

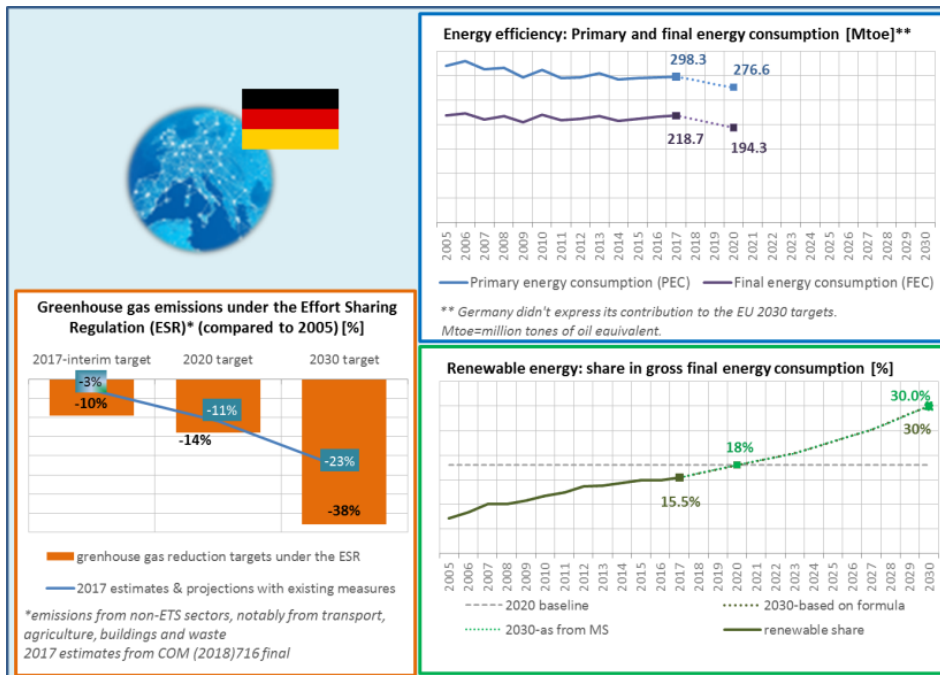


# GERMANY

## Summary of the Commission assessment of the draft National Energy and Climate Plan 2021-2030

The EU has committed itself to a clean energy transition, which will contribute to fulfilling the goals of the Paris Agreement on climate change and provide clean energy to all. To deliver on this commitment, the EU has set binding climate and energy targets for 2030: reducing greenhouse gas emissions by at least 40%, increasing energy efficiency by at least 32.5%, increasing the share of renewable energy to at least 32% of EU energy use and guaranteeing at least 15% electricity inter-connection levels between neighbouring Member States. To ensure that the EU targets are met, EU legislation requires that each Member State drafts a 10-year National Energy and Climate Plan (NECP), setting out how to reach its national targets, including the binding national target for reducing greenhouse gas emissions that are not covered by the EU Emissions Trading System (ETS). The European Commission has analysed each draft NECP. The summary of this assessment for Germany is outlined below. The final NECPs for the period 2021-2030 are due to be submitted by Member States by the end of 2019.

### GERMANY - National targets and contributions foreseen in the draft National Energy and Climate Plan



Sources: Germany's draft National Energy & Climate Plan, Eurostat (PEC2020-2030, FEC2020-2030 indicators and renewable SHARES), COM (2018) 716 final (2017 GHG estimates)

- Germany's draft integrated national energy and climate plan (NECP) addresses the country's energy transition (Energiewende), based on a 'triangle' of three policy objectives: affordability, security of supply and environmental soundness. The energy transition has a strong focus, so far, on electricity, and on emission reductions, but also relates closely to other policies. The draft plan largely relies on existing documents due to several still ongoing political processes. The set-up of national targets outlined in the German draft plan could provide a good basis for addressing policy interactions, providing clarity on measurable forward-looking objectives for almost all Energy Union dimensions, with the exception of the national contribution to the Union's 2030 headline targets on energy efficiency.
- Germany's 2030 target for **greenhouse gas (GHG) emissions** not covered by the EU Emissions Trading System (non-ETS) is -38% compared to 2005, as set in the Effort Sharing Regulation (ESR)<sup>1</sup>. With the existing policies and measures outlined in the draft NECP Germany is not on track to achieve this target.
- While Germany's national and sector-wide greenhouse gas emission reduction **targets for 2030** are in line with the German long-term strategy (National Climate Plan 2050), these are not always reflected in sector-specific national contributions (e.g. to the EU energy efficiency target) and policies and measures (e.g. in the transport, building and agriculture sector).
- The draft plan does also not address yet how the no-debit commitment for the **Land use, Land Use Change and Forestry** (LULUCF) sector will be achieved i.e. emissions do not exceed removals.
- Germany's proposed share of 30% of energy from renewable sources in gross final consumption of energy in 2030 as **national contribution** to the EU 2030 target for **renewable energy** is in line with the results of the formula under the Governance Regulation on which the Commissions bases its assessment of Member States' renewable energy contributions. Moreover, Germany plans for the years 2022, 2025 and 2027 a more ambitious delivery of its national contribution for renewables than the required reference levels. The final plan would benefit from elaborating further on the policies and measures allowing the achievement of the contribution and on other relevant sectorial measures.
- The information provided on **policies and measures**, in a 2030 perspective, **for all renewable energy sectors** is too general to allow for an assessment of the sufficiency of policies and measures in the light of the national ambition level for renewables. This is also true for the assessment of sectorial renewable objectives (transport, electricity and, to a lesser extent, heating and cooling).
- While Germany has a 2050 objective for energy efficiency, the draft plan lacks clarity on Germany's **energy efficiency contribution to the EU target** of 32.5% in 2030. Therefore, no conclusion can be drawn on the level of ambition of Germany's contribution to the Union's 2030 headline targets on energy efficiency. The draft plan also does not provide detailed information on the policies and measures beyond the already existing ones which will be in place until 2020.
- General policy objectives for **energy security** are provided by the German draft plan and could be further substantiated by specific policies and measures. Specific objectives such as for demand response and energy storage could be set out in the final plan which could also include information on the phase out from nuclear.

---

<sup>1</sup> Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013.

- As regards the **internal energy market**, Germany's action plan for the reduction of grid congestion, which sets out appropriate measures to remove structural congestion in the electricity grid within the bidding zone should be an important element of the final plan together with further details on market functioning. The draft plan does not specify the level of electricity **interconnectivity** that Germany aims for by 2030. On energy poverty, the draft plan lacks a detailed assessment on the numbers of energy-poor people in Germany, as well as on the policies and measures to reduce energy poverty.
- International cooperation in **research and innovation** is well described. A solid final plan would develop on national objectives for this dimension and consider the impact of policies and measures on **competitiveness**.
- The draft plan provides an estimate of significant **investment needs** for additional electricity transmission infrastructure of EUR 50 billion until 2030 (annually around 0.1% of current GDP). However, only few additional elements on investment needs and expenditures, national, regional and Union funding sources, market risks and barriers are reflected, therefore the draft plan does not yet fully take advantage of the role NECPs can play in providing clarity to investors and attracting additional investments in the clean energy transition.
- The final plan would benefit from complementing the analysis of the interactions with **air quality and air emissions** policy, and presenting the impacts of policies and measures on air quality.
- The final plan would benefit from details on **just and fair transition** issues, for example related to the transition of coal, carbon-intensive or industrial regions, and considerations in terms of costs and benefits and cost-effectiveness of planned policies and measures in the area of employment, education and training of affected workers by this transition.
- A list of all **energy subsidies**, in particular for fossil fuels, and actions undertaken and planned to phase them out, needs to be included in the final plan.
- There are **good practice** examples on cross-border cooperation. Germany is member of the Pentalateral Energy Forum which acts as a forum for regional cooperation regarding the development and monitoring of the national energy and climate plans. Germany also funds the European Climate Initiative to foster cross-border dialogue and cooperation as well as exchange of knowledge and experience on climate policies within the Union. Germany reflected most recent policy developments (most notably the results of the commission for growth, structural change and employment) in its consultation of other Member States and third countries on the draft plan.

#### Related links:

- [National Energy & Climate Plans](#) – for links to the Commission recommendations and Staff Working Document for Germany and all other Member States, to the Commission Communication assessing all draft NECPs, and to the draft NECPs themselves.
- More information about the [Clean energy for all Europeans package](#)
- More information about the [2030 climate & energy framework](#)