

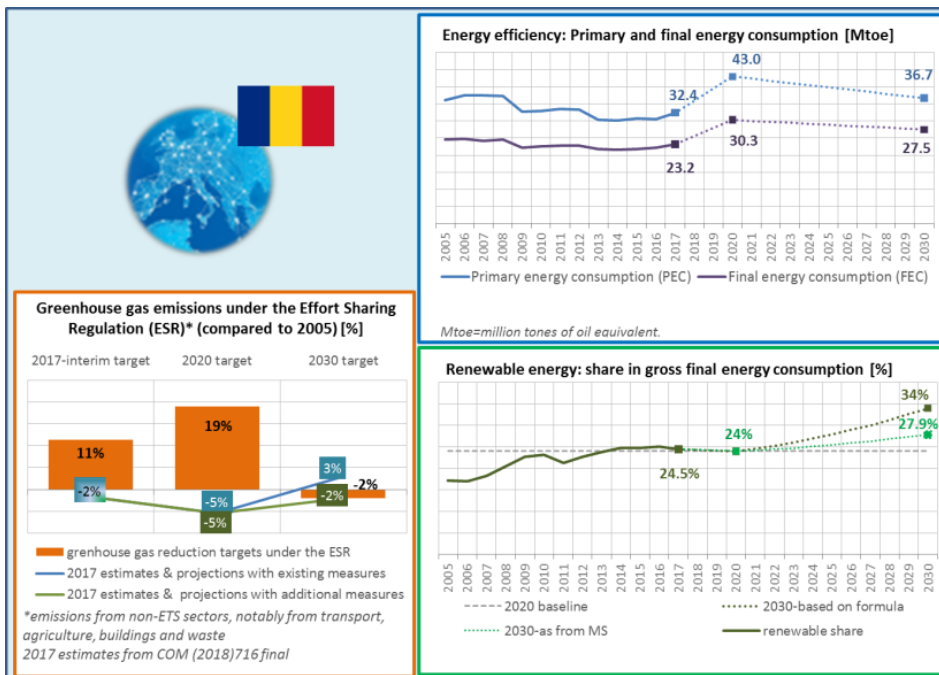


ROMANIA

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 Romania is outlined below. The final NECPs for the period 2021-2030 are due to be submitted by Member States by the end of 2019.

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



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

- The **Romanian draft integrated National Energy and Climate Plan (NECP)** is structured along the Energy Union dimensions and aims at a holistic approach thus providing a good basis for the development of a complete and coherent final plan. There are several references to the Energy Strategy 2019-2030 with a view to 2050 and the National strategy on climate changes and economic growth based on low-carbon emissions for the period 2016-2030, therefore the link of the NECP with these strategies and related policies and measures could be better clarified in the final plan.
- Romania could meet its **greenhouse gas emission** target in 2030 of -2% compared to 2005 for sectors not covered by the EU Emissions Trading System (non-ETS), as set out in the Effort Sharing Regulation (ESR)¹ if it implements policies and measures in line with the projections provided, notably in the transport and agriculture sectors. The final plan could benefit from considering if domestic overachievement of the ESR target e.g. through more measures in the building sector could be cost efficient in view of a use for transfers to other Member States and to contribute to jobs and growth.
- The draft plan does not describe yet how Romania intends to comply with the **Land Use, Land Use Change and Forestry (LULUCF)** no-debit commitment² (i.e. emissions do not exceed removals) as corollary to achieve its 2030 non-ETS target.
- The overall **renewable energy contribution** is significantly below the renewable share of at least 34% in 2030 that results from the formula in Annex II of the Governance Regulation, a situation which would also require an indicative trajectory in the final plan³ that reaches all reference points⁴ in accordance with the national contribution. 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.
- Considering Romania's potential stated in the draft plan of becoming an important player in achieving the EU 2030 **energy efficiency** targets, the ambition level of the foreseen contributions in the draft plan also appears very low.
- The right to establish its own energy mix and the objective of maintaining its current diversity and balance based on internal energy sources appear to be overarching elements defining the approach to the draft NECP, and notably the **security of supply dimension**. Priority projects included in the Energy Strategy with a 2030 horizon that aim at addressing security of supply need to be comprised in the final plan. A good practice is the inclusion of adaptation policies and measures in the energy security dimension. The final plan would benefit from including measures envisaged in view of the foreseen role of nuclear generation capacity.

¹ 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.

² Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU.

³ Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action.

⁴ Pursuant to Article 4(a)(2) of Regulation 2018/1999.

- The **internal market dimension** recognises the importance of interconnections and of addressing energy poverty, the latter deserving further details and measures in the final plan. Measures for ensuring market functioning, network upgrade and development view to enhanced flexibility needs entailed by renewable energy development and the increase in installed capacity by 2030 would also benefit the final plan. Regulatory measures adopted in 2018 that are relevant for this dimension need to be part of the final plan. The draft plan provides some information regarding the number of households in energy poverty, and a national objective to reduce energy poverty and protect vulnerable customers. In addition, the final plan would benefit from listing more concrete measures and timeframes on this issue.
- While the current situation and existing programmes in the **research and innovation** dimension are described, the final plan will need to include specific 2030 objectives.
- Many **policies and measures** are listed across the draft plan, structured according to objectives and covering all dimensions of the Energy Union. Hereby they already integrate a comprehensive approach. Substantiating policies and measures with concrete information - such as prioritisation, timeframes, expected impacts and investment needs - to underpin their consistency with the stated objectives and targets would benefit the quality of the final plan. Similarly, possible policy interactions need to be adequately reflected in the final plan.
- The draft plan contains a partial assessment of the **investment needs**, expenditures and funding sources, and thus 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. Investment needs to achieve the objectives of the Romanian Energy Strategy are estimated as EUR 127 billion overall from 2021 to 2030 (annually around 6% of current GDP), mostly in energy demand sectors. The use of Union level funding sources such as cohesion policy or the Modernisation Fund is not yet specified.
- Most of the required elements of the **analytical basis** are present. The final plan would benefit from more information on methods and assumptions at the level of specific policies and measures.
- **Regional cooperation** focuses in particular on the energy security and internal market dimensions, and there is significant potential for further cooperation in these dimensions. Given the upcoming common challenges (along with neighbouring countries) for the future development of the energy sector, regional cooperation represents an opportunity for also addressing the other dimensions of the NECP.
- The final plan would benefit from an analysis of the interactions with **air quality** and air emissions and presenting the impacts of policies and measures on air quality. The projected increase in bioenergy would make air impacts especially important to consider.
- The draft plan does provide some elements on a **socially just energy transition**, which could however be better integrated throughout by considering social and employment impacts, e.g. shifts in sectors/industries and skills impacts, distributional effects and revenue recycling. The final plan could discuss the needs and measures addressing the structural changes entailed by the clean energy transition for mono-industrial regions such as those depending on the coal industry. Education, information and awareness among citizens are embedded throughout the document.
- A list of all **energy subsidies** and actions undertaken and planned to phase them out, in particular for fossil fuels, need to be included in the final plan.

- A potential **good practice** is that Romania considers setting-up an energy efficiency investment fund (FIEE) financed by private, public and EU funds, and the intention to use ETS auction revenues and new EU ETS support mechanisms to co-finance decarbonisation technologies and processes as well as renewable energy and energy efficiency projects. Depending on its implementation, such a fund could efficiently pool resources to trigger needed investments in those sectors.

Related links:

- [National Energy & Climate Plans](#) – for links to the Commission recommendations and Staff Working Document for Romania 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](#)