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COMMISSION RECOMMENDATION

of 18.10.2024

**on the draft updated integrated national energy and climate plan of Austria covering the
period 2021-2030**

{SWD(2024) 850 final}

(Only the German text is authentic)

COMMISSION RECOMMENDATION

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on the draft updated integrated national energy and climate plan of Austria covering the period 2021-2030

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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 Council¹ ('Regulation (EU) 2018/1999'), and in particular Article 14(6), Article 9(2), thereof,

Whereas:

- (1) Austria submitted its draft updated integrated national energy and climate plan (NECP) on 20 August 2024. Due to the late submission, the European Commission was unable to adopt this recommendation 6 months before the final updated national energy and climate plans are due, as required by Article 9 (2) of Regulation (EU) 2018/1999.
- (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 integrated national energy and climate plans. In December 2022, the Commission adopted guidance to Member States on the process and the scope of preparing the draft and final updated national energy and climate plans². 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 plan³, and as part of the 2022, 2023 and 2024 European Semester cycles, the Commission put a strong focus on Member States' energy and climate related reform and investment needs to reinforce energy security and affordability by accelerating the green and fair transition. This is reflected in the 2022, 2023 and 2024 Country report for Austria⁴ and Council Recommendation to

¹ OJ L 328, 21.12.2018, p. 1

² 2022/C 495/02

³ COM(2022) 230 final

⁴ SWD(2022) 601 final, SWD(2023) 620 final and SWD(2024) 620 final

Austria⁵. Member States should ensure to take them into consideration in their final updated integrated national energy and climate plans.

- (4) The Commission's recommendations with regard to the delivery of national targets under the Effort Sharing Regulation⁶ (ESR) are based on the likelihood that the Member States will respect the 2030 targets, taking into account the rules on the use of flexibilities under the ESR.
- (5) The Commission's recommendations on Carbon Capture, Utilisation and Storage (CCUS) aim to build an overview of the intended deployment of these technologies at national level. This includes information about annual volumes of CO₂ planned to be captured by 2030, split by source of CO₂ captured coming from installations covered by Directive 2003/87/EC⁷ or from other sources, such as biogenic sources or direct air capture; about planned CO₂ transport infrastructure; and about potential domestic CO₂ storage capacity and injection volumes of CO₂ planned to be available in 2030.
- (6) The Commission's recommendations on Member State's performance under the Land Use, Land Use Change and Forestry Regulation ('LULUCF Regulation')⁸ address the delivery by the Member State on the "no debit" rule for 2021 to 2025 (Period 1) and its national target for 2026 to 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) For climate adaptation to properly support the achievement of energy and climate mitigation objectives, it is essential to identify the potential climate change hazards and analyse climate vulnerabilities and risks that may affect relevant areas, populations and sectors. The Commission's recommendations on adaptation consider the extent to which Austria integrated in its updated NECP adaptation goals that account for climate risks, that could prevent Austria from meeting the objectives and targets of the Energy Union.
- (8) The Commission's recommendations regarding Austria's 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 missing policies and measures in a way that enable a timely and cost-effective achievement of Austria'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 as regards the promotion of energy from renewable sources as amended by Directive

⁵ COM(2022) 601 final Recommendation for a Council Recommendation, COM(2023) 620 final Recommendation for a Council Recommendation, COM(2024) 620 final Recommendation for a Council Recommendation

⁶ Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018, OJ L 156, 19.6.2018, p. 26. as amended by Regulation (EU) 2023/857 of 19 April 2023, OJ L 111, 26.4.2023, p. 1

⁷ 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 275, 25.10.2003, p. 32)

⁸ 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 OJ, L328/1, 21.4.2023, p. 1

(EU) 2023/2413⁹. The Commission's recommendations are also based on Austria's contribution to the specific targets set out in Articles 15a, 22a, 23, 24 and 25 of that Directive and the related policies and measures to rapidly 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 European manufacturing industry and grid operators in line with the European Wind Power package¹⁰.

- (9) The Commission's recommendations regarding the national contribution to energy efficiency are based on Article 4 of Directive (EU) 2023/1791 on energy efficiency¹¹ 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 any dependence from Russian fossil fuels. They take into account lessons learned from the implementation of the Save gas for a Safe winter Package¹². The Recommendations reflects the imperative to make the energy system more resilient in light of the obligations stemming from Regulation (EU) 2019/941 on risk preparedness in the electricity sector¹³ and Regulation (EU) 2017/1938 on the security of gas supply¹⁴ in line with Commission Recommendation on energy storage¹⁵.
- (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 to empower and protect consumers. The Commission's recommendation also considers 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) 2023/2407¹⁶.
- (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

⁹ 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

¹⁰ 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

¹¹ 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 (recast), OJ L 231, 20.9.2023, p. 1

¹² 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

¹³ 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 L158/1

¹⁴ 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) n°994/2010, OJ L 280

¹⁵ Commission Recommendation of 14 March 2023 on Energy Storage – Underpinning a decarbonised and secure EU Energy system, C/2023/1729, OJ L 103 20.3.2023 p1

¹⁶ Commission Recommendation (EU) 2023/2407 of 20 October on energy poverty, C:2023/4080, OJ L 2023/2407, 23.10.2023

intensive industries and other businesses; and the need to upskill workforce for a net-zero industry in order to consolidate a strong and competitive, clean economy within the EU.

- (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; and whether it outlines investments consistent with Austria's Recovery and Resilience plan, Austria's Territorial Just Transition plan and the 2022, 2023 and 2024 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 an early and inclusive consultation on the plan, including effective public participation with sufficient information and timeframe, in line with the Aarhus Convention¹⁷.
- (16) The Commission's recommendation on fair and just transition reflects the assessment of whether the Austria's plan identifies in sufficient depth the relevant employment and social impacts of the climate and energy transition and outlines adequate accompanying policies and measures to promote a fair and just transition, while contributing to the promotion of both human rights and gender equality.
- (17) The Commission's recommendations to Austria are underpinned by the assessment of Austria's draft updated integrated national energy and climate plan¹⁸, which is published alongside this Recommendation.
- (18) Austria should take these recommendations into account when developing its final updated NECP, which was due by 30 June 2024 in line with Article 14(2) of Regulation (EU) 2018/1999. The final updated NECP should be submitted to the Commission as soon as possible¹⁹.

HEREBY RECOMMENDS THAT AUSTRIA TAKES ACTION TO:

1. Specify in detail the policies and measures to meet the national greenhouse gas target of -48% in 2030 compared to 2005 levels under the ESR. Provide updated projections to show how the existing and planned policies will deliver on the target and, if necessary, confirm how flexibilities available under the ESR will be used to ensure compliance. 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.

¹⁷ Convention on access to information, Public Participation in Decision-making and Access to Justice in Environmental Matters of 25 June 1998 (the 'Aarhus convention')

¹⁸ SWD(2024) 850

¹⁹ On 19 July, the Commission sent a Pilot letter to the Austrian authorities for noncompliance with the obligation to submit a final NECP by 30 June 2024

2. Identify the amount of CO₂ emissions that could be captured annually by 2030, including the source.
3. Set out a detailed pathway towards reaching the national LULUCF target as defined in Regulation (EU) 2018/841. Provide additional information on the planned measures, quantifying their expected impact in terms of removals or emissions from the LULUCF sector. Provide clear information on how public funds (both Union funds, including 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 the progress to be made in ensuring the 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.
4. In so far as adaptation to climate change is concerned, better quantify the link to the specific Energy Union objectives and policies.
5. Provide estimated trajectories and a long-term deployment plan for renewable energy technologies over the next 10 years, with an outlook to 2040. Include an indicative target for innovative renewable energy technologies in line with Directive (EU) 2018/2001 as amended. Include specific targets to contribute to the indicative sub-targets in buildings and industry for 2030 and the binding sub-target for renewable fuels of non-biological origin (RFNBO) in industry by 2030 in line with Directive (EU) 2018/2001 as amended. Confirm the indicative target in district heating and cooling for the 2021-2030 period. Specify which target Austria intends to achieve in the transport sector through the obligation of fuel suppliers, including by means of a sub-target for RFNBOs, and making sure the minimum level of RFNBO in 2030 is observed.
6. Include detailed and quantified policies and measures in a way that enables a timely and cost-effective achievement of its 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%. Describe, in particular, how it plans to further detail the renewable energy technologies for which it plans to designate "renewables acceleration areas" with faster and simpler procedures. Describe how it aims to accelerate deployment of renewables via the uptake of renewable power purchase agreements, and an enabling framework to promote self-consumption and energy communities. Include more information how it aims to cover the design of the obligation on fuel suppliers in the transport sector and comparable measure for promoting hydrogen in industry and prepare the EU for renewable hydrogen trade.
7. Provide the estimated trajectories projections for biomass supply by feedstocks and origin and provide data for imports and the source of forest biomass used for energy. Include an assessment of the domestic supply of forest biomass for energy purposes in 2021-2030 in line with the strengthened sustainability criteria set out in Article 29 of Directive (EU) 2018/2001 as amended, and the compatibility of the projected use of forest biomass for energy production with Austria's obligations under the revised LULUCF Regulation, particularly for 2026-2030, together with national measures and policies ensuring such compatibility. Include further information regarding the measures to promote sustainable production of biomethane, given Austria's sustainable biogas/biomethane potential and production, profile of natural gas consumption and existing infrastructure, digestate use and biogenic CO₂ applications.

8. Provide to the extent possible the 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 the Directive (EU) 2018/2001 as amended for all the above-mentioned measures.
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 submitted to each Member State in March 2024 under Article 4(5) of that Directive. Include a national energy efficiency contribution on primary energy consumption to the Union's indicative primary energy consumption target in line with Article 4 and Annex I to Directive (EU) 2023/1791.
10. Increase the total floor area of heated and/or cooled buildings owned by public bodies to be renovated yearly or the corresponding yearly energy savings to be achieved as required by Article 6 of Directive (EU) 2023/1791.
11. Increase the amount of cumulative energy savings to be achieved over the period from 1 January 2021 to 31 December 2030 as required by Article 8 of Directive (EU) 2023/1791 and, where relevant, an explanation on how the annual savings rate and the calculation baseline were established.
12. Set out complete policies and measures to achieve the national contributions on energy efficiency and provide more detail on how the energy efficiency first principle will be achieved, as well as measures to promote energy audits and energy management systems.
13. Provide further details on the 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, including intermediate milestones for 2030 and 2040 in energy savings, and a comparison of these milestones with the most recent long-term renovation strategy.
14. Further explain how Austria will significantly strengthen energy security, in particular by diversifying its energy supply, including by reducing energy imports from Russian fossil fuels and other third countries, and for further encouraging gas demand reduction, as well as develop detailed policies and measures to reach these objectives towards 2030.
15. Strengthen the resilience of the Austrian energy system, in particular by putting forward policies and measures to integrate the imperative of climate adaptation on the energy system.
16. Assess the adequacy of the oil infrastructure (refinery, oil stocks) with the expected oil demand decline and the move toward lower-carbon alternatives.
17. Put forward clear objectives and targets for demand response and storage to improve the flexibility of the energy system, in light of an assessment of the flexibility needs, and describe how to facilitate energy system integration in the context of Article 20a of Directive (EU) 2018/2001 as amended. Further increase the level of consumer empowerment in the retail market
18. Further develop the approach to addressing energy poverty by indicating a specific measurable reduction target as required by Regulation (EU) 2018/1999 and taking into account the Commission recommendation (EU) 2023/2407. Explain how the use of energy efficiency measures in the framework of Energy Efficiency Obligations

Scheme to alleviate energy poverty is foreseen to be deployed as required by the Regulation (EU) 2018/1999.

19. Further clarify national objectives in research, innovation and competitiveness to deploy clean technologies, establishing a clear pathway for 2030 and 2050 with a view to support the decarbonisation of industry and promote 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 and other industrial ecosystems. Describe the 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 to develop clean energy-related skills, and to facilitate open and fair trade for resilient and sustainable supply chains, of key net-zero components and equipment. Quantify the impact of the described circular economy measures on decarbonisation.
20. Specify the reforms and measures to mobilise the private investments needed to achieve the energy and climate targets. Improve and expand the analysis of investment needs to include a comprehensive and consistent overview of the public and private investment needs in aggregate by sector. Complement a top-down economy-wide approach with a bottom-up project-specific assessment. 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 schemes 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 the national promotional banks in the respective schemes and/or how private financing is mobilised. 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.
21. Explain how and when Austria intends to phase out fossil fuel subsidies.
22. 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 and measures to support a just transition in a more holistic approach at national level. Specify the form of support, the impact of the initiatives, the target groups, the resources dedicated and the monitoring framework, taking into account Council Recommendation on ensuring a fair transition towards climate neutrality²⁰. Include to the extent possible more elements to provide an adequate analytical basis for the preparation of a future Social Climate Plan, in line with Regulation (EU) 2023/955 of the European Parliament and of the Council²¹, 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

²⁰ Council Recommendation of 16 June 2022 on ensuring a fair transition towards climate neutrality, OJ C243, 27.6.2022 p.35-51

²¹ 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)

NECP will contribute to the preparation of Austria's Social Climate Plan and how the consistency between the two plans will be ensured.

23. Ensure inclusive public participation within a reasonable timeframe and broad participation of local authorities and civil society in the preparation of the plan. Provide a clear and more detailed overview on how the consultation process has enabled participation from all relevant authorities, citizens and stakeholders, 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 detailed summary of the views expressed by different actors during the consultations and a summary of how they have been taken into account.
24. Intensify regional cooperation with neighbouring Member States within established regional cooperation framework, notably the Central and South-Eastern Europe Energy Connectivity (CESEC) High-Level Group. Describe how Austria plans to establish a framework for cooperation with other Member States by 2025, in line with Article 9 of Directive (EU) 2023/2413. Pursue its efforts to sign the remaining four bilateral solidarity arrangements for the security of gas supply with its neighbours (Hungary, Slovakia, Czechia and Slovenia).

Done at Brussels, 18.10.2024

For the Commission
Kadri Simson
Member of the Commission