

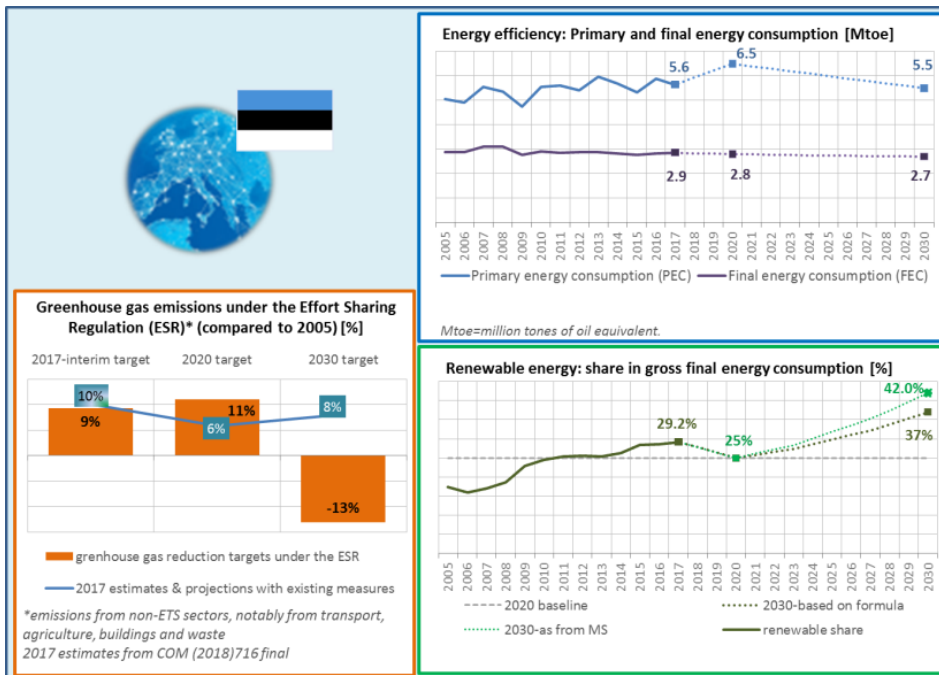


# ESTONIA

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

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



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

- Estonia's draft National Energy and Climate Plan (NECP) builds on the existing energy and climate (including adaptation) policy framework. The key objectives relate to the decarbonisation and energy efficiency dimensions. Significant work is ongoing on completing elements of the analytical basis for the final plan, including the impact assessment.
- Estonia's 2030 target for **greenhouse gas emissions** in sectors not covered by the EU Emissions Trading System (non-ETS) is -13% compared to 2005 as set in the Effort Sharing Regulation (ESR)<sup>1</sup>. The European Commission estimates that with existing measures Estonia may miss this target by 21 percentage points, but the draft NECP seems to indicate that planned additional measures may close this gap. More detail is needed on policies in the building sector and on the expected impact of planned policies, in particular on the combined impact of different transport policies. The final plan would also benefit from information on whether any use of flexibilities between the effort sharing and land use sectors is planned.
- Estonia mentions that it intends to comply with the **Land Use, Land Use Change and Forestry (LULUCF)**<sup>2</sup> no-debit commitment (i.e. emissions do not exceed removals). However, the draft plan provides no information as to how accounted greenhouse gas emissions or removals in the sectors will evolve.
- Estonia estimates a share of 42% of **energy from renewable sources** in gross final consumption of energy for 2030. This level of ambition, not clearly set out as a contribution to the EU renewable energy target for 2030, is significantly above the share of 37% in 2030 that results from the formula in Annex II of the Governance Regulation<sup>3</sup>. The lack of scenarios with existing or additional measures and limited information on policies and measures makes it difficult to assess whether or not this share will be reached. In the transport sector, there is limited progress towards the 2020 target, and concrete measures to meet the 14% target for 2030 have not yet been provided. The final plan would thus benefit from elaborating further on the policies and measures allowing the achievement of the foreseen contributions and on other relevant sectorial measures.
- Estonia sets a contribution to the EU **energy efficiency** target in terms of primary energy consumption of maximum 5.49 Mtoe. An official corresponding figure for final energy consumption is not yet provided. The draft contribution represents low ambition, and more details on policies and measures would be necessary to assess their sufficiency. Opportunities for growth and job creation are not yet fully exploited.

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<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.

<sup>2</sup> 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.

<sup>3</sup> Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council

- The draft NECP mentions the Baltic synchronisation project and the Balticconnector pipeline as key **energy security** measures. The final plan would benefit from detailing Estonia's strategy for ensuring electricity generation adequacy and gas supply diversification and decreasing gas import dependency, as well as addressing the remaining challenges related to the completion of the Baltic synchronisation project.
- Estonia already has an electricity interconnectivity level of 63%, and the draft NECP does not specify the **interconnection level** aimed for in 2030. The quantitative **internal energy market** indicators included represent a good start, which the final plan could build on by providing additional core parameters on market functioning, corresponding future objectives and quantifiable supporting policies and measures. While the draft plan sets out detailed specific policies and measures to define and address **energy poverty**, there would be benefit in further assessing and highlighting in the final plan objectives and policies for reducing energy poverty, as well as their intended impacts.
- The draft NECP identifies a number of research domains which will receive attention. However, identifying clear **research and innovation** objectives and funding targets, as well as corresponding policies and measures for 2030 would make the final NECP even more comprehensive.
- The draft plan includes references to financing sources for some policies and measures, notably EU funding programmes and the national budget. Information on **investment needs** needs to be included in the final NECP, thus fully taking 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 also benefit from an analysis of how the Modernisation Fund can be used to foster transformation of the economy.
- There is potential for intensifying already existing **regional cooperation** between Estonia and the other Baltic countries, extending them to new areas and broadening the geographic reach to include the Nordic countries.
- The draft NECP mentions the importance of the link with **air quality and air emissions policy** and states that these interactions will be quantitatively assessed in its final version.
- The issue of a **just transition** to a climate neutral economy could be better integrated throughout the plan, by considering social and employment impacts, for example shifts in sectors/industries, distributional effects and revenue recycling. The plan would benefit from providing more details on the question of skills and training.
- A list of actions undertaken and planned to phase-out **energy subsidies**, in particular for fossil fuels, needs to be included in the final plan.
- An element of **good practice** is the translation of the objective of uninterrupted supply in the energy security dimension into a series of detailed indicators and sub-targets.

#### Related links:

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