CZECHIA

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

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

The draft integrated National Energy and Climate Plan (NECP) of Czechia reflects all dimensions of the Energy Union in a balanced way, and is based on the existing energy and climate policy framework for the period 2021–2030 with a view to 2050.

Czechia’s 2030 target for greenhouse gas (GHG) emissions not covered by the EU Emissions Trading System (non-ETS), is -14% compared to 2005, as set in the Effort Sharing Regulation (ESR)\(^1\). Based on the data provided in the draft NECP Czechia nearly achieve this target with existing measures in transport, buildings and other sectors. The draft NECP does not yet contain additional policies and measures, nor considerations if an overachievement in view of a use for transfers to other Member States could be cost-efficient.

With respect to the contribution of the Land Use, Land Use Change and Forestry (LULUCF) sector, at Czechia is fully compliant with the accounting rules in the LULUCF Regulation\(^2\). The plan states that, based on the forest reference levels submitted in December 2018, Czechia is unlikely to obtain LULUCF accounted credits to be used for ESR compliance.

In terms of renewable energy, Czechia has set a 20.8% share of energy from renewable sources in gross final consumption of energy in 2030 as renewable energy contribution to the EU renewable energy target for 2030. This level of ambition is below the share of 23% in 2030 that results from the formula contained in Annex II of the Governance Regulation, a situation which would also require in the final plan an indicative trajectory that reaches all reference points\(^3\) in accordance with the national contribution set out in the final plan\(^4\). 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.

In the energy efficiency dimension, the contribution of Czechia for primary energy consumption represents a low level of ambition, while that for final energy consumption is modest. More details on policies and measures should be included in the final plan to enable opportunities for growth and job creation to be fully exploited.

As regards energy security, the objective is to limit import dependency below 65% by 2030 and 70% by 2040. There are diversification target corridors set up for individual fuels in the total primary energy resources and electricity generation which merit further elaboration in the final plan. The diversification of gas supply could be further discussed in the final plan as well as measures envisaged in view of the planned role of nuclear generation capacity.

In the internal market dimension, Czechia is currently well above the interconnectivity level of 15% so Czechia does not consider it necessary to introduce further specific policies in this area. No further measures or projections are provided for the electricity market. Renewable gases and technologies are superficially mentioned without objectives or targets for their future integration into the gas market. Aspects related to energy poverty should be addressed more comprehensively in the final plan.

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\(^3\) Pursuant to Article 4(a)(2) of Regulation 2018/1999.
Czechia’s national priorities for research, experimental development and innovation for 2030 contain several energy related objectives. The draft NECP does not have specific quantifiable targets for public research, innovation and competitiveness related to a specific dimension of the Energy Union.

Regarding investment needs, the draft plan includes some policy specific incremental investments e.g. for renewable energy, efficiency and research, and reflects national and EU funding sources such as Structural and Investment Funds and ETS related revenues. An overall assessment of investment needs to achieve the objectives of the NECP would allow fully taking advantage of the role NECPs can play in providing clarity to investors and attracting additional investments in the clean energy transition. The impact assessment of planned policies and measures is not covered yet and need to be included in the final plan.

Czechia plans to make use of already existing bilateral and multilateral platforms, such as the Visegrad Group, for regional cooperation before finalising the NECP. Given the upcoming common challenges (along with neighbouring countries) for the future development of the energy sector, there is significant potential for further regional cooperation in several Energy Union dimensions.

A list of all energy subsidies, including in particular for fossil fuels, and actions undertaken and planned to phase them out need to be included in the final plan.

The final plan would benefit from complementing the analysis of the interactions with air quality and air emissions policy, including through quantification of the impacts on air pollution.

The draft plan does not yet provide sufficient information on the applicability of the concept of just and fair transition, including in relation to coal and carbon-intensive regions in transition. This issue could be better integrated throughout the plan, by considering social and employment impacts, distributional effects and revenue recycling. Education, skills and training feature only very generally in the plan.

The setting up of a working group dedicated to energy poverty which aims to develop a methodology for identification of ‘vulnerable customers’ and households affected by energy poverty using variable factors and a cross-sector approach constitutes good practice.

Related links:
- National Energy & Climate Plans – for links to the Commission recommendations and Staff Working Document for Czechia 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