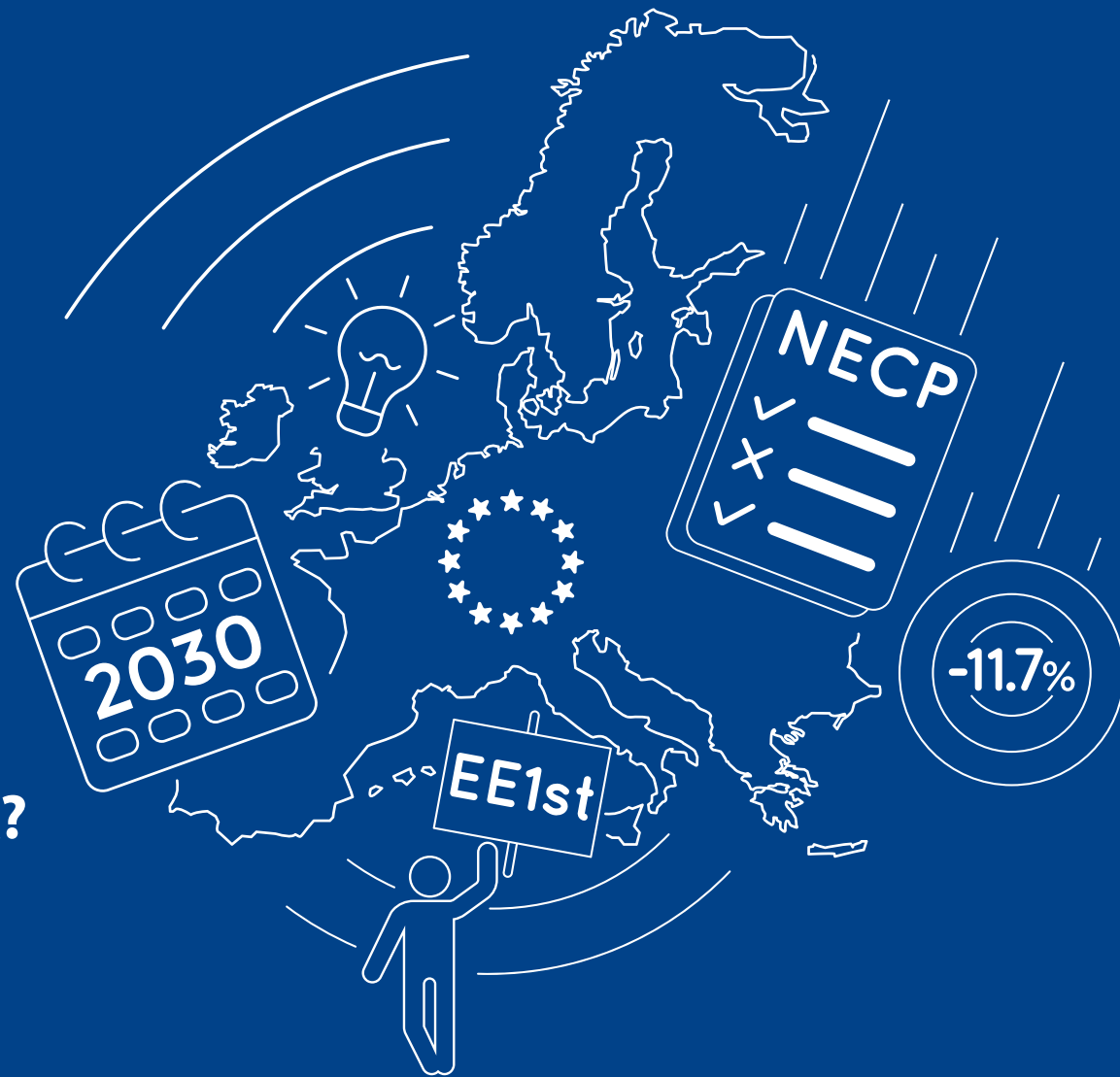


Planning for the 2023 EED: Are EU countries up to the task?



An analysis of the 26 available draft NECP updates
from an energy efficiency perspective



**The Coalition for
ENERGY SAVINGS**

Planning for the 2023 EED: Are EU countries up to the task?

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The Coalition for Energy Savings

The Coalition for Energy Savings strives to make energy efficiency and savings the first consideration of energy policies and the driving force towards a secure, sustainable and competitive European Union. Its membership unites businesses, local authorities, energy agencies, energy communities and civil society organisations in pursuit of this goal.

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Introduction

The update of the National Energy and Climate Plans (NECPs) is a pivotal first step to ensure the objectives of the Fit For 55 Package and REPowerEU are met and the revised legislation, including the Energy Efficiency Directive (EED), is correctly implemented. With less than three months left before the deadline to submit the final plans, EU Member States must significantly improve their draft NECP updates, particularly by integrating the country-specific recommendations of the European Commission (Commission).

This analysis updates and complements our report¹ published in October 2023, which evaluates whether the 15 draft NECP updates submitted by 30 September 2023 adequately reflect the new provisions of the 2023 EED. Our new analysis integrates the evaluation of the remaining draft NECP updates that were made available on the Commission's website between 1 October 2023 and 31 March 2024, except Austria, whose plan was still missing at the time of writing this briefing (see Figure 1).

A clearer understanding has emerged of how EU countries have started planning their measures to implement the 2023 EED requirements through the NECP process. **Notably, none of the 26 draft NECP updates submitted fully comply with the new EED requirements**, particularly Article 3 (Energy efficiency first principle), Article 4 (Energy efficiency targets), Article 5 (Public sector leading on energy efficiency), Article 6 (Exemplary role of public bodies' buildings) and Article 8 (Energy savings obligation).

Equally concerning is that **the 11 draft NECP updates received with considerable delay** (in the last quarter of 2023 and first quarter of 2024) **are not higher in quality than those submitted closer to the deadline**, indicating that the additional time was not used to produce more robust plans.

The next three months are crucial, as the update of the NECP is the last chance for Member States to plan effectively in order to meet the 2030 climate and energy objective, particularly the 2030 EU energy efficiency target, and more generally to ensure that the EU Green Deal's objectives can materialise through national action.

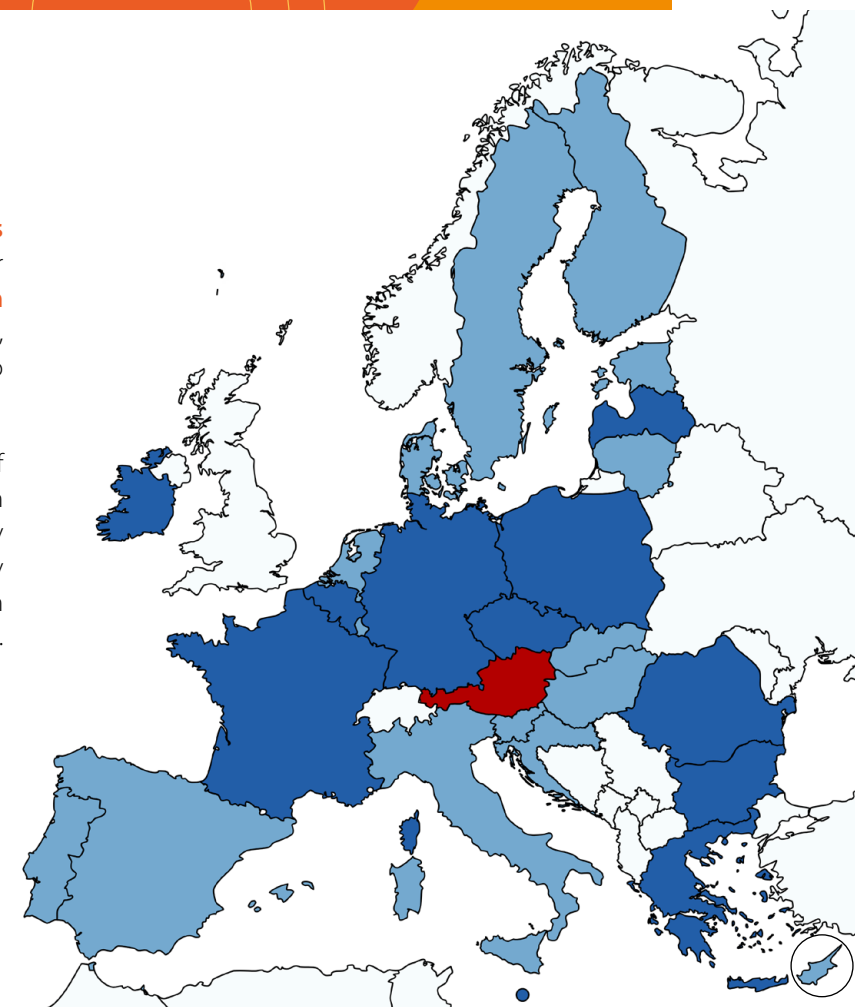


Figure 1: Draft NECP updates by date of submission.

- Draft NECP updates submitted by 30/09/23
- Draft NECP updates submitted by 31/03/24
- Draft NECP update still missing on 1/04/2024

¹ Coalition for Energy Savings, [Planning for the 2023 EED: Are EU countries up to the task?](#), October 2023.

2

An evaluation of the draft NECP updates from an energy efficiency perspective

The 26 draft NECP updates show significant differences in how they integrate the new provisions of the 2023 EED. Despite the delay, the 11 countries that submitted their draft NECP updates in the last quarter of 2023 and first quarter of 2024 did not use this additional time to submit more robust draft NECPs: on average, their draft plans are less ambitious in terms of objectives and less detailed in terms of measures than the 15 plans submitted by 30 of September 2023 (and assessed in our previous report).

Overall, our assessment finds that **none of the 26 draft NECP updates submitted are fully compliant** with the new 2023 EED (see Figure 2 and methodology for checking compliance on page 6). **Only four countries** (Italy, Lithuania, Luxembourg and Spain) submitted draft plans that **are almost aligned** with the requirements of the new EED and of the Governance regulation (“almost compliant”). It is important to note that none of the draft plans submitted after 30 September 2023 fall in this category.

Most of the remaining Member States fall short of presenting a draft update NECP that integrates energy efficiency considerations in a satisfactory way:

- **Thirteen countries** (Belgium, Bulgaria, Croatia, Cyprus, Czechia, Estonia, France, Germany, Greece, Hungary, Malta, Poland and Romania) submit draft plans that **do not consistently cover** the new elements of the EED in an adequate way (“updated but insufficient”).
- **Five countries** (Ireland, Latvia, Slovakia, Slovenia and Portugal) only **partially update** their NECPs, by failing to take into account most, if not all, of the new key 2023 EED requirements (“partially updated”).
- **Four countries** (Denmark, Finland, Sweden and the Netherlands) **do not reflect at all the requirements of the new EED** in their plans; at best, they acknowledge that a new directive has been adopted, but fail to update their drafts according to the new provisions (“not updated”).

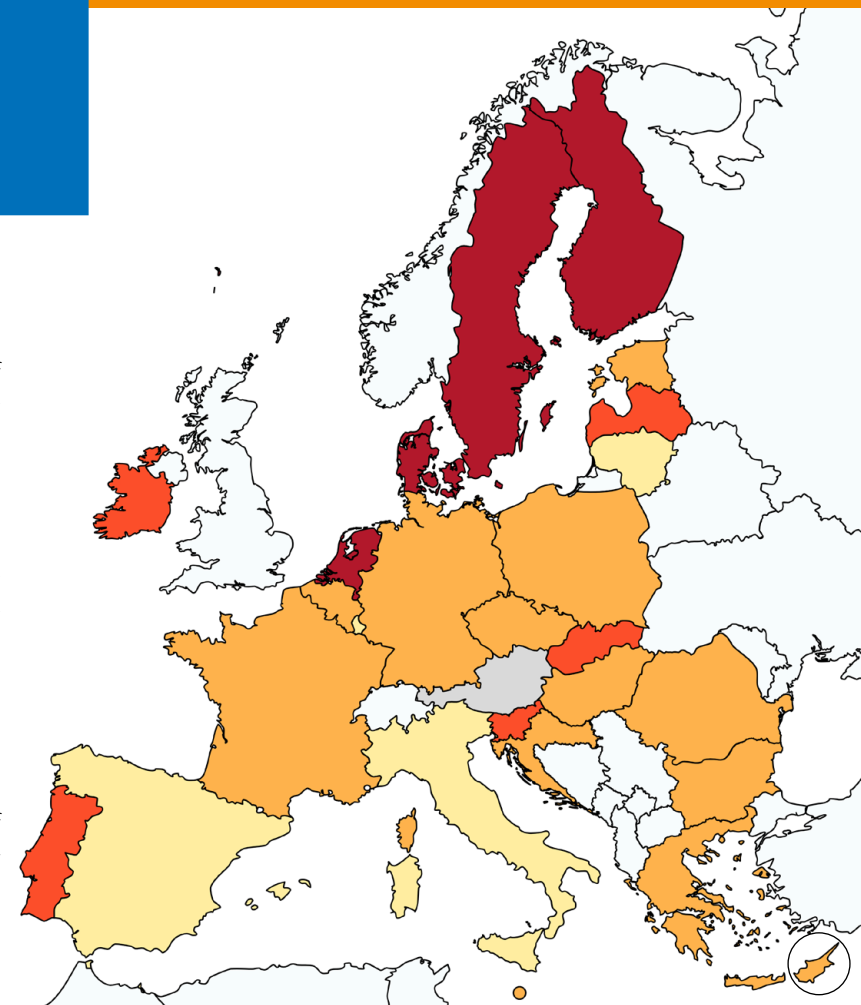


Figure 2: Overall compliance of draft NECP updates with the 2023 EED.

- Not updated (0 point)
- Partially updated (1-9 points)
- Updated but insufficient (10-16 points)
- Almost compliant (17-29 points)
- Compliant (30-32 points)
- Not submitted

The extension of our analysis to eleven additional draft NECP updates does not change the key findings of our first assessment. The new requirements of the revised 2023 EED on the EU energy efficiency target (Article 4) and the Energy savings obligation (Article 8, 9 and 10) are those that are better integrated in the draft NECP updates. On the contrary, Member States generally fail to include and correctly quantify the new public sector objective (Article 5), only pay lip service to the energy efficiency first (EE1st) principle (Article 3) and are very timid when it comes to expanding the scope of the public buildings' renovation provision (Article 6).

Methodology for scoring and checking compliance of draft NECP updates

This report uses the same methodology to check compliance and give scoring as the previous report, published in October 2023. Every draft NECP update is checked for compliance against the requirements of the 2023 EED and the Governance regulation. For every provision in the scope of our analysis, the report assesses whether each draft NECP update can be considered as “not updated”, “insufficient” or “compliant” and assigns a score of 0, 1 or 2 points respectively. All requirements are equally weighted with the exception of the setting of national energy efficiency contributions and of the annual end-use energy savings objective under the energy savings obligations. As these provisions are the cornerstone of the EED and are crucial for the ambition of the energy efficiency framework as a whole, they have been weighted more (by a factor 3 and factor 2 respectively).

By aggregating the article-by-article evaluation and the associated scoring, the report provides a picture of overall compliance of each plan with the new EED requirements. The draft NECP updates can therefore be categorized as follow:

Not updated (score 0):

The draft update of the NECP does not integrate the new 2023 EED requirements and/or still refers to the objectives and measures described in the 2019 NECP.

Partially updated (score ranging from 1-9):

The draft update of the NECP does not integrate all the new 2023 EED obligations, and when it does, the ambition of the new provisions is lower than required.

Updated but insufficient (score ranging from 10-16):

The new 2023 EED is mostly taken into consideration in the draft updated plan, but there are key elements missing, or the objectives and measures indicated are still insufficient to meet the new requirements.

Almost compliant (score ranging from 17-29):

The requirements of the new 2023 EED are considered in the draft update of the NECP, but there are still a few gaps or missing elements for certain provisions.

Compliant (score ranging from 30-32):

The draft update of the NECP is compliant with and correctly reflects the requirements of the new 2023 EED.

3

Detailed assessment of the 2023 EED requirements in draft NECP updates

This chapter provides a detailed analysis of how the new EED provisions have been integrated in the 26 available draft NECP updates published on the Commission's website by the 31 March 2023.

The analysis covers EED Articles 3, 4, 5, 6 and 8 (and the associated planning requirements included in the Governance Regulation). For a reminder of the key elements that Member States must include in their draft NECP updates, see our previous report² and our EED implementation guide.³

The maps are based on the scoring described in page 6 and the detailed country assessment of the requirements can be found in a dedicated Annex available [here](#).

3.1 Article 3: The energy efficiency first principle

The 2023 EED introduces a new Article 3 that, for the first time, establishes a clear legal basis for the EE1st principle and new obligations to promote its application. However, EU countries seem to experience clear difficulties, and possibly have some reluctance, with using and correctly integrating the principle when drafting their plans:

- Only Cyprus provides an explanation of how the EE1st principle was considered across the dimensions of the plan. **The dominating trend is rather that the draft NECP updates only mention the EE1st principle very briefly** or claim that the principle was used to draft the plan, without offering specific details on how demand-side resources are put on an equal footing with supply-side ones when planning policies and measures.
- Only Lithuania explains how it intends to use the EE1st principle to guide the development of its energy system, including of its future gas infrastructure. A few Member States, including France and Germany, recognize the new rules to apply the EE1st principle, but declare that they are still developing plans and policies to implement them at the national level, which is clearly not enough.

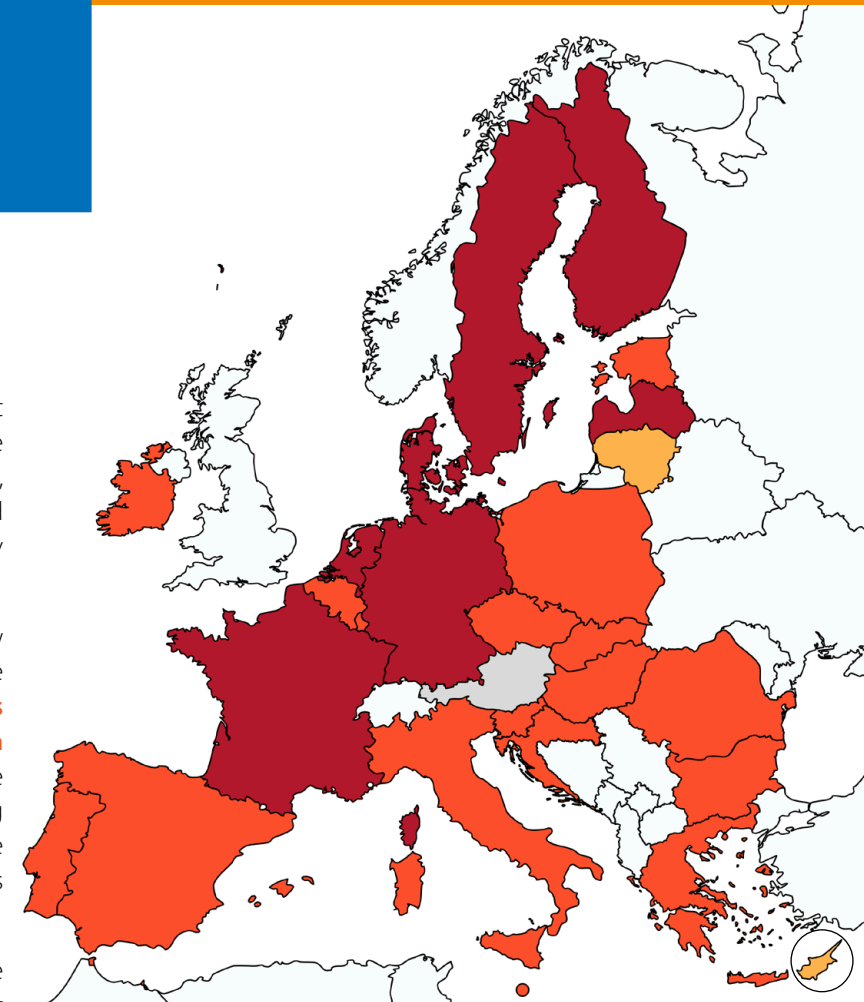


Figure 3: Assessment of compliance of draft NECP updates with the energy efficiency first principle.

- Not updated (0 point)
- Partially updated (1 points)
- Updated but insufficient (2 points)
- Almost compliant (3 points)
- Compliant (4 points)
- Not submitted

² Coalition for Energy Savings, [Planning for the 2023 EED: Are EU countries up to the task?](#), October 2023.

³ Coalition for Energy Savings, [The new 2023 EED: Guidance for national planning and implementation, updated version.pdf](#), June 2023.

3.2 Article 4: Energy efficiency targets

With an increase of the EU 2030 energy efficiency target to 11.7% in the new EED, Member States must revise upwards their national energy efficiency contributions (for final and primary energy) in their updated plans. They must also set a trajectory and plan new policies and measures to achieve their national contributions (and indicate the planned share of energy consumption in each sector).

- **Only Bulgaria, Czechia, Estonia, France, Italy, Lithuania, Malta and Poland have declared both a final⁴ and primary energy efficiency contribution which are in line with the EED requirements.⁵** Romania declares a contribution in line with EED rules only for final energy, while Germany only for primary energy.
- Belgium, Croatia, Cyprus, Germany, Greece, Hungary, Ireland, Latvia, Luxembourg, Slovenia and Spain set contributions for final energy that are not in line with EED rules, while Denmark, Finland, the Netherlands, Sweden and Portugal do not provide a contribution for final energy consumption, or do not revise it compared to their 2019 NECP. Slovakia declares a range of contributions in line with the 2023 EED, but without truly committing to one.
- Eight Member States do not pledge a contribution for primary energy consumption or do not revise it compared to their 2019 NECP (Denmark, Finland, Hungary, Luxembourg, the Netherlands, Portugal, Slovakia and Sweden). Nine Member States (Belgium, Croatia, Cyprus, Greece, Ireland, Latvia, Romania, Slovenia and Spain) do indicate a primary energy contribution, but not compliant with the EED (higher in Mtoe than the EED formula's result).

- Regarding the trajectory to achieve these contributions, ten Member States provide a trajectory to reach their primary and final energy objectives (Belgium, Croatia, Cyprus, Greece, Italy, Ireland, Poland, Romania, Slovenia and Spain). Luxembourg provides a trajectory, but only for final energy. Among those, only Croatia and Luxembourg set a trajectory that appears to show a linear decrease of energy consumption; Belgium and Slovenia follow a decreasing trend that is accelerating towards the end of the period. Greece, Ireland and Romania provide a trajectory, but this forecasts an increase or a stabilization of energy consumption by 2030, rather than a decrease.
- Only Italy reports the end-use consumption for 2030 of its sectors both in primary energy and final energy consumption. 13 Member States provide this share, but only in final energy (Belgium, Bulgaria, Cyprus, Germany, Greece, Hungary, Ireland, Lithuania, Luxembourg, Romania, Slovakia, Slovenia, Spain). Portugal provides these shares in primary energy, but not final energy.

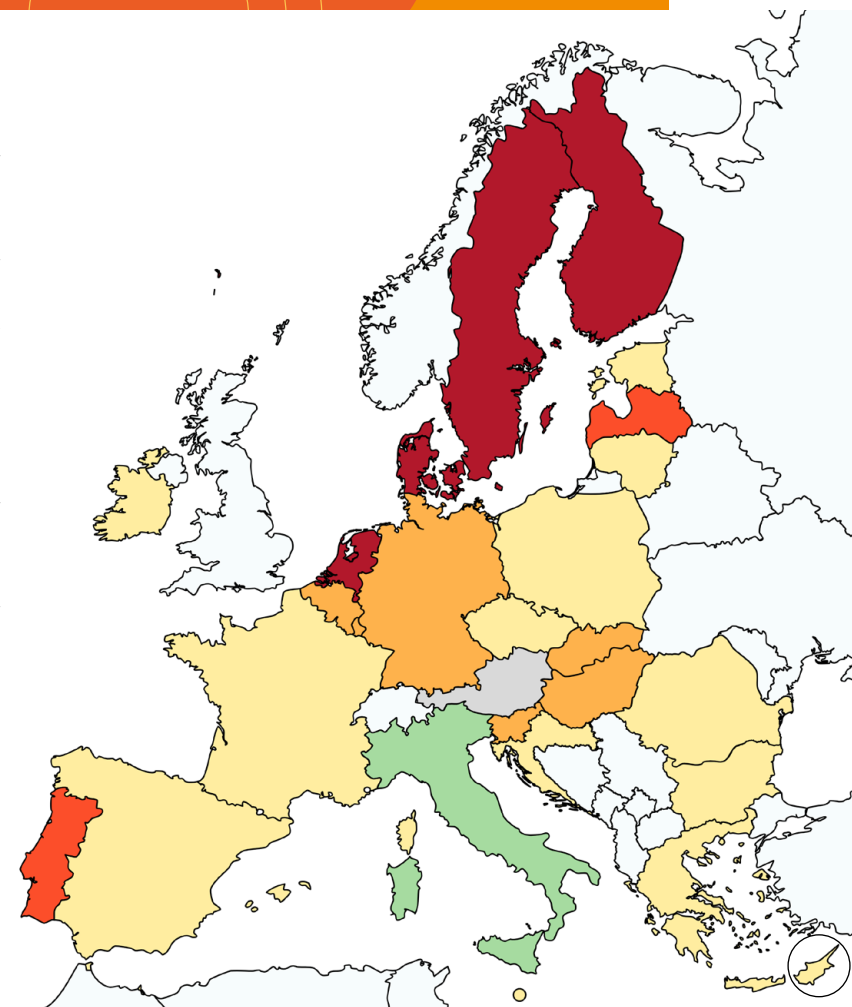


Figure 4: Assessment of compliance of draft NECP updates with the EU 2030 energy efficiency target.

- Not updated (0 point)
- Partially updated (1-3 points)
- Updated but insufficient (4-6 points)
- Almost compliant (7-11 points)
- Compliant (12 points)
- Not submitted

⁴ Our analysis assumes that Member States' contributions in final energy are based on the updated definition of final energy of Article 2.6 of the 2023 EED.
⁵ The EED allows the flexibility for Member States to deviate by 2.5% from the results of the Annex I formula to set their primary and final energy efficiency contribution.

National energy efficiency contributions, revised contributions and the Ambition Gap Mechanism

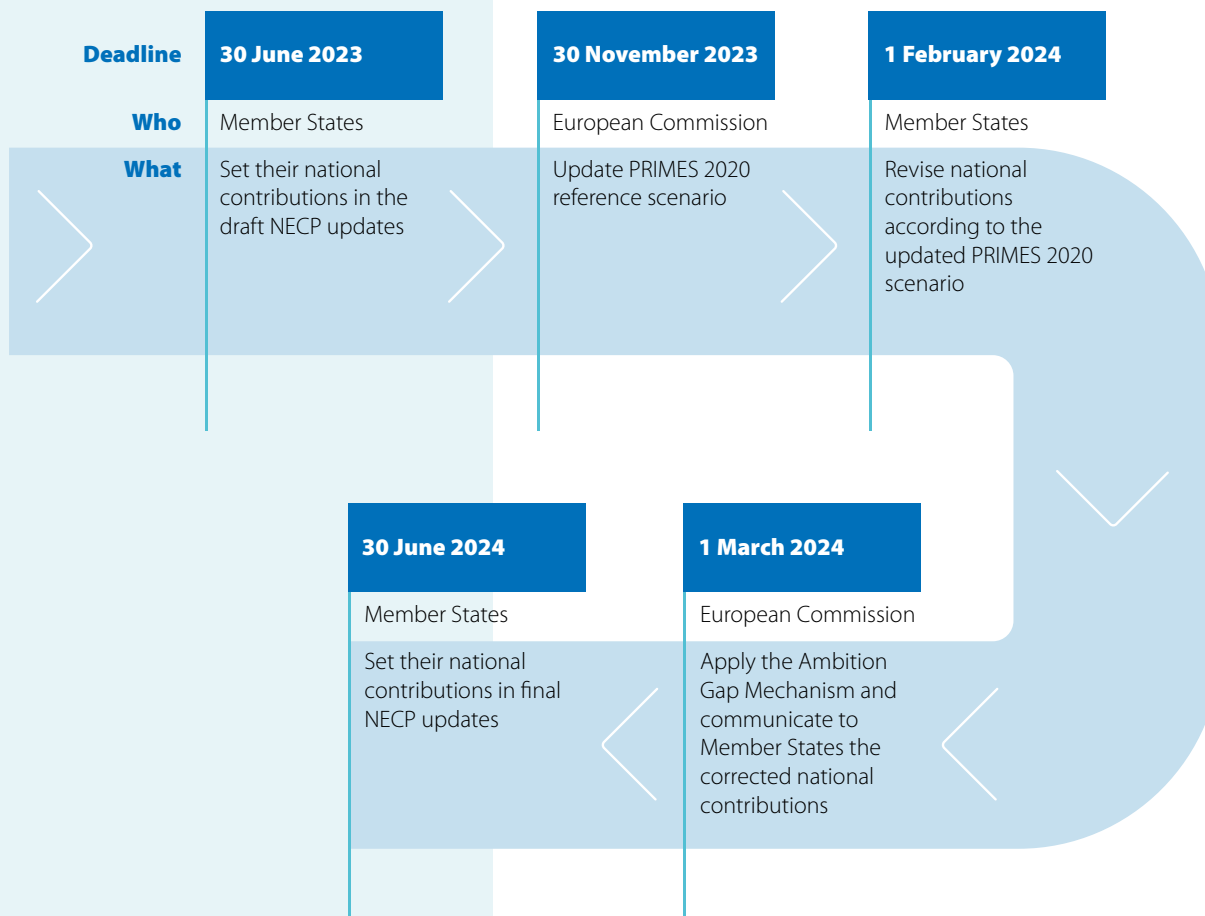
The EED requires Member States to set and notify to the Commission national energy efficiency contributions as part of their draft NECP updates. However, because of a partial update of the PRIMES 2020 scenario to consider the latest energy trends, Member States could submit, by 1 February 2024, revised national energy efficiency contributions compared to those they had notified in their draft NECPs.

The contributions (whether revised or not) were the basis **for the Commission to trigger the Ambition Gap Mechanism (AGM)**, which empowers the Commission to communicate **corrected energy efficiency contributions** to EU countries that pledged national objectives less ambitious than the EED requirements.⁶

The corrected contributions must now be included by Member States in the final NECP updates due by 30 June 2024. The AGM is a key novelty of the 2023 EED, as it allows to close a gap to the 2030 EU energy efficiency target that may already emerge during the planning phase.

Our briefing only covers the national energy efficiency contributions that were part of the draft NECP updates, not the revised contributions that Member States notified to the Commission by 1 February 2024 and that were made available on the EU website on 21 March 2024.

Figure 5: Timeline for the application of the Ambition Gap Mechanism



⁶ European Commission: [Detailed Calculation for the Member States' indicative national contributions to the Union's energy efficiency targets](#).

3.3 Article 5: Public sector leading on energy efficiency

The 2023 EED introduces a target for Member States to reduce the energy consumption of all public bodies combined by 1.9% each year by taking actions across sectors, including, for example, healthcare, water management and wastewater treatment, public lighting, public buildings, education and social services. According to our analysis:

- **The public sector obligation is the requirement of the 2023 EED that has been the least integrated in the draft NECP updates.** This is most likely because it is a new obligation and Member States had limited time to collect the data of their public sector's energy consumption and to devise an appropriate strategy to reduce it.
- Only nine Member States acknowledge the new public sector obligation (Cyprus, France, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg and Spain) but, out of those, only the Italian draft NECP update sets its public sector objective correctly. Luxembourg identifies an energy consumption objective, but this appears to cover only a fraction of the public sector obligation (public buildings only).

- Only Luxembourg and Spain plan a new measure specifically designed to fulfil the public sector obligation. Several Member States (Belgium, Bulgaria, Croatia, Cyprus, Estonia, Greece, Hungary, Malta, Portugal, Slovakia, Romania) mention measures that could have a positive impact on the public sector energy consumption, but without linking them to the new public sector objective.

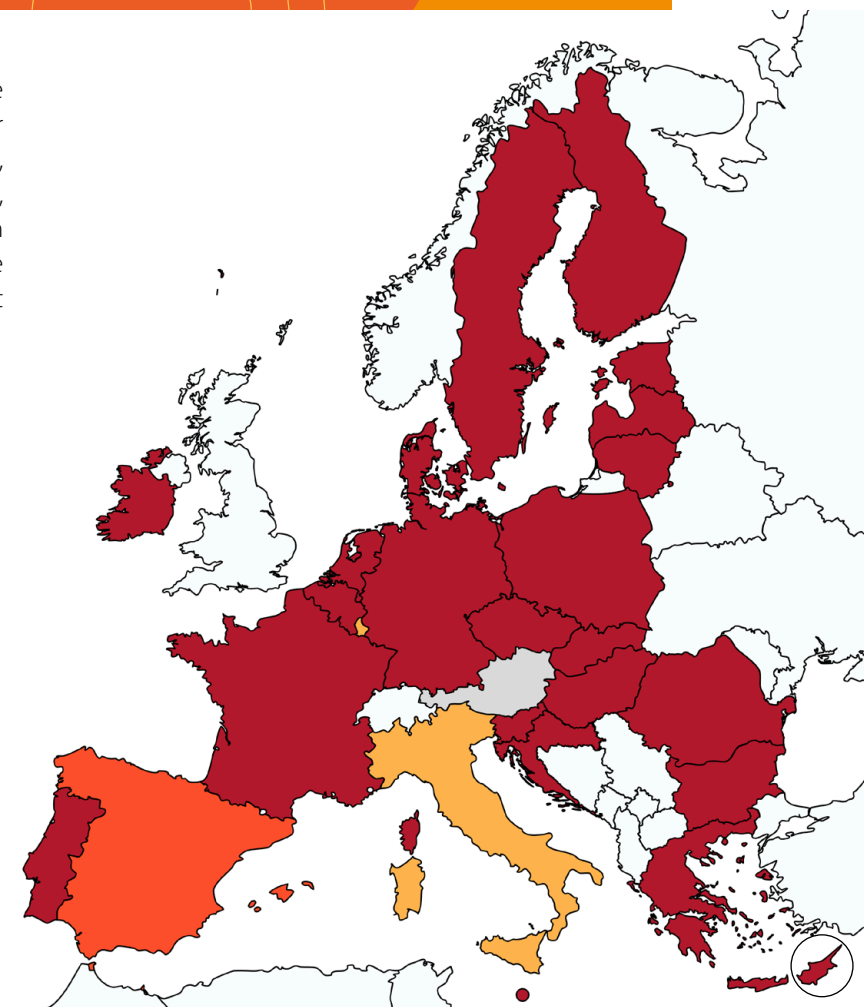


Figure 6: Assessment of compliance of draft NECP updates with the public sector obligation.

- Not updated (0 point)
- Partially updated (1 points)
- Updated but insufficient (2 points)
- Almost compliant (3 points)
- Compliant (4 points)
- Not submitted

3.4 Article 6: The exemplary role of public buildings

The 2023 EED requires that 3% of the total floor area of heated and/or cooled buildings owned by public bodies is renovated every year either to nearly zero-energy building standards or to zero-emission building standard (or to use an alternative approach that delivers the same amount of savings). Member States must update their 2019 NECP to include this new requirement, which is stronger and broader compared to previous rules.

- **Only twelve Member States acknowledge the new broader renovation obligation for all buildings owned by public bodies** (Cyprus, Czechia, France, Germany, Greece, Hungary, Ireland, Italy, Lithuania, Luxembourg, Portugal and Spain). However, only Italy and Lithuania commit to the new renovation obligation by providing a detailed quantification of the floor area to be renovated.
- Bulgaria, Croatia, Cyprus, Czechia, Estonia, Luxembourg, Slovakia and Spain only commit to the old 2012 EED public building obligation (renovation of central government buildings). These Member States provide floor area in square meters to be renovated or equivalent energy savings, except for Bulgaria, Czechia and Luxembourg. Ireland and Latvia indicate objectives for the renovation of public buildings that are unchanged compared to their 2019 NECP, but do not explicitly refer to the old obligation.

- Several Member States (Italy, Lithuania, Luxembourg and Spain) indicate one or several measures specifically to fulfil the new renovation requirement for public buildings. However, the measures are often not precisely quantified in terms of the floor area to be renovated per year, equivalent energy savings expected or the level of energy performance to be achieved following the renovations.

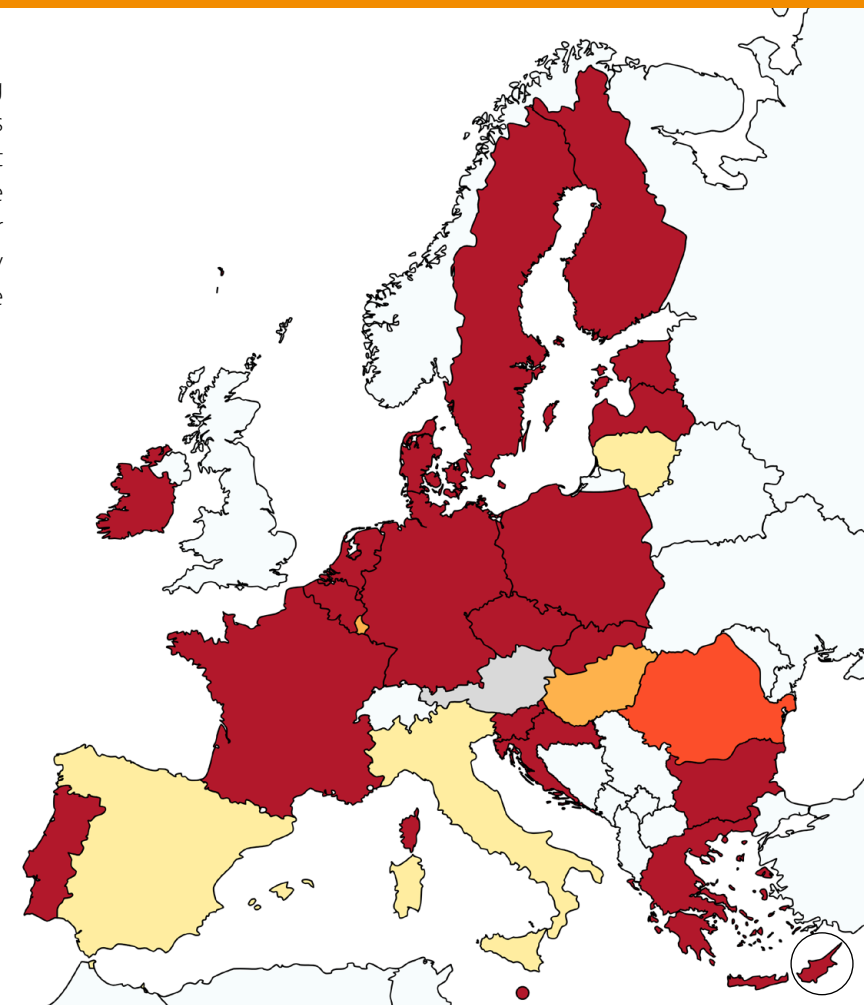


Figure 7: Assessment of compliance of draft NECP updates with the renovation requirement for public buildings.

- Not updated (0 point)
- Partially updated (1 points)
- Updated but insufficient (2 points)
- Almost compliant (3 points)
- Compliant (4 points)
- Not submitted

3.5 Article 8: Energy savings obligation

The update of the NECPs must align with the new and stronger Article 8 of the 2023 EED, notably the gradual increase of the annual energy savings rate and the new sub-target to deliver a share of the end-use energy savings among people affected by energy poverty and vulnerable customers. Moreover, for the first time, Member States must consider and promote the role of energy communities in order to achieve these energy savings.

- 14 Member States (Belgium, Bulgaria, Croatia, Cyprus, Czechia, Estonia, Germany, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland and Spain) notify a cumulative energy saving objective that is in line with the new 2023 EED. Slovakia provides two numbers in the range of the cumulative objective required by the 2023 EED, without truly committing to one.
- Out of the countries above, only five provide a list of measures quantified in terms of energy savings, which aggregated would reach (Croatia, Czechia) or even likely overachieve (Italy, Lithuania, Luxembourg and Spain) their cumulative objective.
- Many Member States report measures to fulfil their ESO objective, but only a few Member States provide a detailed list of measures (Bulgaria, Croatia, Czechia, France, Lithuania, Italy and Spain). Belgium, Cyprus, Germany, Greece, Hungary, Ireland, Luxembourg, Malta, Poland, Portugal, Romania and Slovakia include a high-level explanation of the newly planned measures, with few practical details on the implementation steps or the expected savings.

- **Only Cyprus and Poland provide a precise quantification of the energy savings to be achieved among vulnerable customers and people affected by energy poverty.** These two draft plans refer to the methodology provided in the 2023 EED to define this sub-target. However, both Cyprus and Poland do not lay out the measures specifically to achieve this objective. Most of the Member States do not acknowledge the new sub-target, with the exception of Bulgaria, Czechia, Germany, Greece, Italy and Malta, which however they do not properly quantify.
- No draft NECP update includes specific policy measures in the framework of the ESO to promote citizens' energy communities, with the exception of Ireland that hints to the role of energy communities in the context of achieving the ESO objectives.

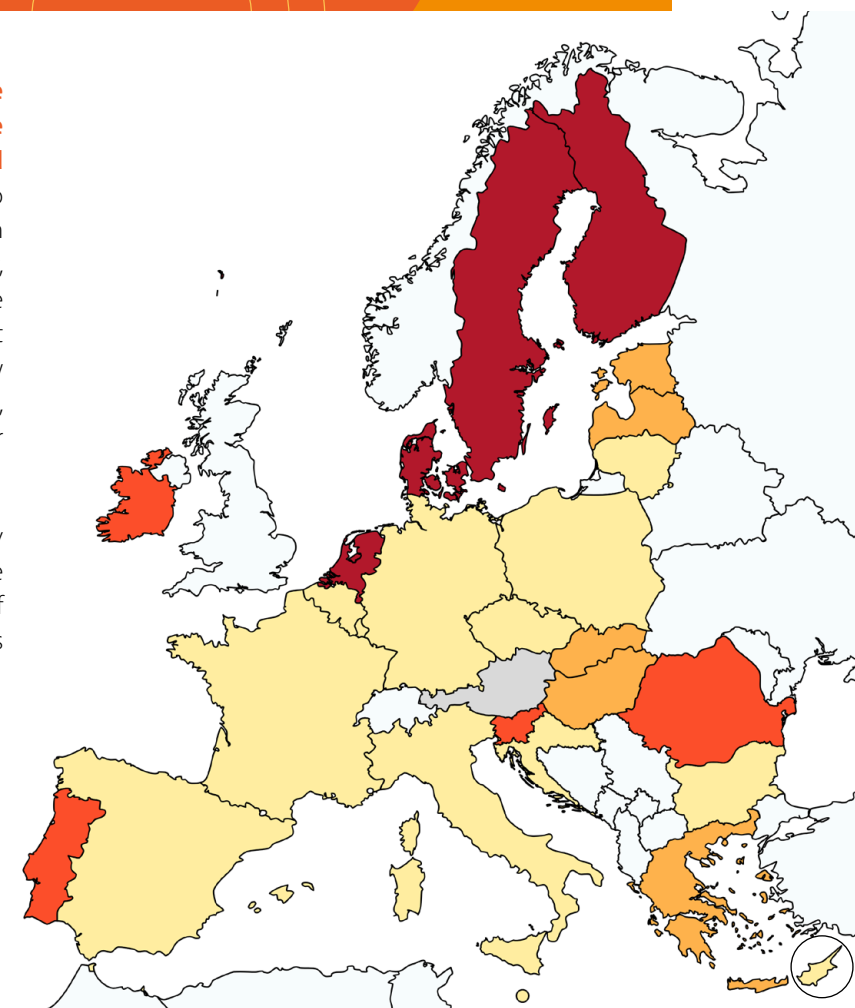


Figure 8: Assessment of compliance of draft NECP updates with the energy savings obligation.

- Not updated (0 point)
- Partially updated (1-2 points)
- Updated but insufficient (3-4 points)
- Almost compliant (5-7 points)
- Compliant (8 points)
- Not submitted

4

Conclusions

Meeting the objectives of the 2023 EED is paramount to reaching the EU's climate and energy goals for 2030 and beyond, while making sure that the transition is fair and affordable for people and businesses. Despite the urgency of planning and implementing policies and measures to deliver energy savings, **our extended analysis reconfirms the conclusions of our first assessment: none of the draft NECP updates are fully compliant with the requirements of the new EED.**

Even more concerning, the 11 plans that were submitted with several months of delay are on average weaker, both in ambition and substance, compared to some of the draft NECP updates that were submitted close to the deadline of the 30 June 2023.

Based on the assessment of the 26 draft NECPs updates, the key points that Member States must improve in the final plans are:⁷

- **Set adequate national objectives:** national energy efficiency contributions must be sufficient and accurately reflect each country's share of the EU 2030 energy efficiency target. The Commission communicated⁸ to Member States corrected contributions and recommended that Member States increase their ambition where necessary. Those contributions must now be included in the final NECP updates.

- **Streamline the EE1st principle:** The EE1st principle must serve as an organizing principle of the entire NECP, rather than only being reflected in the energy efficiency dimension of the plan. The positive benefits of energy savings across sectors must be properly valued and fully captured.
- **Prioritise alleviating energy poverty:** Despite the recent increase in energy poverty, most draft NECP updates miss the opportunity to plan measures to make the energy transition more inclusive for all. In particular, the energy poverty sub-target and specific actions to save energy among energy-poor households under the energy savings obligations are too frequently missing.
- **Accelerate action in the public sector:** reducing consumption of the public sector, including through renovations of public bodies' buildings, is crucial to showcase the benefits of efficiency and drive market transformation. The lack of focus on EED Articles 5 and 6 must be rectified and Member States must define adequate objectives and measures to reduce the public sector's energy consumption.
- **Describe in detail the measures envisaged:** The national policies and measures to achieve the EED objectives must be well described, with clarity on their timeline and allocated resources, and their impacts in terms of energy savings accurately quantified. If not, the objective will not be credible, and therefore probably difficult to achieve.

Final NECP updates must become useful planning tools to drive a timely and successful implementation of the 2023 EED at the national level. However, the draft plans show a lack of commitment to the new obligations and a delay in adequately planning the necessary course of action; with only six years left to achieve the 2030 EU energy efficiency target, there is a clear urgency to reverse these trends and accelerate the transformation towards a more energy efficient EU, starting with solid and fully EED compliant final NECP updates.

⁷See also assessments from CAN Europe ([here](#)) and EFIEES ([here](#)).

⁸See footnote number 6



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