecting renewable energy deployment, such as:
 - (1) equitable distribution of deployment across the European Union;
 - (2) economic potential;
 - (3) geographical constraints; and
 - (4) the level of power interconnection between Member States.

Member States shall collectively ensure that the sum of their contributions add up to at least 27% from renewable energy sources in gross final energy consumption at Union level by 2030.

Article 4b

Member States' contribution setting process in the area of energy efficiency

When setting their indicative national energy efficiency contribution for 2030 or the last year of the period covered by national plan pursuant to Article 4(1)(b)(1), Member States shall ensure that:

- (a) the Union's 2020 energy consumption has to be no more than 1 483 Mtoe of primary energy and no more than 1 086 Mtoe of final energy, the Union's 2030 energy consumption has to be no more than [1 321] Mtoe of primary energy and no more than [987] Mtoe of final energy;
- (b) the Union's binding target for 2030 referred in Article 1 and 3 of Directive 2012/27/EU is met;
- (c) the measures provided for in Directive 2012/27/EU;
- (d) other measures to promote energy efficiency within Member States and at Union level are taken into account.

Member States may take into account circumstances affecting primary and final energy consumption, such as:

- (e) remaining cost-effective energy-saving potential;

- (f) evolution and forecast of gross domestic product;
- (g) changes of energy imports and exports;
- (h) development of all sources of renewable energies, nuclear energy, carbon capture and storage; and
- (i) early actions.

Article 5

National policies and measures for each of the five dimensions of the Energy Union

Member States shall describe, in accordance with Annex I, in their integrated national energy and climate plan, the main existing and planned policies and measures to achieve in particular the objectives set out in the national plan, including measures to ensure regional cooperation and appropriate financing at national and regional level.

Article 6

Analytical basis of the integrated national energy and climate plans

1. Member States shall describe, in accordance with the structure and format specified in Annex I, the current situation for each of the five dimensions of the Energy Union including of the energy system and greenhouse gas emissions and removals at the time of submission of the national plan or on the basis of the latest available information. Member States shall also describe projections for each of the five dimensions of the Energy Union for the first ten-year period at least until 2040 (including for the year 2030) expected to result from existing (implemented and adopted) policies and measures.
2. Member States shall describe in their integrated national energy and climate plan their assessment, at national and where applicable regional level, of:
 - (a) the impacts of the development of the energy system and greenhouse gas emissions and removals for the first ten-year period at least until 2040 (including for the year 2030) under the planned policies and measures;
 - (b) the macroeconomic, environmental, skills and social impact of the planned policies and measures referred to in Article 5 and further specified in Annex I, for the first ten-year period at least until the year 2030 including a comparison with the projections of existing policies and measures referred to in paragraph 1;
 - (c) an assessment of interactions between existing and planned policies and measures within a policy dimension and between existing and planned policies and measures of different dimensions for the first ten year period at least until the year 2030. Projections concerning security of supply, infrastructure and market integration shall be linked to robust energy efficiency scenarios.

Article 7

Iteration with the Commission in the preparation of the integrated national energy and climate plans

1. By 1 January 2018 and every 10 years thereafter Member States shall prepare and submit to the Commission a draft of the integrated national energy and climate plan in accordance with Article 3, Article 9 and Annex I.
2. On the basis of the draft plans, the Commission may issue recommendations to Member States pursuant to Article 25.

Such recommendations shall notably be with regard to:

- (a) the level of ambition of objectives and targets in view of collectively achieving the Energy Union objectives and the Union's 2030 targets for renewable energy and energy efficiency in particular;
 - (b) policies and measures relating to Member States' and Union level objectives and other policies and measures of potential cross-border relevance;
 - (c) interactions between and coherence of existing and planned policies and measures included in the integrated national energy and climate plan within one dimension and among different dimensions of the Energy Union.
3. Member States shall take utmost account of any recommendations from the Commission when finalising their integrated national energy and climate plan.

Article 8

Public consultation

In accordance with the Aarhus convention, Member States shall ensure that the public is given early and effective opportunities to participate in the preparation of draft plans referred to in Article 7 and attach to the submission of their draft integrated national energy and climate plan to the Commission a summary of the public's views. Where the provisions of Directive 2001/42/EC are applicable, consultations undertaken according to this Directive shall be deemed to satisfy also the provisions of this Regulation.

Article 9

Regional cooperation

1. Member States shall cooperate with each other at regional level to effectively meet the targets and objectives and implement the policies and measures set out in their integrated national energy and climate plan.
2. Member States shall, well before submitting their draft integrated national energy and climate plan to the Commission pursuant to Article 7(1), identify opportunities for regional cooperation and consult neighbouring Member States and the other Member States expressing an interest. Member States shall set out in their draft integrated national energy and climate plans the results of such regional consultation, including where applicable how comments have been taken into account.

3. The Commission shall facilitate discussion among the Member States of the draft plans submitted to it under Article 7. It shall also facilitate regional cooperation between Member States on the preparation of the final integrated national energy and climate plans submitted to it pursuant to Article 3(1).

4. Member States shall take into consideration the comments received from other Member States pursuant to paragraphs 2 and 3 in their final integrated national energy and climate plan and explain how such comments have been taken into account.

5. For the purposes specified in paragraph 1, Member States shall continue to cooperate at regional level when implementing their plans.

Article 10

Assessment of the integrated national energy and climate plans

The Commission shall assess the notified integrated national energy and climate plans in particular whether:

- (a) the targets and objectives are sufficient for the collective achievement of the Energy Union objectives and for the first ten-years period in particular the targets of the Union's 2030 Climate and Energy Framework pursuant to Article 24;
- (b) the requirements of Articles 3 to 9 and Article 25 have been complied with..

Article 11

Update of the integrated national energy and climate plan

1. By 1 January 2023, and every 10 years thereafter Member States shall submit to the Commission a draft update of the latest notified integrated national energy and climate plan referred in Article 3 or confirm to the Commission that the plan remains valid.

2. By 1 January 2024 and every 10 years thereafter Member States shall, where appropriate, notify to the Commission an update of the latest notified integrated national energy and climate plan referred in Article 3.

3. The targets and objectives shall only be updated towards increased ambition.

4. The procedures laid down in Article 7(2) and (3) and Article 9 shall apply to the preparation and assessment of the updated integrated national energy and climate plans. Commission recommendations to the Member State on the draft updated plan shall be issued no later than six months following the Member State's submission of the draft updated plan.

CHAPTER 3

LONG-TERM STRATEGIES

Article 11 a

Long-term strategies

1. Member States shall prepare and report to the Commission by 1 January 2020 and every 10 years thereafter their long-term strategies with a 50 years perspective, to contribute to:

- (a) fulfilling the Union's and the Member States' commitments under the UNFCCC and the Paris Agreement to reduce anthropogenic greenhouse gas emissions and enhance removals by sinks and to the objective of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels ;
- (b) achieving long-term greenhouse gas emission reductions and enhancements of removals by sinks in all sectors in line with the Union's objective, in the context of necessary reductions according to the IPCC by developed countries as a group, to reduce emissions by 80 to 95 % by 2050 compared to 1990 levels in a cost-effective manner.

2. The long term strategies shall cover: total greenhouse gas emissions reductions and enhancements of removals by sinks; emissions reductions in individual sectors including electricity, industry, transport, the buildings sector (residential and tertiary), agriculture and land use, land-use change and forestry (LULUCF); expected progress on transition to a low greenhouse gas emission economy including greenhouse gas intensity, CO₂ intensity of gross domestic product and strategies for related research, development and innovation; and links to other national long-term planning.

3. The long term strategies shall be consistent with the long term objectives and targets of the integrated national energy and climate plans referred to in Article 3.

4. The Member States shall make available to the public forthwith their respective long-term strategies and any updates thereof.

CHAPTER 4

INTEGRATED REPORTING

SECTION 1

BIENNIAL PROGRESS REPORTS AND THEIR FOLLOW UP

Article 12

Integrated National Energy and Climate Progress Reports

1. Without prejudice to Article 13, by 15 March 2021, and every two years thereafter, each Member State shall report to the Commission on the status of implementation of the integrated national energy and climate plan covering all five dimensions of the Energy Union.
2. This report shall cover the following elements:
 - (a) information on the progress accomplished towards reaching the targets and objectives set out in the integrated national energy and climate plan, and towards implementing the policies and measures necessary to meet them;
 - (b) the information referred to in Articles 15 to 19 and, where appropriate, updates on policies and measures, in accordance with these articles;
 - (c) policies and measures and projections of anthropogenic greenhouse gas emissions by sources and removals by sinks in accordance with Article 13;
 - (d) information on national climate change adaptation planning in strategies in accordance with Article 14(1);
 - (e) copies of biennial reports and, in the applicable years, national communications submitted to the UNFCCC Secretariat. The Union and the Member States shall submit biennial reports in accordance with Decision 2/CP.17 of the Conference of the Parties to the UNFCCC, and national communications in accordance with Article 12 of the UNFCCC to the UNFCCC Secretariat;
 - (f) The annual reports referred to in Articles 14(2) and 20 which are due on 15 March a given year shall be part of the information referred to in paragraph 1 the years it is due.
3. The Commission shall adopt implementing acts to set out the structure, format and process for the information referred to in paragraphs 1 and 2. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 34(2).
4. The information and updates referred to in paragraph 2, point b, shall ensure sufficient regulatory stability of the national plan or the updated plan pursuant to Articles 3 and 11.
5. Where applicable, the integrated national energy and climate progress report shall include information on the additional or more ambitious policies and measures a Member States concerned has adopted or intends to adopt and implement in order to address a recommendation from the Commission as referred to in Article 23(6) and issued pursuant to Article 25. Such information shall include a detailed timetable for the implementation.

Article 13

Integrated reporting on GHG policies and measures and on projections

1. By 15 March 2021, and every two years thereafter, Member States shall report to the Commission information on their national policies and measures as specified in Annex IV and on their national projections of anthropogenic greenhouse gas emissions by sources and removals by sinks, organised by gas or group of gases (Hydrofluorocarbons and Perfluorocarbons) listed in Part 2 of Annex III. National projections shall take into consideration any policies and measures adopted at Union level and shall include the information specified in Annex V.
2. Member States shall report the most up-to-date projections available. Where a Member State does not submit complete projection estimates by 15 March every second year, and the Commission has established that gaps in the estimates cannot be filled by that Member State once identified through the Commission's QA or QC procedures, the Commission may prepare estimates as required to compile Union projections, in consultation with the Member State concerned.
3. A Member State shall communicate to the Commission any substantial changes to the information reported pursuant to paragraph 1 during the first year of the reporting period, by 15 March of the year following the previous report
4. Member States shall make available to the public, in electronic form, their national projections pursuant to paragraph 1 and any relevant assessment of the costs and effects of national policies and measures on the implementation of Union policies relevant for limiting GHG emissions along with any relevant underpinning technical reports. Those projections and assessments should include descriptions of the models and methodological approaches used, definitions and underlying assumptions.

Article 14

Integrated Reporting on national adaptation actions, financial and technology support provided to developing countries, auctioning revenue

1. By 15 March 2021, and every two years thereafter, Member States shall report to the Commission information on their national climate change adaptation planning and strategies, outlining their implemented or planned actions to facilitate adaptation to climate change, including the information specified in Part 1 of Annex VI.
2. By 15 March 2021 and every year thereafter (year X), Member States shall report to Commission information on:
 - (a) support to developing countries, including the information specified in Part 2 of Annex VI.
 - (b) the use of revenues generated by the Member State by auctioning allowances pursuant to Article 10(1) of Directive 2003/87/EC and Article 3d(1) or (2) including the information specified in Part 3 of Annex VII.
3. Member States shall make available to the public the reports submitted to the Commission pursuant to this Article.

4. The Commission shall adopt implementing acts to set out the structure, format and submission processes for Member States' reporting of information pursuant to this Article. Those implementing acts shall be adopted in accordance with the procedure referred to in Article 34(2).

Article 15

Integrated reporting on renewable energy

By 15 March 2021, and every two years thereafter, Member States shall report to the Commission in the integrated national energy and climate progress reports referred to in Article 12 on progress towards and the implementation of:

- (a) the following trajectories and objectives:
 - (1) national trajectory for the overall share of renewable energy in gross final energy consumption from 2021 to 2030;
 - (2) national trajectories for the sectorial share of renewable energy in final energy consumption from 2021 to 2030 in the electricity, heating and cooling and transport sector;
 - (3) trajectories by renewable energy technology to use to achieve the overall and sectorial trajectories for renewable energy from 2021 to 2030 including total expected gross final energy consumption per technology and sector in Mtoe and total planned installed capacity per technology and sector in MW;
 - (4) for biomass for energy (including heat, power and transport): trajectories for the development disaggregated by end use and by feedstock, as well as by domestic production vs imports. For forest biomass, an assessment of its source and impact on the LULUCF sink;
 - (5) if applicable, other national trajectories and objectives including long term and sectorial ones (e.g. share of biofuels, share of advanced biofuels, share of biomass electricity produced without using combined heat and power, share of renewable energy in district heating, renewable energy use in buildings, renewable energy produced by cities, energy communities and self-consumers);
- (b) the following policies and measures:
 - (1) existing and planned policies and measures to achieve the national contribution to the binding EU-level 2030 target for renewable energy as indicated in point (i) including sector- and technology-specific measures, with a specific review of the implementation of measures laid down in [THIS REFERS TO THE TEXT OF THE AMENDING PROPOSAL Articles 16 quater, 16 quinquies and 16 sexies] of Directive 2009/28/EC;
 - (2) specific measures for regional cooperation;
 - (3) specific measures on financial support for the promotion of the use of energy from renewable sources in electricity, heating and cooling, and transport;

- (4) specific measures to fulfil the requirements of [THIS REFERS TO THE TEXT OF THE AMENDING PROPOSAL Article 13, 13 bis, 13 ter, 14, 16 bis and 16 ter] of Directive 2009/28/EC;
- (5) specific measures on the promotion of the use of energy from biomass, especially for new biomass mobilisation taking into account biomass availability (both domestic potential and imports from non-EU countries) and other biomass uses (agriculture and forest-based sectors), as well as measures for the sustainability of biomass produced and used.

Additional information on which Member States shall report in the area of renewable energy is described in Part 1 of Annex VIII.

Article 16

Integrated reporting on the dimension "Energy Efficiency"

By 15 March 2021, and every two years thereafter, Member States shall report to the Commission in the integrated national energy and climate progress reports referred to in Article 12 on progress towards and the implementation of

- (a) the following national trajectories, objectives and targets:
 - (1) the trajectory for primary and final energy consumption from 2020 to 2030 as the national energy savings contribution to achieving the EU-level 2030 target including underlying methodology;
 - (2) objectives for the long-term renovation of the national stock of residential and commercial buildings (both public and private);
 - (3) if applicable, an update of other national objectives set out in the national plan;
- (b) the following policies and measures:
 - (1) existing and planned policies, measures and programmes to achieve the indicative national energy efficiency target for 2030 as well as other objectives presented in Article 4(b), including planned measures and instruments (also of financial nature) to promote the energy performance of buildings, measures to utilise energy efficiency potentials of gas and electricity infrastructure , and other measures to promote energy efficiency;
 - (2) national energy efficiency obligation scheme and alternative measures pursuant to Art. 7 of Directive 2012/27/EU (in accordance with Annex III);
 - (3) a description of the policy and measures to promote energy services in the public sector and measures to remove regulatory and non-regulatory barriers that impede the uptake of energy performance contracting and other energy efficiency service models;
 - (4) regional cooperation in this area, if applicable;

- (5) financing measures in this area at national level, if applicable;

Member States shall report on the implementation of their long-term strategy for the renovation of the national stock of residential and commercial buildings (both public and private) including policies and measures to stimulate cost-effective deep and staged deep renovations (in accordance with Annex II).

Additional information on which Member States shall report in the area of energy efficiency is described in Part 2 of Annex VII.

Article 17

Integrated reporting on the dimension "Energy Security"

By 15 March 2021, and every two years thereafter, Member States shall report to the Commission in the integrated national energy and climate progress reports referred to in Article 12 on progress towards and the implementation of:

- (a) national objectives with regard to diversification of energy sources and supply countries, storage, demand response;
- (b) national objectives with regard to readiness to cope with constrained or interrupted supply of an energy source (including gas and electricity) and, where appropriate, a timeframe for when the objectives should be met;
- (c) national objectives with regard to deployment of alternative domestic energy sources (including renewable energy and nuclear energy), if applicable
- (d) existing and planned policies and measures to achieve the objectives presented in points (a) to (c);
- (e) regional cooperation in implementing the objectives and policies of points (a) to (d);
- (f) Financing measures in this area at national level, if applicable;

Article 18

Integrated reporting on the dimension "Internal energy market"

1. By 15 March 2021, and every two years thereafter, Member States shall report to the Commission in the integrated national energy and climate progress reports referred to in Article 12 on the progress towards and implementation of the following objectives and measures:

- (a) the level of electricity interconnectivity that the Member State aims for in 2030 in relation to the October 2014 European Council objective;
- (b) key national objectives for electricity and gas transmission infrastructure that are necessary for the achievement of objectives and targets under any of the 5 dimensions;
- (c) if applicable, main infrastructure projects envisaged other than Projects of Common Interest;

- (d) national objectives related to other aspects of the internal energy market such as market integration and coupling, if applicable, including a timeframe for when the objectives should be met
- (e) national objectives with regard to ensuring electricity system adequacy, if applicable, including a timeframe for when the objectives should be met;
- (f) existing and planned policies and measures to achieve the objectives presented in points (a) to (e);
- (g) regional cooperation in implementing the objectives and policies of points (a) to (f);
- (h) financing measures in this area at national level, if applicable;
- (i) measures to increase the flexibility of the energy system with regard to renewable energy production, including the roll-out of intraday market coupling and cross-border balancing markets.

2. The information provided by Member States under paragraph 1 should be coherent with and as far as possible based on the report by the national regulators referred to in Article 37(e) of the [Directive 2009/72/EC] and 41(1)(e) of [Directive 2009/73/EC]

Article 19

Integrated reporting on the dimension "Research, innovation and competitiveness"

By 15 March 2021, and every two years thereafter, Member States shall report to the Commission in the integrated national energy and climate progress reports referred to in Article 12 on the progress towards and implementation of the following objectives and measures:

- (a) national objectives for total (public and private) spending in research and innovation as well as for technology cost and performance development including, if appropriate, a timeframe for when the objectives should be met;
- (b) if appropriate, national objectives including long term targets (2050) for deployment of technologies for decarbonising energy- and carbon-intensive industrial sectors and, if applicable, for related carbon transport and storage infrastructure;
- (c) existing and planned policies and measures to achieve the objectives presented in points (a) and (b);
- (d) regional cooperation in implementing the objectives and policies of points (a) to (c), including coordination of policies and measures through the SET Plan governance, such as alignment of research programmes and common programmes;
- (e) financing measures in this area at national level, if applicable.

SECTION 2 ANNUAL REPORTING

Article 20

Integrated National Energy and Climate Progress Reports: Annual Reporting

1. By 15 March 2021, and every year thereafter (year X), Member States shall report to the Commission:
 - (a) approximated greenhouse gas inventories for the year X-1. The Commission shall, on the basis of the Member States' approximated greenhouse gas inventories or, if a Member State has not communicated its approximated inventories by that date, on the basis of its own estimates, annually compile a Union approximated greenhouse gas inventory. The Commission shall make this information available to the public each year by 30 September;
 - (b) the information referred to in Article 6 (2) of Directive 2009/119/EC¹²;
 - (c) information referred to in Annex VIII, point 3, of Directive 2013/30/EU¹³, in accordance with in Article 25 of the same directive.
2. Member States shall determine and report to the Commission final greenhouse gas inventory data by 15 March each year (X) as of 2023 and preliminary data by 15 January of each year including the greenhouse gases and the inventory information listed in Annex III. The report on 15 March shall also include a complete and up-to-date national inventory report.
3. Member States shall submit to the UNFCCC Secretariat national inventories containing the information submitted to the Commission on 15 March in accordance with paragraph 2 by 15 April each year. The Commission shall, in cooperation with the Member States, annually compile a Union greenhouse gas inventory and prepare a Union greenhouse gas inventory report and shall submit them to the UNFCCC Secretariat by 15 April each year.
4. Member States shall report to the Commission final data by 15 March in 2027 and 2032 and preliminary data by 15 January as prepared for their LULUCF accounts for the purpose of the compliance reports in accordance with Article 12 of the [LULUCF Regulation].
5. The Commission shall be empowered to adopt delegated acts in accordance with Article 33 to:
 - (a) add or delete substances to or from the list of greenhouse gases in Part 2 of Annex III to this Regulation
 - (b) take account of changes in the GWP and internationally agreed inventory guidelines in accordance with relevant decisions adopted by the bodies of the UNFCCC or Paris Agreement.

¹² COUNCIL DIRECTIVE 2009/119/EC of 14 September 2009 imposing an obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products-

¹³ Directive 2013/30/EU of 12 June 2013 on safety of offshore oil and gas operations and amending Directive 2004/35/EC.

6. The Commission shall adopt implementing acts to set out the structure, format and processes for the Member States' submission of approximated greenhouse gas inventories pursuant to paragraph 1, greenhouse gas inventories pursuant to paragraph 2 and accounted greenhouse gas emissions and removals in accordance with Article 5 and 12 of Regulation [] [on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry into the 2030 climate and energy framework]. When proposing such implementing acts the Commission shall take utmost account of UNFCCC or Paris Agreement timetables for the monitoring and reporting of that information and the relevant decisions adopted by the bodies of the UNFCCC or Paris Agreement in order to ensure compliance by the Union with its reporting obligations as a Party to the UNFCCC and the Paris Agreement. Those implementing acts shall also specify the timescales for cooperation and coordination between the Commission and the Member States in preparing the Union greenhouse gas inventory report. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 34(2).

Article 21

E-reporting platform

1. The Commission shall establish an online reporting platform to facilitate communication between the Commission and Member States and promote cooperation among Member States.
2. Member States shall use the online platform as soon as it is operational for the purposes of submitting to the Commission the reports referred to in this Chapter.

(Art. 22 deleted)

CHAPTER 5

AGGREGATE ASSESSMENT OF NATIONAL PLANS AND EU TARGET ACHIEVEMENT — COMMISSION MONITORING

Article 23

Assessment of progress

1. By 31 October 2021 and every second year thereafter the Commission shall assess, inter alia based on the integrated national energy and climate progress reports, other information reported under this Regulation and with regard to key indicators:

- (a) the progress achieved at Union level towards meeting the objectives of the Energy Union, including for the first ten-year period the Union's 2030 targets for energy and climate;
- (b) the progress achieved by the Member States towards meeting their targets and objectives and implementing the policies and measures set out in the integrated national energy and climate plans;
- (c) aviation's overall impact on the global climate including through non-CO₂ emissions or effects, based on the emission data provided by Member States pursuant to Article 13, and improve that assessment by reference to scientific advancements and air traffic data, as appropriate.

2. In the area of renewable energy, as part of its assessment referred to in paragraph 1, the Commission shall assess progress achieved in the share of energy from renewable sources in the Union's gross final consumption on the basis of a linear trajectory starting from 20% in 2020 and reaching at least 27% in 2030 as referred to in Article 4(a)(2)(i).

3. In the area of energy efficiency, as part of its assessment referred to in paragraph 1, the Commission shall assess progress towards collectively achieving at Union level an energy consumption of no more than [1 321] Mtoe of primary energy consumption and no more than [987] Mtoe of final energy consumption in 2030 as referred to in Article 4(b)(1).

In carrying out its assessment, the Commission shall:

- (a) take into consideration whether the Union's milestone of no more than 1483 Mtoe of primary energy and no more than 1086 Mtoe of final energy in 2020 is achieved;
- (b) assess whether Member States' progress indicates that the Union as a whole is on track towards an energy consumption in 2030 as referred to in the first sentence of this paragraph, taking into account the assessment of information provided by Member States in their integrated national energy and climate progress reports;
- (c) use results from modelling exercises in relation to future trends in energy consumption at Union level and national level and/or use other complementary analysis.

4. By 31 October 2021 and every year thereafter, the Commission shall assess inter alia based on the information reported pursuant to this Regulation whether the Union and its Member States have made sufficient progress towards meeting the following commitments and obligations:

- (a) commitments under Article 4 of the UNFCCC and Article 3 of the Paris Agreement as further set out in decisions adopted by the Conference of the Parties to the UNFCCC, or by the Conference of the Parties to the UNFCCC serving as the meeting of the Parties to the Paris Agreement;
- (b) obligations set out in Article 4 of Regulation (EU) No [] [on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement] and Article 4 [LULUCF];
- (c) the objectives set in the integrated national energy and climate plan in view of Energy Union objectives and for the first ten-year period in view of fulfilling the 2030 objectives.

5. By 31 October 2019 and every four years thereafter, the Commission shall assess the implementation of Directive 2009/31/EC on the geological storage of carbon dioxide.

6. The Commission shall report on its assessment according to this Article as part of the State of the Energy Union report referred to in Article 26.

7. The Commission shall issue recommendations to a Member State pursuant to Article 25 if its assessment demonstrates insufficient progress in implementing the integrated national energy and climate plans and if policy developments in a Member State otherwise show inconsistencies with the overarching objectives of the Energy Union. It may issue opinions on the action plans submitted by Member States according to Article 8(1) of Regulation (EU) No [] [on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement]

Article 24

Commission action if its assessment shows that the Union's energy and climate targets and objectives are unlikely to be met

1. Without prejudice to Regulation [ESR], if the Commission's monitoring and assessment pursuant to Article 26(1), demonstrates that insufficient progress is made by a Member State towards meeting the targets and objectives or implementing the policies and measures set out in the integrated national climate and energy plan, the Commission shall issue recommendations to the Member State concerned pursuant to Article 25 with regard to the implementation of policies and additional or more ambitious policies and measures to be implemented by the Member State.

2. Should the Commission's aggregate assessment of Member States' integrated national energy and climate plans or integrated national energy and climate progress reports supported by other information sources, as appropriate, demonstrate that the Union is at risk of not meeting the objectives of the Energy Union and, for the first ten-year period, in particular the targets of the Union's 2030 Framework for Climate and Energy, in order to ensure the

achievement of these objectives the Commission may issue recommendations to all Member States to increase the level of ambition of their integrated national energy and climate plans or increase efforts for their implementation pursuant to Article 25.

3. In the area of renewable energy, in case the Commission finds in its assessment pursuant to Article 23(1) and (2) in the year [2025] that the Union trajectory is not collectively met, Member States shall ensure that any emerging gap is covered by additional measures, such as:

- (a) adjusting the share set out in Article 16-quarter, paragraph 3, [Renewable Energy Directive];
- (b) adjusting the share set out in Article 16-sexies, paragraph 1 [Renewable Energy Directive];
- (c) making a financial contribution to a fund managed by the Commission which shall launch competitive bidding procedures for renewable energy projects;
- (d) other measures to increase deployment of renewable energy.

The Commission is empowered to adopt delegated acts in accordance with Article 25a [Renewable Energy Directive] to set out any necessary provisions for the establishment and functioning of the fund referred to in point (c). For the purposes of point (c), Member States may use their revenues from annual emission allocations under Decision No [XX/XX/EC].

4. In the area of energy efficiency, in case the Commission finds during its assessment pursuant to Article 23(1) and (3), in the year [2023] that the sum of the indicative national energy efficiency contributions is above the values mentioned in the first sentence of Article 23(3), the Commission shall take additional measures in order to ensure that the Union's binding 2030 energy efficiency targets are met.

5. Should the Commission, following the procedure in paragraph 2, conclude that the Union continues to be at risk of not meeting the objectives of the Energy Union and for the first ten-year period in particular the targets of the Union's 2030 Framework for Climate and Energy, the Commission shall take measures at Union level in order to ensure the achievement of these objectives and targets. Such measures shall also be taken, if necessary, in addition to the measures at national level as defined in paragraph 3.

Article 25

Commission Recommendations to Member States

1. The Commission shall as appropriate issue recommendations to Member States to ensure the achievement of the objectives of the Energy Union.

2. Where reference in this Regulation is made to this Article the following principles shall apply:

- (a) The Commission shall seek to consult the Member State concerned on the general direction of its recommendation prior to issuing it;
- (b) The Member State concerned shall take utmost account of the recommendation in a spirit of solidarity between Member States and the Union and between Member States;

- (c) The Member State shall set out in its integrated national energy and climate progress report the year following the year the recommendation was issued how it has taken utmost account of it and how it has or intends to be implemented.

Article 26

State of the Energy Union report

1. By 31 October every year, the Commission shall submit to the European Parliament and to the Council a State of the Energy Union report summarising in particular its assessment pursuant to Article 23 and including recommendations, where appropriate, pursuant to Article 25.

2. In addition to the assessment pursuant to paragraphs 1 to 4 of Article 23, the State of the Energy Union report shall include an assessment of the:

- (a) functioning of the carbon market referred to in Article 10(5) of Directive 2003/87/EC, including the report under Article 21 of the same Directive;
- (b) EU biofuel sustainability, containing the information specified in Annex VIII;
- (c) voluntary schemes in respect of which the Commission has adopted a decision according to Article 18(4) of the Directive 2009/28/EC, containing the information specified in Annex IX;
- (d) energy efficiency obligation schemes as referred to in [THIS REFERS TO THE TEXT OF THE AMENDING PROPOSAL] Article 7(a) of Directive 2012/27/EU;
- (e) Member States' progress in creating a complete and operational energy market;
- (f) actual fuel quality in the different Member States and geographical coverage of fuels with a maximum sulphur content of 10 mg/kg, aiming to provide an overview of the fuels quality data in the different Member States as reported according to Directive 98/70/EC.

CHAPTER 6

NATIONAL AND UNION SYSTEMS ON GREENHOUSE GAS EMISSIONS AND REMOVALS BY SINKS

Article 27

National and Union inventory systems

1. Member States and the Union shall establish, operate and seek to continuously improve national inventory systems to estimate anthropogenic emissions by sources and removals by sinks of greenhouse gases listed in Part 2 of Annex III to this Regulation and to ensure the timeliness, transparency, accuracy, consistency, comparability and completeness of their greenhouse gas inventories.
2. Member States shall ensure that their competent inventory authorities have access to the information specified in Annex X, make use of reporting systems established pursuant to Article 20 of Regulation (EU) No 517/2014 to improve the estimation of fluorinated gases in the national greenhouse gas inventories and are able to undertake the annual consistency checks referred to in points (i) and (j) of Annex III.
3. The Commission shall administer the Union system which shall include the setting of a quality assurance and quality control programme, setting quality objectives and drafting an inventory quality assurance and quality control plan, procedures for completing emission estimates to compile the Union inventory pursuant to paragraph 5 of this Article and the reviews referred to in Article 28.
4. The Commission shall perform an initial check of the data to be submitted by Member States on 15 January pursuant to Article 202) for accuracy. It shall send the results of that check to Member States within six weeks of the submission deadline. Member States shall respond to any relevant questions raised by the initial check by 15 March, together with the final inventory submission for the year X-2.
5. Where a Member State does not submit the inventory data required to compile the Union inventory by 15 March, the Commission may prepare estimates to complete the data submitted by the Member State, in consultation and close cooperation with the Member State concerned. The Commission shall use, for this purpose, the guidelines applicable for preparing the national greenhouse gas inventories.
6. The Commission shall be empowered to adopt delegated acts in accordance with Article 33 in order to set out rules on the structure, format and submission process of the information relating to national inventory systems and requirements on the establishment, operation and functioning of national and Union inventory systems. In the preparation of such act, the Commission shall take utmost account of any relevant decisions adopted by the bodies of the UNFCCC or of the Paris Agreement.

Inventory review

1. In 2027 and 2032, the Commission shall carry out a comprehensive review of the national inventory data submitted by Member States pursuant to Article 20(4) of this Regulation with a view to monitoring Member States' greenhouse gas emission reductions or limitations pursuant to Articles 4, 9 and 10 of Regulation (EU) No [ESR] and their reduction of emissions and enhancement of removals by sinks pursuant to Article 4 and 12 of Regulation [LULUCF] and any other greenhouse gas emission reduction or limitation targets set out in Union legislation. Member States shall participate fully in that process.
2. The comprehensive review referred to in paragraph 1 shall involve:
 - (a) checks to verify the transparency, accuracy, consistency, comparability and completeness of information submitted;
 - (b) checks to identify cases where inventory data is prepared in a manner which is inconsistent with UNFCCC guidance documentation or Union rules;
 - (c) checks to identify cases where LULUCF accounting is carried out in a manner which is inconsistent with UNFCCC guidance documentation or Union rules, and
 - (d) where appropriate, calculating the resulting technical corrections necessary, in consultation with the Member States.
3. The Commission shall adopt implementing acts to determine the timing and steps for the conduct of the comprehensive review including the tasks set out in paragraph 2 of this Article and ensuring due consultation of the Member States with regard to the conclusions of the reviews. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 34(2).
4. The Commission shall, by means of an implementing act, determine the total sum of emissions for the relevant years arising from the corrected inventory data for each Member State upon completion of the review split between emissions data relevant for Article 9 of Regulation [ESR] and emission data referred in Annex III Part 1 (c) of this Regulation of this Regulation. The Commission shall also determine the total sum of emissions and removals relevant for Article 4 of Regulation [LULUCF].
5. The data for each Member State as recorded in the registries set up pursuant to Article 13 of Regulation (EU) No [LULUCF] and as at the date falling one month from the date of publication of an implementing act adopted pursuant to paragraph 4 of this Article, shall be relevant for the application of Article 4 of Regulation (EU) No [LULUCF]. This includes changes to such data arising as a result of that Member State making use of the flexibilities pursuant to Articles 11 of Regulation (EU) No [LULUCF]
6. The data for each Member State as recorded in the registries set up pursuant to Article 11 of Regulation (EU) No [ESR] and as at the date falling one month from the date referred in paragraph 5 of this Article, shall be relevant for the compliance check pursuant to Article 9 of Regulation (EU) No [ESR] for the years 2021 and 2026. The compliance check pursuant to Article 9 of Regulation (EU) No [ESR] for each of the years 2022 to 2025 and 2027 to 2030 shall be performed at a date falling one month from the date of the compliance check for the

previous year. This check shall include changes to such data arising as a result of that Member State making use of the flexibilities pursuant to Articles 5, 6 and 7 of Regulation (EU) No [ESR].

Article 29

National and Union systems for policies and measures and projections

1. Member States and the Commission shall operate and seek to continuously improve national and Union systems respectively, for reporting on policies and measures and for reporting on projections of anthropogenic greenhouse gas emissions by sources and removals by sinks. Those systems shall include the relevant institutional, legal and procedural arrangements established within a Member State and the Union for evaluating policy and making projections of anthropogenic greenhouse gas emissions by sources and removals by sinks.
2. Member States and the Commission shall aim to ensure the timeliness, transparency, accuracy, consistency, comparability and completeness of the information reported on policies and measures and projections of anthropogenic greenhouse gas emissions by sources and removals by sinks, as referred to in Article 13, including the use and application of data, methods and models, and the implementation of quality assurance and quality control activities and sensitivity analysis.
3. The Commission shall adopt implementing acts on the structure, format and submission process of information on national and Union systems for policies and measures and projections pursuant to paragraphs 1 and 2 of this Article and Article 13. When proposing such acts, the Commission shall take utmost account of the relevant decisions adopted by the bodies of the UNFCCC or the Paris Agreement, including internationally agreed reporting requirements as well as timetables for monitoring and reporting of that information. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 34(2).

Article 30

Establishment and operation of registries

1. The Union and the Member States shall set up and maintain registries to accurately account for nationally determined contribution pursuant to Article 4(13) and for internationally transferred mitigation outcomes pursuant to Article 6 of the Paris Agreement.
2. The Union and the Member States may maintain their registries in a consolidated system, together with one or more other Member States.
3. The data referred to in paragraph 1 of this Article shall be made available to the central administrator designated pursuant to Article 20 of Directive 2003/87/EC.
4. The Commission shall be empowered to adopt delegated acts in accordance with Article 33 in order to set up the registries referred to in paragraph 1 of this Article and in order to give effect, by means of the registries of the Union and of the Member States, to the necessary technical implementation of relevant decisions of the UNFCCC or Paris Agreement bodies, in accordance with paragraph 1.

CHAPTER 7

COOPERATION AND SUPPORT

Article 31

Cooperation between the Member States and the Union

1. Member States and the Union shall cooperate and coordinate fully with each other in relation to obligations under this Regulation, in particular concerning:

- (a) the process for preparing, adopting, notifying and assessing the integrated national energy and climate plans pursuant to Articles 7 to 10;
- (b) the process for preparing, adopting, notifying and assessing the integrated national energy and climate progress report pursuant to Article 12 and annual reporting pursuant to Article 20;
- (c) the process related to Commission recommendations and addressing these recommendations pursuant to Article 7(4) to (6), Article 10(2), point (d), Article 23(6) and Article 24(2);
- (d) compiling the Union greenhouse gas inventory and preparing the Union greenhouse gas inventory report, pursuant to Article 20(3);
- (e) preparing the Union national communication pursuant to Article 12 of the UNFCCC and the Union biennial report pursuant to Decision 2/CP.17 or subsequent relevant decisions adopted by the bodies of the UNFCCC;
- (f) review and compliance procedures under the UNFCCC and the Paris Agreement in accordance with any applicable decision under the UNFCCC as well as the Union's procedure to review Member States greenhouse gas inventories referred to in Article 28 of this Regulation;
- (g) any adjustments following the Union review process referred in Article 28 of this Regulation or other changes to inventories and inventory reports submitted, or to be submitted, to the UNFCCC Secretariat
- (h) compiling the Union approximated greenhouse gas inventory, pursuant to Article 20(1)(a);

2. The Commission may provide technical support to the Member States in relation to obligations under this Regulation upon request from a Member State.

Article 32

Role of the European Environment Agency

The European Environment Agency shall assist the Commission as required in its work to comply with Articles 12, 13, 14, 15, 16, 20, 21, 22, 23, 26, 27, 28, 29 and 31 in accordance with its annual work programme. This shall include assistance as required with:

- (a) compiling the information reported by Member States on policies and measures and projections;

- (b) performing quality assurance and quality control procedures on the information reported by Member States on projections and policies and measures;
- (c) preparing estimates for data on projections not reported by the Member States;
- (d) compiling data as required for the State of the Energy Union report to the European Parliament and the Council prepared by the Commission;
- (e) disseminating information collected under this Regulation, including maintaining and updating a database on Member States' [mitigation] policies and measures and the European Climate Adaptation Platform relating to impacts, vulnerabilities and adaptation to climate change.
- (f) compiling the Union greenhouse gas inventory and preparing the Union greenhouse gas inventory report;
- (g) performing quality assurance and quality control procedures to prepare the Union greenhouse gas inventory;
- (h) preparing estimates for data not reported in the national greenhouse gas inventories;
- (i) conducting the review referred to in Article 28;
- (j) compiling the Union approximated greenhouse gas inventory.

CHAPTER 8

DELEGATION

Article 33

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Article 3(3), Article 20(5), Article 27(6) and Article 30(4) shall be conferred on the Commission for a period of [XX] years from [XXX]. The Commission shall draw up a report in respect of the delegation of power not later than [XX] months before the end of the [XX]-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.
3. The delegation of power referred to in Article 3(3), Article 20(5), Article 27(6) and Article 30(4) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
5. A delegated act adopted pursuant to Article 3(3), Article 20(5), Article 27(6) and Article 30(4) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of three months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by three months at the initiative of the European Parliament or of the Council.

CHAPTER 9

FINAL PROVISIONS

Article 34

Energy Union Governance Committee

1. The Commission shall be assisted by an Energy Union Governance Committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this article, Article 5 of Regulation (EU) No 182/2011 shall apply.

Article 35

Review

The Commission shall report to the European Parliament and to the Council by 28 February 2026 and every five years thereafter on the operation of this Regulation, its contribution to the governance of the Energy Union and the conformity of the monitoring and reporting provisions under this Regulation with other Union legislation or future decisions relating to the UNFCCC and the Paris Agreement. The Commission may make proposals if appropriate.

Article 36

Repeals

1. Regulation (EU) 525/2013 shall be repealed with effect from 1 January 2021. References to the repealed Regulation shall be construed as references to this Regulation and shall be read in accordance with the correlation table in Annex XI.
2. Regulation (EU) No 256/2014 is repealed.

Article 37

Amendments

1. Directive 94/22/EC is amended as follows:
 - (a) Paragraph 2 of Article 8 is deleted;
 - (b) Article 9 is deleted;
2. Article 8 of Directive 2008/92/EC is deleted;
3. Regulation 663/2009/EC is amended as follows:
 - (a) Paragraphs 1 and 3 of Article 27 are deleted;
 - (b) Paragraph 28 is deleted.
4. Article 29 of Regulation 715/2009/EC is deleted;
5. Directive 2009/73/EC is amended as follows:
 - (a) Article 5 is deleted;
 - (b) Article 52 is replaced as follows:

"The Commission shall monitor and review the application of this Directive and submit an overall progress report to the European Parliament and the Council as an annex to the State of the Energy Union Report referred to in Article 28 of Regulation (EU) XX/20XX [this regulation on governance]"

6. Directive 2009/119/EC is amended as follows:

Article 6(2) is replaced by the following:

"By the 15 March each year, each Member State shall send the Commission a summary copy of the stock register referred to in paragraph 1 showing at least the quantities and nature of the emergency stocks included in the register on the last day of the preceding calendar year".

7. Directive 2010/31/EU is amended as follows:

[The EPBD provisions referred to in points (b) to (d) would only be deleted on 1.1.2021 because - independently whether they will be left untouched or whether they will be amended as foreseen by the EPBD amendment proposal – they should be applied until then.]

(a) In Article [THIS REFERS TO THE PROPOSAL] 2A, a [fourth paragraph] is inserted:

"The long-term strategy under paragraph 1 shall be submitted to the Commission, as an annex to the Integrated National Energy and Climate Plan, pursuant to Article 3 of Regulation (EU) XX/20XX [this regulation on governance].";

(b) The sentence "The report may be included in the Energy Efficiency Action Plans referred to in Article 14(2) of Directive 2006/32/EC" in the second subparagraph of paragraph 2 of Article 5 shall be deleted with effect from 1 January 2021;

(c) Article 9 shall be amended as follows:

The first sentence of paragraph 5 is replaced by the following:

"As part of its State of the Energy Union report referred to in Article 28 of Regulation (EU) XX/20XX [this regulation on governance], the Commission shall by [XXX] 2021 and every two years thereafter report to the European Parliament and to the Council on the progress of Member States in increasing the number of nearly zero-energy buildings. On the basis of this reported information the Commission shall develop an action plan and, if necessary, propose recommendations and measures pursuant to Article 27 of Regulation (EU) XX/20XX [this regulation on governance] to increase the number of those buildings and encourage best practices as regards the cost-effective transformation of existing buildings into nearly zero-energy buildings";

(d) In Article 10, paragraph 2 and 3, shall be deleted with effect from 1 January 2021.

8. Directive 2012/27/EU is amended as follows:

- (a) in paragraph 1 of Article 18, point e) is deleted;
 - (b) In Article 24, paragraphs 1 to 4 and 11, shall be deleted with effect from 1 January 2021;
 - (c) Annex XIV shall be deleted with effect from 1 January 2021.
9. Directive 2013/30/EU is amended as follows:
- (a) Paragraph 1 of Article 25 is replaced by the following:
"Member States shall report annually to the Commission, as part of the annual reporting pursuant to Article 13 of Regulation (EU) XX/20XX [this regulation on governance], the information specified in Annex IX, point 3.";
10. Directive 2009/31/EC: Article 38(1) is deleted
11. Directive 98/70/EC is amended as follows:
- (a) second sentence of paragraph 4 of Article 8 is deleted;
 - (b) in paragraph 1, third subparagraph, point (a) of Article 7a, the wording "indicating where purchased and its origin" is deleted.
 - (c) in paragraph 2, the wording "referred to in paragraph 5(b)" is replaced by "set out in Annex II to Council Directive (EU) 2015/652".
12. Council Directive (EU) 2015/652 is amended as follows:
- (a) In Annex I, Part 2, points 2, 3, 4 and 7 are deleted.
 - (b) Annex III is amended as follows:
 - i) in the first sentence of point 1, the wording "By 31 December each year," is deleted.
 - ii) in point 3, the points (e) and (f) are deleted.
 - (c) Annex IV is amended as follows:
 - i) the following templates for reporting information for consistency of the reported data are deleted:
 - Origin — Single Suppliers
 - Origin — Joint Suppliers
 - Place of Purchase
 - ii) in the format notes of Annex IV, points 8 and 9 are deleted

Article 38

Transitional provisions, including the applicability post 2020

By way of derogation from Article 40(1), Article 7 and 17 of Regulation (EU) 525/2013 shall continue to apply to the reports containing the data required under those Articles for the years 2018, 2019 and 2020. Article 19 of Regulation (EU) 525/2013 shall continue to apply to the reviews of the 2018, 2019 and 2020 GHG inventory data under that Article. Article 22 of

Regulation (EU) 525/2013 shall continue to apply to the submission of the reports required under that Article.

Article 39

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

- 1.1. Title of the proposal/initiative
- 1.2. Policy area(s) concerned in the ABM/ABB structure
- 1.3. Nature of the proposal/initiative
- 1.4. Objective(s)
- 1.5. Grounds for the proposal/initiative
- 1.6. Duration and financial impact
- 1.7. Management mode(s) planned

2. MANAGEMENT MEASURES

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
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3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
 - 3.2.1. *Summary of estimated impact on expenditure*
 - 3.2.2. *Estimated impact on operational appropriations*
 - 3.2.3. *Estimated impact on appropriations of an administrative nature*
 - 3.2.4. *Compatibility with the current multiannual financial framework*
 - 3.2.5. *Third-party contributions*
- 3.3. Estimated impact on revenue

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

REGULATION (EU) OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the Governance of the Energy Union

1.2. Policy area(s) concerned in the ABM/ABB structure¹⁴

07: Environment
32: Energy
34: Climate action

1.3. Nature of the proposal/initiative

- The proposal/initiative relates to **a new action**
- The proposal/initiative relates to **a new action following a pilot project/preparatory action**¹⁵
- The proposal/initiative relates to **the extension of an existing action**
- The proposal/initiative relates to **an action redirected towards a new action**

1.4. Objective(s)

1.4.1. *The Commission's multiannual strategic objective(s) targeted by the proposal/initiative*

The proposed Regulation aims at ensuring a 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.

The setting up of and Energy Union is part of the Commission's ten political priorities, and this proposal is an important element of the Stratic Framework for the Energy Union.

The proposal is jointly prepared by DG Energy and DG Climate Action

1.4.2. *Specific objective(s) and ABM/ABB activity(ies) concerned*

Specific objective No

For DG Energy: Specific Objective 6: Implementation and follow-up on the overall Energy Union strategy.

¹⁴ ABM: activity-based management; ABB: activity-based budgeting.

¹⁵ As referred to in Article 54(2)(a) or (b) of the Financial Regulation.

For DG Climate Action: Specific objective 1: To improve development, implementation and enforcement of the climate acquis and catalyse & promote integration and mainstreaming of climate change mitigation

ABM/ABB activity(ies) concerned

Spending of DG Energy is taking place through ABB activity 32.02 Conventional and Renewable Energy (or ABB1: Conventional and Renewable Energy).

In the 2016 Management Plan and in line with the new structure of specific objectives following the Energy Union, ABB 1 contributes to all 6 specific objectives including the competitiveness aspects of specific objective 5.

For DG CLIMA it is under activity ABB Activity 34 02 – "Climate action at Union and international level

1.4.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

The Integrated National Energy and Climate Plans and corresponding Progress Reports should minimise administrative burden for the Member States and the Commission, while improving the quality of information and transparency, ensuring a timely implementation and monitoring of the Energy Union objectives.

Streamlining existing planning, reporting obligations of Member States and monitoring obligations of the Commission would improve the situation for all stakeholders in line with the Better Regulation principles of effectiveness, efficiency, EU added value, relevance and coherence;

Furthermore, this proposal will specify the content and adequate periodicity of National Plans, Progress Reports and integrated monitoring by the Commission, as well as the related governance process between the Member States and the Commission including regional coordination. It aims at synchronising with the Paris Climate Agreement's 5-year review cycles.

1.4.4. Indicators of results and impact

Specify the indicators for monitoring implementation of the proposal/initiative.

The implementation of the proposal should ensure transparent information on the progress of Member States and of the EU collectively towards the Energy Union objectives for 2030 and beyond and provide a governance framework that is suitable for the implementation of the Energy Union Strategy.

In the same package there will be a proposal for Energy Union indicators.

Indicator for the implementation of the proposal is: Number of Member States that provide integrated plans in time (as specified in the Regulation)

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term

Member States would have to submit less national plans and reports required by different sectorial legal instruments, but instead should submit integrated plans and reports to the Commission at regular intervals. On the basis of the information provided by the Member States, the Commission should produce the necessary monitoring reports.

1.5.2. Added value of EU involvement

First, having in mind that several elements of the Energy Union Strategy relate to objectives set at the EU level, action at EU level is needed to ensure the attainment of these objectives as well as coherence of energy and climate policies within the EU and across its Member States, while preserving flexibility for Member States.

Moreover, the majority of the energy challenges facing the Union cannot be met through uncoordinated national action. The same holds true for climate change, which by its nature is a trans-boundary problem and cannot be solved by national or local action alone. Therefore, coordination of climate action at both European and global level is necessary. Consequently, EU action is justified to monitor the progress of implementation of energy and climate policies across the EU in line with the Energy Union objectives as well as the functioning of the internal energy market.

Second, because of the cross-border relevance of each dimension of the Energy Union, EU action is needed to further promote enhanced cooperation among Member States. None of the Energy Union dimensions could be effectively implemented in the absence of an EU governance process between Member States and the Commission which will also ensure a more regional approach to energy and climate policy. It is also necessary to create the enabling framework to ensure that the EU is ready to participate fully in the review processes under the Paris Agreement, ensuring maximum synchronisation and synergies.

Third, EU action is justified for the initiative's objective of streamlining existing planning, reporting and monitoring obligations, as existing EU legislation in the energy acquis as well as the Monitoring Mechanism Regulation can only be amended by means of legislative proposals in order to reduce the administrative burden for Member States and the Commission and enhance the coherence of planning and reporting as well as to ensure comparability of National Plans and Progress Reports.

1.5.3. Lessons learned from similar experiences in the past

Most of the current planning, reporting and monitoring obligations provide benefits in terms of useful information on a specific policy area and support the implementation of specific policy objectives set out in sectorial legislation. The current reporting obligations on the Commission ensure that the Commission informs the European Parliament, the Council and the general public about the results achieved by EU legislation.

However, the existing framework is unsuitable for the 2030 targets and Energy Union objectives, as it fails to ensure policy coherence among obligations in the energy field and consistency between the energy and climate fields. Furthermore, some of the current plans and reports are seen as having high administrative costs.

1.5.4. Compatibility and possible synergy with other appropriate instruments

The proposal is consistent with the review of Directive 2009/28/EC (Renewable Energy Directive), of Directive 2010/31/EU (Energy Performance of Buildings Directive), of Directive 2012/27/EU (Energy Efficiency Directive) and with the Market Design Initiative.

It is also consistent with the Decision 406/2009 EC (Effort Sharing Decision – valid 2013-20), its proposed successor for the period 2021-30, COM(2016) 482 final (Proposal for Effort Sharing Regulation), as well as the LULUCF Proposal [exact reference]. These initiatives aim at establishing a post-2020 sector-specific legal framework, while the current proposal shall establish the overall governance framework for reaching the Energy Union objectives.

It is also consistent with Directive 2009/31/EC on the geological storage of carbon dioxide.

1.6. Duration and financial impact

- Proposal/initiative of **limited duration**
 - Proposal/initiative in effect from [DD/MM]YYYY to [DD/MM]YYYY
 - Financial impact from YYYY to YYYY
- Proposal/initiative of **unlimited duration**
 - Implementation with a start-up period from 2018 for unlimited duration,
 - followed by full-scale operation.

1.7. Management mode(s) planned¹⁶

- Direct management** by the Commission
 - by its departments, including by its staff in the Union delegations;
 - by the executive agencies
- Shared management** with the Member States
- Indirect management** by entrusting budget implementation tasks to:
 - third countries or the bodies they have designated;
 - international organisations and their agencies (to be specified);
 - the EIB and the European Investment Fund;
 - bodies referred to in Articles 208 and 209 of the Financial Regulation;
 - public law bodies;
 - bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;
 - bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;
 - persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.
 - *If more than one management mode is indicated, please provide details in the 'Comments' section.*

Comments

The participation of the JRC and EEA will be needed for the implementation of the requirements of this regulation.

¹⁶ Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

The Regulation sets the periodicity and conditions for planning, reporting and monitoring by Member States and the Commission. External technical support from a contractor would be needed for the Commission's monitoring tasks. Furthermore, it is planned that a new communication tool is set up, including a web platform and a public website for the exchange of information and best practices and divulgation to the general public.

2.2. The European Environment Agency shall assist the Commission in its work to comply with a number of articles in the proposed Regulation. Management and control system

2.2.1. Risk(s) identified

Member States may become delayed in their planning and reporting obligations. Also for this reason, there will be a web database established.

The risks related to the functioning of the web platform relate mainly to IT-related problems, such as a possible breakdown of the system and confidentiality issues.

2.2.2. Information concerning the internal control system set up

The control methods envisaged are laid down in the Financial Regulation and Rules of Application.

2.2.3. Estimate of the costs and benefits of the controls and assessment of the expected level of risk of error

N/A

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures.

No specific measures beyond the application of the Financial Regulation have been envisaged.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [...] [Heading.....]	Diff./ Non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
5 Administration	32 01 01 Expenditure related to officials and temporary staff in the 'Energy' policy area	Non-diff.	NO	NO	NO	NO
5 Administration	32 01 02 External personnel and other management expenditure in support of the 'Energy' policy area	Non-diff.	NO	NO	NO	NO
5 Administration	34 01 01 Expenditure related to officials and temporary staff in the 'Climate action' policy area	Non-diff.	NO	NO	NO	NO
5 Administration	34 01 02 External personnel and other management expenditure in support of the 'Climate action' policy area	Non-diff.	NO	NO	NO	NO
1A	32 02 02 Support activities to the European energy policy and internal energy market	Diff.	NO	NO	NO	NO
2	34.02.01 Reduction of GHG emissions (mitigation)	Diff	NO	NO	NO	NO

2	07.02.06 Subsidy to the European Environment Agency	Diff	YES	YES	YES	NO
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- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [.....] [Heading.....]]	Diff./ Non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
[...][XX.YY.YY.YY]		YES/ NO	YES/ NO	YES/ NO	YES/NO	

3.2. Estimated impact on expenditure

[This section should be filled in using the [spreadsheet on budget data of an administrative nature](#) (second document in annex to this financial statement) and uploaded to CISNET for interservice consultation purposes.]

3.2.1. Summary of estimated impact on expenditure

EUR million (to three decimal places)

Heading of multiannual financial framework	1A 2	H e a d i n g] Sustainable Growth: Natural Resources
---------------------------------------------------	---------	-------------------------------------------------------------------------

DG: <ENER, CLIMA>			Year 2018	Year 2019	Year 2020	Year 2021	Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
• Operational appropriations										
budget line 32 02 02	Commitments	(1)	0	0.250	1.260	0.060	0.060	1.260	0.060	Proposal of unlimited duration
	Payments	(2)	0	0.250	0.060	0.460	0.460	0.460	0.460	Proposal of unlimited duration
budget line 34 02 01	Commitments	(1a)		0.500	0.500	0.500	0.00	0.500	0.00	Proposal of unlimited duration
	Payments	(2a)		0.150	0.350	1.000	0.00	0.150	0.350	Proposal of unlimited duration
Budget line 07 02 06	Commitments	(1b)	0.250	0.500	0.500	0.500	0.500	0.500	0.500	Proposal of unlimited duration
	Payments	(2b)	0.100	0.300	0.350	1.000	0.150	0.350	1.000	Proposal of unlimited duration
• Appropriations of an administrative nature financed from the envelope of specific programmes										
Number of budget line 07 02 06			0.402	0.402	0.402	0.402	0.402	0.402	0.402	Proposal of unlimited duration
TOTAL appropriations for DG < ENER, CLIMA >	Commitments	=1+1a+1b	0,652	1.652	2.662	1.462	0.962	2.662	0.962	Proposal of unlimited duration
	Payments	=2+2a+2b	0.502	1.102	1.162	2.862	1.012	1.362	2.212	Proposal of unlimited duration

• TOTAL operational appropriations	Commitments	(4)	0.25 0	1.25 0	2.26 0	1.06 0	0.56 0	2.26 0	0.56 0	Proposal of unlimited duration
	Payments	(5)	0.10 0	0.70 0	0.76 0	2.46 0	0.61 0	0.96 0	1.81 0	Proposal of unlimited duration
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.40 2	0.40 2	0.40 2	0.40 2	0.40 2	0.40 2	0.40 2	Proposal of unlimited duration
TOTAL appropriations under HEADING <1A> of the multiannual financial framework	Commitments	=4+ 6	0	0.25 0	1.26 0	0.06 0	0.06 0	1.26 0	0.06 0	Proposal of unlimited duration
	Payments	=5+ 6	0	0.25 0	0.06 0	0.46 0	0.46 0	0.46 0	0.46 0	Proposal of unlimited duration
TOTAL appropriations under HEADING <2> of the multiannual financial framework	Commitments		0.65 2	1.40 2	1.40 2	1.40 2	0.90 2	1.40 2	0.90 2	Proposal of unlimited duration
	Payments		0.50 2	0.85 2	1.10 2	2.40 2	0.55 2	0.90 2	1.75 2	Proposal of unlimited duration

If more than one heading is affected by the proposal / initiative:

• TOTAL operational appropriations	Commitments	(4)								
	Payments	(5)								
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)								
TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework (Reference amount)	Commitments	=4+ 6	0.65 2	1.65 2	2.66 2	1.46 2	0.96 2	2.66 2	0.96 2	Proposal of unlimited duration
	Payments	=5+ 6	0.50 2	1.10 2	1.96 2	2.86 2	1.01 2	1.36 2	2.21 2	Proposal of unlimited duration

Heading of multiannual financial framework	5	‘Administrative expenditure’
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EUR million (to three decimal places)

		Year 201 8	Year 201 9	Year 202 0	Year 202 1	Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
DG: <ENER, CLIMA>									
• Human resources		2.35 6	2.35 6	2.35 6	2.35 6	2.35 6	2.35 6	2.35 6	Proposal of unlimited duration
• Other administrative expenditure		0.28 0	0.28 0	0.28 0	0.28 0	0.28 0	0.28 0	0.28 0	Proposal of unlimited duration
TOTAL DG <ENER, CLIMA>		2.63 6	2.63 6	2.63 6	2.63 6	2.63 6	2.63 6	2.63 6	Proposal of unlimited duration
		Appropriations							

TOTAL appropriations under HEADING 5 of the multiannual financial framework	(T o t a l commitments = Total payments)	2.63 6	2.63 6	2.63 6	2.63 6	2.63 6	2.63 6	2.63 6	Proposal of unlimited duration

EUR million (to three decimal places)

		Year 201 8	Year 201 9	Year 202 0	Year 202 1	Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework	Commitments	3.28 8	4.28 8	5.29 8	4.09 8	3.59 8	5.29 8	3.59 8	Proposal of unlimited duration
	Payments	3.13 8	3.73 8	4.59 8	5.49 8	3.64 8	3.99 8	4.84 8	Proposal of unlimited duration

3.2.2. Estimated impact on operational appropriations

- The proposal/initiative does not require the use of operational appropriations
- The proposal/initiative requires the use of operational appropriations, as explained below:

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ↓			Year 2018		Year 2019		Year 2020		Year 2021		Enter as many years as necessary to show the duration of the impact (see point 1.6)						TOTAL	
	OUTPUTS																	
	Type	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1...																		
- Technical assistance for Commission monitoring of Member States' progress			0		0		1.200		0		0		1.200		0			Proposal of unlimited duration
- Database development and operation			0		0.250		0.060		0.060		0.060		0.060		0.060			Proposal of unlimited duration
- Service contract in support of CLIMA monitoring	SE	R			1	0.500		1	0.500		1	0.500		0.0		1	0.500	Proposal of unlimited duration
Service contract of the EEA	SE	R	1	0.250	1	0.500	1	0.500	1	0.500	1	0.500	1	0.500	1	0.500		Proposal of unlimited duration
Subtotal for specific objective No 1				0.250		1.250		2.260		1.060		0.560		2.260		0.560		Proposal of unlimited duration
SPECIFIC OBJECTIVE No 2 ...																		
- Output																		
Subtotal for specific objective No 2																		
TOTAL COST				0.250		1.250		2.260		1.060		0.560		2.260		0.560		Proposal of unlimited duration

3.2.3. Estimated impact on appropriations of an administrative nature

3.2.3.1. Summary

- The proposal/initiative does not require the use of appropriations of an administrative nature
- The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	Year 2018	Year 2019	Year 2020	Year 2021	Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
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HEADING 5 of the multiannual financial framework								
Human resources	1.686+ 0.670	1.686+ 0.670	1.686+ 0.670	1.686+ 0.670	1.686+ 0.670	1.686+ 0.670	1.686+ 0.670	Proposal of unlimited duration
Other administrative expenditure	0,280	0,280	0.280	0.280	0.280	0.280	0.280	Proposal of unlimited duration
Subtotal HEADING 5 of the multiannual financial framework	2.636	2.636	2.636	2.636	2.636	2.636	2.636	Proposal of unlimited duration

Outside HEADING 5 of the multiannual financial framework								
Human resources (EEA)	0.402	0.402	0.402	0.402	0.402	0.402	0.402	Proposal of unlimited duration
Other expenditure of an administrative nature								
Subtotal outside HEADING 5 of the multiannual financial framework								

TOTAL GENERAL	3.038	3.038	3.038	3.038	3.038	3.038	3.038	Proposal of unlimited duration
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The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the

DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

3.2.3.2. Estimated requirements of human resources

- The proposal/initiative does not require the use of human resources.
- The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full time equivalent units

	Year 2018	Year 2019	Year 2020	Year 2021	Enter as many years as necessary to show the duration of the impact (see point 1.6)
• Establishment plan posts (officials and temporary staff)					
XX 01 01 01 (Headquarters and Commission's Representation Offices)	12+5	12+5	12+5	12+5	Proposal of unlimited duration
XX 01 01 02 (Delegations)					
XX 01 05 01 (Indirect research)					
10 01 05 01 (Direct research)					
• External staff (in Full Time Equivalent unit: FTE)					
XX 01 02 01 (AC, END, INT from the 'global envelope')	1	1	1	1	Proposal of unlimited duration
XX 01 02 02 (AC, AL, END, INT and JED in the delegations)					
XX 01 04 yy	- at Headquarters				
	- in Delegations				
XX 01 05 02 (AC, END, INT - Indirect research)					
10 01 05 02 (AC, END, INT - Direct research)					
07 02 06 (TEMP in EEA)	3	3	3	3	Proposal of unlimited duration
TOTAL	21	21	21	21	Proposal of unlimited duration

32 is the policy area or budget title concerned (DG ENER)

34 is the policy area concerned (DG CLIMA)

07 is the policy area concerned (EEA)

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary staff	12 (ENER) + 5 (CLIMA)
External staff	1(ENER) +3 (EEA)

EN

73

EN

3.2.4. *Compatibility with the current multiannual financial framework*

- The proposal/initiative is compatible the current multiannual financial framework.
- The proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts.
[...]

- The proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.
[...]

3.2.5. *Third-party contributions*

- The proposal/initiative does not provide for co-financing by third parties.
- The proposal/initiative provides for the co-financing estimated below:

Appropriations in EUR million (to three decimal places)

	Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body								
TOTAL appropriations co-financed								

3.3. Estimated impact on revenue

- The proposal/initiative has no financial impact on revenue.
- The proposal/initiative has the following financial impact:
 - on own resources
 - on miscellaneous revenue

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative					Enter as many years as necessary to show the duration of the impact (see point 1.6)		
		Year N	Year N+1	Year N+2	Year N+3				
Article									

For miscellaneous 'assigned' revenue, specify the budget expenditure line(s) affected.

[...]

Specify the method for calculating the impact on revenue.

[...]