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on the draft updated integrated national energy and climate plan of Spain covering the period 2021-2030 and on the consistency of Spain's measures with the Union's climate-neutrality objective and with ensuring progress on adaptation

(Only the Spanish text is authentic)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 292 thereof,

Having regard to 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 ([1]), and in particular Article 9(2) and Article 14(6) thereof,

Having regard to Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ([2]), and in particular Article 7(2) thereof,

Whereas:

Recommendations on Spain's draft updated integrated National Energy and Climate Plan (NECP) covering the period 2021-2030

(1) Spain submitted its draft updated integrated national energy and climate plan on 28 June 2023.

(2) Article 3 and Annex I to Regulation (EU) 2018/1999 ('the Governance Regulation') lay down the elements that are to be included in the updated national energy and climate plans. In December 2022, the Commission adopted the Guidance to Member States on the process and scope of preparing the draft and final updated national energy and climate plans ([3]). The Guidance identified good practices and outlined the implications of recent policy, legal and geopolitical developments in energy and climate policies.

(3) In connection with REPowerEU plan ([4]), and as part of the 2022 and 2023 European Semester cycles, the Commission has put a strong focus on Member States' energy and climate related reforms and investment needs to strengthen energy security and affordability by accelerating the green and fair transition. This is reflected in the 2022 and 2023 Country Reports for Spain ([5]) and the Council Recommendations to Spain ([6]). Member States should take into account the latest country-specific recommendations in their final updated integrated national energy and climate plans.

([1]) OJ L 328, 21.12.2018, p. 1.
([2]) OJ L 243, 9.7.2021, p. 1.
([3]) Commission Notice on the Guidance to Member States for the update of the 2021-2030 national energy and climate plans (OJ C 495, 29.12.2022, p. 24).
([4]) COM(2022) 230 final.
([5]) SWD(2022) 610 final, SWD(2023) 609 final.
([6]) COM(2022) 610 Recommendation for a Council Recommendation; COM(2023) 609 final, Recommendation for a Council Recommendation.

(4) The Commission's recommendations with regard to the delivery of national targets under the Effort Sharing Regulation ([7]) (ESR) are based on the likelihood that the Member States will respect the 2030 targets, taking into account the rules for the use of flexibilities under the ESR.

(5) The Commission's recommendations regarding Carbon Capture, Utilisation and Storage (CCUS) aim at having an overview of the intended deployment of these technologies at national level, including information about annual volumes of CO_2 planned to be captured by 2030, split by source of CO_2 captured coming from installations covered by Directive 2003/87/EC ([8]) or from other sources, such as biogenic sources or direct air capture; about planned CO_2 transport infrastructure; and about potential domestic CO_2 storage capacity and injection volumes of CO_2 planned to be available in 2030.

(6) The Commission's recommendations regarding the performance under Regulation (EU) 2018/841 of the European Parliament and of the Council ([9]) (Land Use, Land Use Change and Forestry Regulation – 'LULUCF Regulation') address the delivery by the Member State on the 'no debit' rule for the period 2021-2025 (Period 1) and its national target for the period 2026-2030 (Period 2), taking into account the rules governing the use of flexibilities as set out in that Regulation. The Commission's recommendations also take into account that in Period 1 any excess in emissions under the LULUCF Regulation will automatically be transferred to the ESR.

(7) Without specific adaptation policies and measures, planned and implemented, the achievement of objectives in Energy Union dimensions is at risk. Water management in changing climatic conditions requires particular attention due to risks of electricity disruption as floods, heat and drought impact the energy production.

(8) The Commission's recommendations regarding renewable energy ambition are based on the formula set out in Annex II to Regulation (EU) 2018/1999, which is based on objective criteria, and on the main policies and measures missing in Spain's NECP to enable a timely and cost-effective achievement of Spain's national contribution to the Union's binding renewable energy target of at least 42,5 % in 2030 with the collective endeavour to increase it to 45 % pursuant to Directive (EU) 2018/2001 of the European Parliament and of the Council ([10]) as regards the promotion of energy from renewable sources. The Commission's recommendations are also based on Spain's contribution to the specific targets of Articles 15a, 22a, 23, 24 and 25 of that Directive and the related policies and measures to rapidly transpose it and implement it. The recommendations reflect the importance of developing comprehensive long-term planning for the deployment of renewable energy, and in particular wind, to increase visibility for the European manufacturing industry and grid operators in line with the European Wind Power Package ([11]).

([7]) 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 (OJ L 156, 19.6.2018, p. 26), as amended by Regulation (EU) 2023/857 of the European Parliament and of the Council of 19 April 2023 amending Regulation (EU) 2018/842 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 Regulation (EU) 2018/1999 (OJ L 111, 26.4.2023, p. 1).

([8]) Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

([9]) 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 (OJ L 156, 19.6.2018, p. 1), as amended by Regulation (EU) 2023/839 of the European Parliament and of the Council of 19 April 2023 amending Regulation (EU) 2018/841 as regards the scope, simplifying the reporting and compliance rules, and setting out the targets of the Member States for 2030, and Regulation (EU) 2018/1999 as regards improvement in monitoring, reporting, tracking of progress and review (OJ L 107, 21.4.2023, p. 1).

([10]) Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82); as amended by Directive (EU) 2023/2413 of the European Parliament and of the Council of 18 October 2023 amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652 (OJ L, 2023/2413, 31.10.2023, ELI: http://data.europa.eu/eli/dir/2023/2413/oj).

([11]) Communication on European Wind Power Action Plan COM(2023) 669 final, 24.10.2023 and Communication on delivering EU offshore renewable energy ambition, COM(2023) 668 final.

(9) The Commission's recommendations regarding the national contribution to energy efficiency are based on Article 4 of the Directive (EU) 2023/1791 of the European Parliament and of the Council ([12]) on energy efficiency; and the formula in Annex I to that Directive, and the related policies and measures to implement it.

(10) The Commission's recommendations pay particular attention to the targets, objectives and contributions and related policies and measures to deliver on the REPowerEU plan in order to rapidly phase out dependence from Russian fossil fuels. They take into account lessons learnt from the implementation of the Save gas for a Safe winter Package ([13]). The recommendations reflect the imperative to make the energy system more resilient in light of the obligations stemming from Regulation (EU) 2019/941 of the European Parliament and of the Council ([14]) on risk preparedness in the electricity sector and Regulation (EU) 2017/1938 of the European Parliament and of the Council ([15]) on the security of gas supply, and in line with the Commission Recommendation on energy storage ([16]).

(11) The Commission's recommendations take into account the need to accelerate the integration of the internal energy market to strengthen the role of flexibility and empower and protect consumers. The Commission's recommendations also consider the importance of assessing the number of households in energy poverty in line with the requirements of Article 3 of Regulation (EU) 2018/1999, and the Commission Recommendation (EU) 2023/2407 ([17]).

(12) The Commission's recommendations reflect the importance of ensuring sufficient investments in clean energy research and innovation to boost their development and manufacturing capacities, including appropriate policies and measures for energy intensive industries and other businesses; and the need to upskill workforce for a net-zero industry in order to consolidate a strong, competitive and clean economy within the Union.

(13) The Commission's recommendations build on the commitments taken under the Paris Agreement to phase down the use of fossil fuels as well as on the importance of phasing out fossil fuel subsidies.

(14) The Commission's recommendation on investment needs follows its assessment of whether the draft updated plan provides a general overview of investment needs to achieve the objectives, targets and contributions for all dimensions of the Energy Union; indicates the sources of financing, distinguishing private and public sources; outlines investments consistent with Spain's Recovery and Resilience Plan, Spain's Territorial Just Transition Plan and the 2022-2023 country-specific recommendations issued under the European Semester; and includes a robust macroeconomic assessment of planned policies and measures. The NECP should ensure the transparency and predictability of national policies and measures, to support investment certainty.

(15) The Commission's recommendations reflect the crucial importance of a wide regional consultation, and of ensuring early and inclusive consultation on the plan, including effective public participation with sufficient information and timeframe, in line with the Aarhus Convention ([18]).

(16) The Commission's recommendations on just transition reflect the assessment of whether Spain's plan identifies in sufficient depth the relevant social, employment and skills impacts of the climate and energy transition and outlines adequate accompanying policies and measures to promote a just transition, while contributing to the promotion of both human rights and gender equality.

([12]) Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (OJ L 231, 20.9.2023, p. 1).

([13]) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, 'Save gas for a safe winter', COM(2022) 360 final.

([14]) Regulation (EU) 2019/941 of the European Parliament and of the Council of 5 June 2019 on risk preparedness in the electricity sector and repealing Directive 2005/89/EC (OJ L 158, 14.6.2019, p. 1).

([15]) Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010 (OJ L 280, 28.10.2017, p. 1).

([16]) Commission Recommendation of 14 March 2023 on Energy Storage – Underpinning a decarbonised and secure EU Energy system (OJ C 103, 20.3.2023, p. 1).

([17]) Commission Recommendation (EU) 2023/2407 of 20 October 2023 on energy poverty, C:2023/4080 (OJ L, 2023/2407, 23.10.2023, ELI: http://data.europa.eu/eli/reco/2023/2407/oj).

([18]) Convention on access to information, Public Participation in Decision-making and Access to Justice in Environmental Matters of 25 June 1998 (the 'Aarhus convention').

(17) The Commission's recommendations to Spain are underpinned by the assessment of its draft updated NECP ([19]), which is published alongside this Recommendation.

(18) Spain should take due account of the present recommendations when developing its final updated integrated NECP to be submitted by 30 June 2024.

Recommendations on the consistency with the Union's climate-neutrality objective and with ensuring progress on adaptation

(19) Pursuant to Regulation (EU) 2021/1119 (the European Climate Law), the Commission is required to assess the consistency of national measures with the climate-neutrality objective and with ensuring progress on adaptation. The Commission assessed the consistency of Spain's measures with these objectives ([20]). The below recommendations are based on that assessment. Spain should take due account of the present recommendations and follow up on them in accordance with the European Climate Law.

(20) Strong adaptation strategies and plans are needed to ensure that societal, political and economic preparedness advances steadily in line with the European Climate Law and gets ahead of the climate related impacts. To assist Member States in updating and implementing comprehensive national adaptation strategies, plans and policies the Commission adopted a set of guidelines in July 2023 ([21]).

(21) The most vulnerable communities are those with elevated likelihood of being impacted by climate change. Unequal exposure and vulnerability to climate impacts of different regions and socioeconomic groups worsens pre-existing inequalities and vulnerabilities. Just resilience should reduce the unequal burden of climate risk and ensure equity in the distribution of the benefits of adaptation,

HEREBY RECOMMENDS THAT SPAIN TAKES ACTION TO:

CONCERNING THE DRAFT UPDATED NATIONAL ENERGY AND CLIMATE PLAN UNDER REGULATION (EU) 2018/1999

1. Complement the information on the existing and planned policies and measures, including in the agricultural sector, which are expected to contribute to meeting the national greenhouse gas target under the ESR. Clearly spell out their scope, timeline and, where possible, expected greenhouse gas reduction impact, including for measures in Union funding programmes, such as the common agricultural policy.

2. Identify the amount of CO_2 emissions that could be captured annually by 2030, including the source. Provide details on how the captured CO_2 will be transported. Identify the overall CO_2 storage capacity and injection volumes available by 2030.

3. Set out a concrete pathway towards reaching the national LULUCF target as defined in Regulation (EU) 2018/841. Include additional measures in the LULUCF sector, detailing their timing and scope, and quantifying their expected impacts to ensure that greenhouse gas removals are effectively aligned with the 2030 EU net removal target of – 310 $MtCO_2eq$ and with the country specific removal target of – 5 309 $ktCO_2eq$ as defined in Regulation (EU) 2018/841. Provide clear information on how public funds (both Union funds, including the funds for the common agricultural policy, and State aid) and private financing through carbon farming schemes are consistently and effectively used to achieve the net removal national target. Provide information on the status and progress to be made in ensuring enhancements to higher tier levels/geographically explicit datasets for monitoring, reporting and verification, in line with Part 3 of Annex V to Regulation (EU) 2018/1999.

([19]) SWD(2023) 913.

([20]) EU Climate Action Progress Report 2023, COM(2023) 653 final, and Commission Staff Working Document Assessment of progress on climate adaptation in the individual Member States according to the European Climate Law, SWD(2023) 932.

([21]) Commission Guidelines on Member States' adaptation strategies and plans 2023/C 264/01 (OJ C 264, 27.7.2023, p. 1).

4. Set out additional adaptation policies and measures in sufficient detail to support Spain's achievement of national objectives, targets and contributions under the Energy Union. Pay particular attention to water management in changing climatic conditions due to risks of electricity disruption as floods, heat and drought impact the energy production.

5. Provide estimated trajectories and a long-term plan for the deployment of renewable energy technologies over the next 10 years, with an outlook to 2040. Include an indicative target for innovative renewable energy technologies by 2030.

6. Further develop detailed and quantified policies and measures that are in line with Directive (EU) 2018/2001 as amended, in a way that enables a timely and cost-effective achievement of Spain's national contribution to the Union's binding renewable energy target of 42,5 % in 2030. In particular, detail the renewable energy technologies for which it plans to designate 'renewables acceleration areas' with faster and simpler procedures. Include a sub-target for advanced biofuels and renewable fuels of non-biological origins ('RFNBO') in the transport sector, and a minimum binding level for RFNBO in 2030.

7. Include information on the trajectories of bioenergy supply by feedstock and origin, on bioenergy demand and on sustainability. Include an assessment of the domestic supply of forest biomass for energy purposes in 2021-2030 in accordance with the strengthened sustainability criteria of Directive (EU) 2018/2001 as amended. Include an assessment of the compatibility of the projected use of forest biomass for energy production with Spain's obligations under Regulation (EU) 2018/841 as amended, particularly for 2026-2030, together with national measures and policies to ensure such compatibility. Include further measures to promote the sustainable production of biomethane, given Spain's sustainable biomethane potential, its profile of natural gas consumption and existing infrastructure, and digestate use and biogenic CO_2 applications. Elaborate in more detail how the existing biogas powered combined heat and power facilities are going to be included in the future decarbonisation plans.

8. Provide to the extent possible an expected timeline of the steps leading to the adoption of legislative and non-legislative policies and measures aimed at transposing and implementing the provisions of Directive (EU) 2018/2001 as amended, in particular for the measures mentioned in the previous points.

9. Include a national energy efficiency contribution on final energy consumption to the Union's binding final energy consumption target for 2030 in line with Article 4 and Annex I of Directive (EU) 2023/1791, or equal to the corrected indicative national contribution that the Commission will submit to each Member State by 1 March 2024 under Article 4(5) of that Directive. Include a national energy efficiency contribution in primary energy consumption to the Union's indicative primary energy consumption target in line with Article 4 and Annex I of Directive (EU) 2023/1791. Specify the amount of energy consumption reduction to be achieved by all public bodies disaggregated by sector and the total floor area of heated and/or cooled buildings owned by public bodies to be renovated yearly or corresponding yearly energy savings to be achieved.

10. Include an updated ambition level to ensure a highly energy efficient and decarbonised national building stock and to transform existing buildings into zero-emission buildings by 2050. Include intermediate milestones for 2030 and 2040, and a comparison of these milestones with the most recent long-term renovation strategy.

11. Further explain how Spain intends to encourage gas demand reduction, as well as develop detailed policies and measures to reach this objective towards 2030. Specify appropriate measures concerning the diversification and the long-term supply of the nuclear of nuclear materials fuel, spare parts, and services and the long-term management of nuclear waste. Assess the adequacy of the oil infrastructure (refinery, oil stocks) with the expected decline in oil demand and the move toward lower-carbon alternatives.

12. Provide further detailed objectives and targets, in particular for demand response to improve the flexibility of the energy system, in light of an assessment of the flexibility needs. Develop more competitive retail markets and increase the level of consumer empowerment in the retail market.

13. Provide additional detail on existing and potential measures to address energy poverty. Complete the approach to addressing energy poverty issues by including specific measurable targets and details of the financial resources for the implementation of the described policies as required by Regulation (EU) 2018/1999 from the perspective of both social policy (affordability) and structural energy measures, particularly as regards access to energy efficiency, building renovation and renewable energy and in view of the wide scope of the social tariff for vulnerable consumers. Explain how the use of energy efficiency measures under the Energy Efficiency Obligations Scheme to alleviate energy poverty is foreseen to be deployed.

14. Further clarify national objectives in research, innovation and competitiveness to deploy clean technologies, establishing a pathway for 2030 and 2050 with a view to support the decarbonisation of industry and the transition of businesses towards a net zero and circular economy. Put forward policies and measures to promote the development of net-zero projects including those relevant for the energy intensive industries. Describe a predictable and simplified regulatory framework for permitting procedures and how access to national funding will be simplified where needed. Provide detailed policies and measures for the digitalisation of the energy system, the development of clean energy-related skills, and to facilitate open trade for resilient and sustainable supply chains of key net-zero components and equipment.

15. Specify the reforms and measures to mobilise the private investments needed to achieve the energy and climate targets. Provide a comprehensive and consistent overview of private investment needs in aggregate and by sector, complementing a top-down economy-wide approach with a bottom-up project-specific assessment along the five Energy Union dimensions. Include a breakdown of total investment needs with additional information on the national, regional and Union funding sources, as well as private financial sources to be mobilised. Add a short description of the type of financial support scheme chosen to implement the policies and measures, which are financed through the public budget, and the use of blended financial instruments making use of grants, loans, technical assistance and public guarantees, including role of national promotional banks in the respective schemes. Consider the cost-effective generation of transfers to other Member States under the ESR as a funding source. Provide a robust assessment of the macroeconomic impact of the planned policies and measures.

16. Explain in more detail how and by when Spain intends to phase out fossil fuel subsidies.

17. Provide more detailed information on the social, employment and skills consequences, or any other distributional impacts, of the climate and energy transition, and on the planned objectives, policies and measures to support a just transition. Specify the form of support, the impact of the initiatives, the target groups and the resources dedicated, taking into account the Council Recommendation on ensuring a fair transition towards climate neutrality ([22]). Include, to the extent possible, more elements to provide an adequate analytical basis for the preparation of a future Social Climate Plan, in accordance with Regulation (EU) 2023/955 of the European Parliament and of the Council ([23]), including indications on how to assess the challenges and social impacts on the most vulnerable of the emissions trading system for fuel combustion in buildings, road transport and additional sectors, and to identify potential beneficiaries and a relevant policy framework. Explain how the policy framework identified in the NECP will contribute to the preparation of Spain's Social Climate Plan and how the consistency between the two plans will be ensured.

18. Provide a clear and more detailed overview on how the consultation process enabled participation from all relevant authorities, citizens and stakeholders, a including social partners, in the preparation of both the draft and the final updated plan, including information on the timing and duration of the different consultations. Provide a summary of the views expressed by different actors during the consultations and a summary of how they have been taken into account.

19. Ensure that the role of regional cooperation in the framework of the High-Level Group for Interconnection in South-West Europe is adequately reflected in the final updated NECP. Pursue efforts to sign bilateral solidarity arrangements for the security of gas supply with its neighbours (France and Portugal).

([22]) Council Recommendation of 16 June 2022 on ensuring a fair transition towards climate neutrality (OJ C 243, 27.6.2022, p. 35).
([23]) Regulation (EU) 2023/955 of the European Parliament and of the Council of 10 May 2023 establishing a Social Climate Fund and amending Regulation (EU) 2021/1060 (OJ L 130, 16.5.2023, p. 1).

CONCERNING THE CONSISTENCY OF NATIONAL MEASURES WITH THE CLIMATE-NEUTRALITY OBJECTIVE AND WITH ENSURING PROGRESS ON ADAPTATION UNDER REGULATION (EU) 2021/1119

1. Integrate climate adaptation considerations in key vulnerable sectors, and address gaps and barriers to adaptation.

2. Engage stakeholder groups that are particularly vulnerable to the impacts of climate change in Spain's adaptation policy design and implementation. Document the processes and outcomes of relevant consultations.

Done at Brussels, 18 December 2023.

For the Commission
Kadri SIMSON
Member of the Commission