

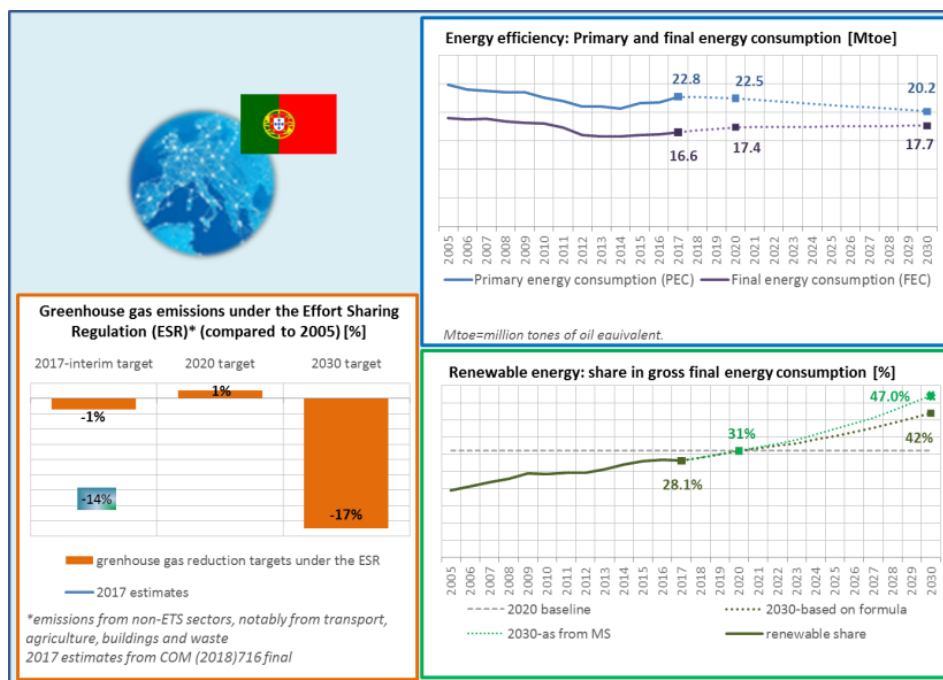


PORTUGAL

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

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



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

- The Portuguese draft integrated National Energy and Climate Plan (NECP) has been developed in coherence with the draft Roadmap for Carbon Neutrality 2050. As such, the draft NECP is in line with the Portuguese vision for a carbon-neutral society, based on a circular economy, which retains resources at its highest economic value, creates jobs, wealth and well-being.
- Portugal's target for **greenhouse gas (GHG) emissions** not covered by the EU Emissions Trading System (non-ETS), is -17% compared to 2005, as set in the Effort Sharing Regulation (ESR)¹. Portugal is expected to meet this target with a comfortable margin with a continuation of current policies. It also plans further measures in the building, transport and agriculture sectors. There is less clarity how the corresponding no-debit commitment (i.e. emissions do not exceed removals) for Land Use, Land Use Change and Forestry (LULUCF)² will be achieved. If cost-efficient domestic overachievements of the non-ETS targets will be used for possible transfers to other Member States, then also jobs and growth will benefit from it.
- The **renewable energy** contribution proposed in the draft plan is 47% of the national gross final consumption of energy in 2030. This is significantly above the 42% renewable share in 2030 that results from the formula in Annex II of the Governance Regulation. The draft plan does not include specific reference points³ in 2022, 2025 and 2027, and instead provides ranges. The lower values of the proposed range do not meet the levels required for such reference points. The policies and measures that support such contribution should be more detailed in order to demonstrate consistency with the proposed level of ambition. 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.
- Regarding **energy efficiency**, the proposed contribution is modest for primary and very low for final energy consumption, in view of the collective effort to reach the Union's 2030 energy efficiency targets. Reviewing of the energy efficiency contribution would also require adequate policies and measures delivering additional energy savings. There is still a wide margin to improve energy efficiency in the buildings and transport sectors.
- There is a clear objective of reducing energy import dependency to 65% by 2030, which is quite ambitious, in light of the fact that Portugal has at present an import dependence of 80%. However, this level of ambition is realistic given the envisaged deployment of renewable energy. The final plan would benefit from including policies and measures for the energy security of the autonomous regions of Azores and Madeira, in particular how these islands could increase energy self-sufficiency through deployment of clean technologies.
- The draft plan mentions interconnections as a key issue to address the proposed objectives, targets and contributions of most of the Energy Union dimensions. The draft plan indicates that Portugal intends to achieve the 15% **interconnection level** by 2030. Specific objectives on improving (electricity

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

and gas) market integration and system flexibility (demand response, storage, and distributed generation) would support the case for further expansion of energy infrastructure. On energy poverty, an important issue in Portugal, the draft plan mentions that measures will be implemented by 2021, which include a definition of energy poverty and collecting information to allow monitoring of the number of households in energy poverty, but additional elements would need to be included already in the final plan.

- The priority areas for **research and innovation** are broadly identified in the draft plan (renewable energy, energy efficiency, smart grids, sustainable mobility, electricity, natural gas and interconnections). Specific objectives supported by policies are needed to complement the already identified priority areas.
- Regarding **investment needs** more information needs to be included in the final plan and articulated with the national investment plan⁴ thereby taking full advantage of the role NECPs can play in providing clarity to investors and attract additional investments in the clean energy transition. Portugal expects to continue to make use of relevant Union funds to finance the transition.
- There is potential to intensify the good **regional cooperation** already taking place with France and Spain in the energy security and internal market areas, as well as increased cooperation in the areas of renewable energy and energy efficiency.
- As regards interactions with **air quality** and air emissions policy, the draft plan mentions some elements of consistency with the National Air Pollution Control Program. However, the final plan would benefit from strengthening this analysis, including from a quantitative perspective.
- The final plan would benefit from providing additional details on **socially just and fair transition** aspects. They should be integrated throughout by considering social and employment impacts, e.g. shifts in sectors/industries and skills impacts, distributional effects and revenue recycling. The draft plan mentions the question of skills and training, but would benefit from providing more details on these aspects.
- 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.
- The adequate and coherent alignment of national climate and energy objectives for 2030 (and 2040) with the recently adopted Carbon Neutrality target for 2050 is a **good practice**; similarly, the Portuguese draft plan presents well the interaction between climate and circular economy objectives.

Related links:

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

⁴ <https://www.portugal2030.pt/sobre-pni2030/>.