



## Towards a climate-neutral EU via its National Energy and Climate Plans for 2021-2030



28 January 2021, 13:30 – 15:30 CET

Online Event

**Hosted by MEP Miapetra Kumpula-Natri**

Co-chair of the European Parliament Intergroup on “Climate Change, Biodiversity and Sustainable Development”

Speakers:

- **MEP Miapetra Kumpula-Natri**
- **MEP Maria Spyrali**
- **Kadri Simson**, European Commissioner for Energy
- **Krista Mikkonen**, Minister of Environmental and Climate Change of Finland
- **Ariane Richter**, Energy Attaché, Permanent Representation of the Federal Republic of Germany to the European Union
- **Bruno Sousa**, Energy and Atomic Questions Attaché, Permanent Representation of Portugal to the European Union
- **Jorgo Chatzimakakis**, Secretary General, Hydrogen Europe
- **Antonio Almagro**, Director for Energy, Projects Directorate, EIB
- **Wendel Trio**, Director, Climate Action Network Europe
- **MEP Petros Kokkalis**
- **MEP Jutta Paulus**

## Welcome Remarks

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### *MEP Miapetra Kumpula-Natri*

***“Recovery and resilience plans should include policies, legislations and funding to reach our climate neutrality targets.”***

In her introductory remarks, MEP Miapetra Kumpula-Natri highlighted the importance of having a discussion between legislators and other stakeholders at different European levels to **better monitor and understand the work being done within the EU**. Post-COVID recovery and resilience plans should include policies, legislations and funding to reach our climate neutrality targets. As an example, MEP Kumpula-Natri welcomed the recovery funds recently allocated to climate recovery by the European Commission. Ms. Kumpula-Natri also underlined the **crucial nature of the commitment of Member States to reach common European goals**. National Energy and Climate Plans (NECPs) are a useful tool to **monitor** the different climate targets and policies throughout the EU and to make sure we are on the right track. Moreover, MEP Kumpula-Natri stressed the **importance of international cooperation** to successfully tackle common climate challenges.

### *MEP Maria Spyrali*

***“NECPs play an important role in the harmonization of energy production and efficiency within Europe and are essential to reach the EU Green Deal.”***

MEP Maria Spyrali presented the conclusions of a report recently published by the European Environment Agency (EEA) which gave an overview of greenhouse gas (GHG) emissions' reductions in the EU resulting from the increased use of renewable energies for electricity production. Most of the EU's electricity production is now **coal-free**. However, **significant differences have been noted between Member States**, while NECPs play an important role in the **harmonization of energy production and efficiency within Europe** and are essential to reach the EU Green Deal targets. To further illustrate the importance of NECPs, MEP Spyrali briefly presented some of Greece's plans. For example, all Greek coal

power plants are to be closed by 2028. At the end of her intervention MEP Ms. Spyraiki also stressed the need to **transition towards climate neutrality without leaving anyone behind**. To successfully do so, **financial support** as well as **efficient technologies and innovations** need to be made readily available to all Member States.

## Keynote address

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*Kadri Simson, European Commissioner for Energy*

*“NECPs reflect the current positions of Member States but also reveal where the greater challenges lie ahead.”*

European Commissioner for Energy Ms. Kadri Simson insisted on **combining both long-term vision and immediate action to tackle climate change**. The way energy is produced, transformed and transported needs to be reformed across all sectors of our economy in the next 30 years. Important milestones, such as reducing European GHG emissions by at least 55% by 2030, need to be reached along the way. Ms. Simson highlighted the proven **feasibility** of the European climate goals and stressed the **key role the NECPs have to play in the process**, especially when it comes to **improving energy efficiency**. The transport sector needs to undergo significant changes as well. Renewable energies, which are essential to a successful energy transition, need to be properly developed, produced and distributed. NECPs reflect the current positions of Member States but also reveal where the greater challenges lie ahead. Overall, Europe is heading in the **right direction towards climate neutrality**, but each Member State **still has work to do** to meet the common EU targets. Finally, Ms. Simson highlighted the fact that the European Commission understands **the importance of the integration of NECPs and the EU Green Deal in the post-COVID recovery plans**. Sustainable, green investments are seen as **the way forward to remedy the present and prepare for the future**. NECPs also have a crucial role to play in this regard, as they shed light on the current positions of Member States as well as on shortcomings that need to be overcome.

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## Examples of NECPs from Member States

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*Finland: Krista Mikkonen, Minister of Environment and Climate Change*

***“NECPs are a great starting point to lay out successful common plans and measures to work towards climate neutrality.”***

Ms. Krista Mikkonen began by presenting Finland’s 2035 climate-neutrality target, which was chosen based on the advice of the national climate science panel. She described how **government has set indicative emission reduction budgets to different sectors and reforms and highlighted multiple policies**, such as a ban on coal by 2029 and energy tax reform; Moreover, Ms. Mikkonen described a successful project between the Finnish government and industries; **the development of climate-neutrality roadmaps to plan the progress of each individual sector**. These roadmaps allow industries to see different emissions’ reduction pathways and have been a very useful tool to work together towards a green transition. Finnish NECPs are currently partly outdated as they were prepared before the climate neutrality target was revised. However, because they include elements such as the **impact assessment of past policies**, they are a great starting point to lay out better plans and measures. Ms. Mikkonen also highlighted the fact that biodiversity is included in the impact assessment of the Finland’s NECPs. According the assessment, increased wood use may have negative impacts on biodiversity. In Finland, biomass is commonly used in the heating system. The impacts on biodiversity can be mitigated by introducing **new measures to uphold the biodiversity of forests** but this finding also highlights the need to introduce **new heath production methods** that are not based on combustion.

*Germany: Ariane Richter, Energy Attaché, Permanent Representation of the Federal Republic of Germany to the European Union*

***“NECPs are a very useful tool for Member States in the context of COVID as they can ease the development of national recovery plans.”***

NECPs are a very useful tool for Member States in the context of COVID as they can **ease the development of national recovery plans**, as highlighted by Ms. Ariane Richter. NECPs are also a **monitoring and steering tool of green transition** and will be of utmost relevance as the EU raises its climate ambitions. Moreover, Ms. Richter presented the German NECPs and the work that has been done thus far to reach the European climate goals. For example, **the shares of renewable energies for electricity production have increased** and they are now the **dominant power source** in Germany, as multiple policies implemented in Germany during the current legislative period have contributed to these positive developments. To conclude, Ms. Richter shared **five fundamental challenges** to consider in the future, including smart sector coupling, the synchronization of grid expansion with the expansion of renewables and the successful implementation of hydrogen as an energy source.

*Portugal: Bruno Sousa, Energy and Atomic Questions Attaché, Permanent Representation of Portugal to the European Union*

***“The path to a carbon neutral economy requires joint action in several strategic areas with priority given to key objectives.”***

Mr. Bruno Sousa presented the Portuguese NECPs and the different achievements that have been performed in this direction. Specifically, Portugal aims to reduce GHG emissions by **40 to 55% by 2030** and **raise the shares of renewable energies to 47% in its final energy consumption**, as stated by Mr. Sousa. Though all activity sectors are working towards climate neutrality, the **energy sector is expected to have the greatest contribution** to the transition in the next decade. The Portuguese transition strategy is based on **a combination of science-based and innovative measures** and is seeking to find synergies between them. The path to a carbon neutral economy requires **joint action** in several strategic areas with priority given to objectives such as increased energy efficiency, reinforcement of the diversification of energy sources, as well as increased modernization of infrastructure. Finally, Mr. Sousa stressed that Portugal is committed to energy efficiency first and mentioned the future investments planned, in order to further **encourage the production and distribution of renewable gases**, such as hydrogen and biomethane.

## Panel Discussion

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*Antonio Almagro, Director for Energy, Projects Directorate, EIB*

***“Cooperation between Member States, but also between the EIB and the European Commission is essential to achieve a successful climate-neutrality transition.”***

Mr. Antonio Almagro presented an overview of the EIB’s energy transition support measures, as the **Climate Bank World Map** published in November 2020, sets a clear target to lend 1 trillion euros to climate action and environmental sustainability. Furthermore, the **Energy Lending Policy (ELP)**, adopted in 2019, presented a need for a total transformation of the energy sector accompanied by considerable funding. Currently, the EIB lends **12 billion euros per year** to the European energy sector, which only represents 3% of the total amount needed. According to Mr. Almagro, one of the ELP’s objectives was to have **proper dialogue with Member States**, focusing on specific sectors, and NECPs have been particularly helpful in this regard, as they allow better monitoring of the Member States’ progress. Several meetings and workshops between the EIB and Member States’ governments and stakeholders have been organized, as highlighted by Mr. Almagro, to further discuss investments and financing of the climate-neutrality transition. In addition to the above, the importance of **cooperation between Member States and the European Commission and the EIB** was further stressed. To conclude, Mr. Almagro underlined EIB’s **reliance on the InvestEU program** to push forward investments in the energy sector transition.

*Jorgo Chatzimarkakis, Secretary General, Hydrogen Europe*

***“Today, hydrogen is ready to play its role as transition enabler towards a low carbon economy.”***

Mr. Jorgo Chatzimarkakis insisted on the NECPs' major role in Europe's energy transition and consequently in the **shift towards hydrogen**. Mr. Chatzimarkakis is firmly convinced that fossil fuels, such as grey hydrogen, natural gas or coal can be replaced by **decarbonized or renewable hydrogen** in the long run. It is essential for the industry to understand **what importance NECPs and national Recovery and Resilience Funds (RRF) attribute to the energy source**, in order to develop the most efficient hydrogen projects for the right countries. As underlined by Mr. Chatzimarkakis, every Member State except for Finland has included a hydrogen strategy in its new NECP, therefore the current **NECPs see hydrogen as a key technology** to research and invest in; yet some Member States have raised their concerns about hydrogen **still lacking the maturity to be applied at a wide scale** in the short term. "In 2020 a lot has changed and **today hydrogen is ready to play its role as a transition enabler** towards a low carbon economy", Mr. Chatzimarkakis noted. With NECPs and national hydrogen strategies, the EU has currently **earmarked 40 billion euros for hydrogen projects until 2030**. In this regard, the **European Clean Hydrogen Alliance** aims to bring together all **national strategies into a single European one**, by envisioning the development of a common **quality seal** for hydrogen projects.

*Wendel Trio, Director, Climate Action Network Europe*

*"Taking into account the social impact of NECPs is crucial for them to be successful."*

To begin with, Mr. Wendel Trio highlighted the essential role of NECPs in implementing environmental policies in Europe and reaching the EU Green Deal ambitions. European **NGOs have been engaging in both the development and analysis of** current NECPs, with the aim to target **more ambitious climate and renewable energy goals**. According to Mr. Trio, NECPs should also focus on **achieving coherence between different policy sectors**, by integrating not only **energy or climate**, but also **taxation and other policies**. Mr. Trio additionally urged the Member States to include clear targets for the **phase-out of fossil fuel and fossil fuels subsidies** in their plans, pointing out that only a few countries currently do so. Moreover, in the current COVID-19 context NECPs should be coherent with the **Recovery and Resilience plans, the new Cohesion Policy and the Just Transition Fund**. Finally, Mr.

Trio recommended increasing **public participation** in the NECPs' decision-making process, welcoming the large number of countries which are already taking serious effort to **involve the civil society in the development and implementations** of such plans. Public participation in the NECPs' proposals should be harmonized union-wide, while their **social impact also needs to be taken into account**, as underlined by Mr. Trio.

## Reactions from MEPs

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### *MEP Petros Kokkalis*

***“We have promised to deliver a green transition for Europe. If we want to keep this promise, more ambitious and effective NECPs need to be implemented today.”***

MEP Petros Kokkalis welcomed the implementation of NECPs, offering **clear frameworks through which climate neutrality policies** can be integrated today. Yet, the new NECPs need to be even **more ambitious** as their **proper delivery and implementation** is now more than ever **crucial**, to successfully achieve the EU's emissions' reduction ambitions. To do so, policymakers should also pay closer attention to **how action is implemented on the ground**, Mr. Kokkalis argued, explaining that more **public consultation and involvement of local communities** is needed in the design and delivery process of the transition.

### *MEP Jutta Paulus*

***“We are all concerned by the energy transition and we can only solve the issue together, therefore the support, participation and approval of citizens are essential to successfully achieve this transition.”***

MEP Jutta Paulus first introduced a study recently published by Agora Energiewende, which found **that 38% of Europe's gross electricity production in 2020 came from renewable energy sources**. “For the first **time renewables have taken over fossil fuels in Europe's electricity production**,” as emphasized by the MEP. Ms. Paulus also expressed her hopes for these significant developments to be **reflected in the revised NECPs**, arguing that renewable energy should be at the **base of any climate action**. The EU needs to **secure this key industry** in Europe and not fall behind on other renewable energy producers, such as China

or the USA. Ms. Paulus thus recommended establishing a new common European project such as a **1-gigawatt solar panel factory**, which could complement Europe's **renovation wave initiative** by combining **energy efficiency and renewable energy measures**. Finally, Ms. Paulus also called for more **citizen involvement**, arguing that the support, participation and approval of citizens are essential to successfully achieve this transition.

## Discussion with the audience

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During the Q&A session with the audience, the panellists discussed how the EU could best ensure **technology neutrality** in its energy transition. Mr. Sousa argued that while technology neutrality is important, reaching the EU's energy goals **quickly** is also essential and can only be done by **using the most innovative technological solutions**. Policy-makers should thus carefully **balance** the environmental costs of using technologies. The panel also discussed **the role of NGOs and civil society in overcoming climate change**. In this regard, Mr. Trio called for **full stakeholder participation**. Finally, the question of the NECPs' support for the **renovation wave** initiative was also raised and met by the strong consensus that Member States would include the initiative in the revision of their national plans. MEP Kokkalis reiterated his support for the renovation wave initiative, further arguing that all **public buildings should be renovated in Europe, in order to also set the example for European households**.

## Closing remarks

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### *MEP Miapetra Kumpula-Natri*

In her closing remarks, MEP Ms. Kumpula-Natri reiterated the important role of the **renovation wave initiative**, but also of **digitalization and adequate financing** in Europe's energy transition. The EU should look **at joint and circular initiatives**, such as capturing the excess heat from data centres to reuse as energy, in order to promote a greener but also more innovative future for Europe. Finally, Ms. Kumpula-Natri welcomed the **strong demand for greener policies** and called for collective action at European, regional and local levels.