





LUXEMBOURG'S DRAFT UPDATED NATIONAL ENERGY AND CLIMATE PLAN

An important step towards the more ambitious 2030 energy and climate objectives under the European Green Deal and REPowerEU Plan

Highlights of the Commission's assessment

The European Green Deal, the fast-evolving geopolitical context and the energy crisis have led the EU and its Member States to **accelerate the energy transition and set more ambitious energy and climate objectives**. These developments are reflected in the legislative and policy framework adopted under both the 'Fit for 55' package and the REPowerEU Plan. Taking this new context into account, **Member States are updating their National Energy and Climate Plans (NECPs) for the first time since 2019**. The European Commission has assessed Luxembourg's draft updated NECP, submitted on 24 July 2023.

Luxembourg's key objectives, targets and contributions

	2030 value submitted in the draft updated NECP	2030 target under EU legislation	Assessment of 2030 ambition level
 GHG emissions in ESR sectors (compared to 2005)	-57.8%	-50%*	Luxembourg reaches its target based on projections.
 GHG removals in LULUCF (Mt CO ₂ eq. net greenhouse gas removals)	-0.43	-0.027 (additional removals target) -0.403 (total net removals)**	Luxembourg reaches its target based on projections.
 Energy Efficiency (Final energy consumption)	3 Mtoe	2.7 Mtoe***	Luxembourg's final energy consumption is above the indicated target resulting from EU legislation.
 Renewable Energy (Share of renewable energy in gross final consumption)	37%	37%****	Luxembourg's contribution to the EU target is in line with the one resulting from EU legislation.

* under the Effort Sharing Regulation (ESR).

** under the Regulation on Land Use, Land Use Change and Forestry (LULUCF).

*** according to the formula set out in Annex I of the Directive (EU) 2023/1791 on energy efficiency and amending Regulation (EU) 2023/955 ('EED recast').

**** according to the formula set out in Annex II of the Regulation (EU) 2018/1999 on the Governance Regulation of the Energy Union and Climate Action.

Luxembourg's main positive elements and areas for improvement

✓ On **energy efficiency**, Luxembourg's draft plan sets out comprehensive and detailed measures, particularly on **buildings**, including measures for the uptake of minimum energy performance standards, phase out of fossil fuels and deployment of solar energy installations in buildings.

✓ On **energy security**, the plan includes an ambitious target to substantially reduce gas consumption by 2030 and outlines an objective to reduce the country's dependence on energy imports.

✓ On **the internal energy market**, Luxembourg's draft updated NECP includes well advanced measures on energy flexibility and demand response, including the close co-operation within the Pentalateral Group to promote key policies in that regard. It also provides for a strategic role for **regional cooperation** in particular the purchase of renewable statistics through cooperation mechanisms through the Renewable Energy Financing Mechanism.

✓ On **energy poverty**, Luxembourg's plan assesses the situation of current households affected. On **just transition**, it includes training/(re)skilling programmes for the green transition, elaborates on vocational education training and sets out social measures and programmes.

✗ On **competitiveness**, Luxembourg's draft updated NECP does not provide information on the investments needed for the manufacturing of key components and equipment for net-zero technologies, and how Luxembourg will reinforce the resilience of its supply chains for clean technologies in case of lack of domestic production. The draft updated NECP also lacks information related to the financing of upskilling and reskilling measures and the digitalisation of the energy system.

✗ On **investment needs**, the plan does not identify funding sources at the level of policies and measures, which prevents having a comprehensive overview.

✗ On **research and innovation**, Luxembourg's draft updated NECP outlines the country's priority areas and some measures but fails to set out a national target and spending for research and innovation in specific clean energy technologies.

✗ On **fossil fuel subsidies**, the plan lacks information on how and by when these will be phased out, which is particularly an issue given their high share in total energy subsidies.

Moving forward...

Based on this assessment, the Commission has published country-specific recommendations for each Member State. These recommendations should be taken into account by the Member States when preparing their final updated NECPs, which are due by 30 June 2024.

*Full Commission's assessment and recommendations on Luxembourg's draft updated NECP: [here](#)
More information about the National Energy & Climate Plans: [NECP website](#)*