

EUROPEAN COMMISSION

> Brussels, 18.12.2023 C(2023) 9621 final

COMMISSION RECOMMENDATION

of 18.12.2023

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

and on the consistency of France's measures with the Union's climate-neutrality objective

and with ensuring progress on adaptation

{SWD(2023) 931 final}

(Only the French text is authentic)

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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, 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) 2018/1999², and in particular Article 7(2) thereof,

Whereas:

Recommendation on France's draft updated integrated national energy and climate plan (NECP) covering the period 2021-2030

- (1) France submitted its draft updated integrated national energy and climate plan on 11 November 2023. Due to the late submission of France's draft updated national energy and climate plan, the European Commission has had limited time to draft its assessment in order to adopt this recommendation six 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 the Guidance to Member States on the process and scope of preparing the draft and final updated

¹ OJ L 328, 21.12.2018, p. 1

² OJ L 243, 9.7.2021, p. 1

national energy and climate plans³. 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 plan⁴, 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 reform 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 France⁵ and Council Recommendations to France⁶. Member States should take into account the latest country-specific recommendations 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 Regulation⁷(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/EC⁸ 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 the Land Use, Land Use Change and Forestry Regulation ('LULUCF Regulation')⁹ 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) 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 France integrated in its updated NECP adaptation goals that

³ 2022/C 495/02

⁴ COM(2022) 230 final

⁵ SWD (2022) 612 final, SWD (2023) 610 final

⁶ COM (2022) 612 Recommendation for a Council Recommendation; COM(2023) 610 final, Recommendation for a Council Recommendation

 ⁷ 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

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 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 OJ, L328/1, 21.4.2023, p. 1

account for climate risks, that could prevent France from meeting the objectives and targets of the Energy Union. 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 France'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 policies and measures missing in France's draft updated plan to enable a timely and cost-effective achievement of France' 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 (EU) 2023/2413¹⁰. The Commission's recommendations are also based on France'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 Package¹¹.
- (9) The Commission's recommendations regarding the national contribution to energy efficiency are based on Article 4 of the Directive (EU) 2023/1791 on energy efficiency¹²; 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 Package¹³. The recommendations reflect 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 sector¹⁴ and Regulation (EU) 2017/1938 on the security of gas supply¹⁵ in line with the Commission Recommendation on energy storage¹⁶.

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

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

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 (recast), 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

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

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) n°994/2010, OJ L 280

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.

- (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 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) 2023/2407¹⁷.
- (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; and whether it outlines investments consistent with France's Recovery and Resilience Plan, France's Territorial Just Transition Plans and the 2022-2023 country-specific recommendations issued under the European Semester, and includes a robust macro-economic 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 Convention¹⁸.
- (16) The Commission's recommendations on just transition reflect the assessment of whether the France'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.
- (17) The Commission's recommendations to France are underpinned by the assessment of its draft updated NECP¹⁹, which is published alongside this Recommendation.
- (18) France 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

¹⁷ Commission Recommendation (EU) 2023/2407 of 20 October 2023 on energy poverty, C:2023/4080, OJL 2023/2407, 23.10.2023

 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')
¹⁹ SWD(2022) 021

¹⁹ SWD(2023) 931

- (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 France's measures with these objectives²⁰. The below recommendations are based on that assessment. France should take due account of the present recommendations and follow up on them in accordance with the European Climate Law.
- (20) To ensure effectiveness of climate adaptation strategies and plans, it is essential to properly establish what potential climate change hazards may affect a certain area or sector. A key step in strengthening the ambition on adaptation should be the adoption of an appropriate legal framework for national climate policy that sets up binding, regularly updated adaptation goals to measure overall progress in building resilience.
- (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 socio-economic 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. Private stakeholders are agents of change by providing information, resources, capacities, and funding.
- ⁽²²⁾ Nature-based solutions offer efficient and cost-effective adaptation and mitigation options, if their deployment is incentivised through strategic frameworks, policies and funding. They can be implemented independently or integrated in other adaptation and mitigation measures, combined with more technological or infrastructure-based solutions. Implementation needs to consider the complexity of ecosystems and the projected effects of climate change, the local context, linked interests and values, and socio-economic conditions.

HEREBY RECOMMENDS THAT FRANCE TAKES ACTION TO:

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

- 1. Set out cost-efficient additional policies and measures to bridge the projected gap of 1.1 percentage points to meet the national greenhouse gas target of -47.5% 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, specify how flexibilities available under the ESR will be used to ensure compliance. Complement the information on the policies and measures, clearly spelling 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 sources of CO₂ emissions that are planned to be captured.
- 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 to the 2030 EU net removal

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

target of -310 MtCO₂eq and with the country-specific removal target of -6 693 ktCO₂eq defined in Regulation (EU) 2018/841. Provide information on the status and 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. Provide additional analysis on the relevant climate vulnerabilities and risks regarding the achievement of the national objectives, targets, and contribution and the policies and measures in the different dimensions of the Energy Union. Better quantify the link of adaptation to the specific Energy Union objectives and policies, that adaptation policies and measures should support. 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. Significantly raise the ambition of a share of renewable energy sources to at least 44% as a contribution to the Union's binding renewable energy target for 2030 laid down in Article 3(1) of Directive (EU) 2018/2001, as amended in line with the formula in Annex II to Regulation (EU) 2018/1999. Include an indicative trajectory that reaches the reference points for 2025 and 2027 pursuant to Article 4 (a)(2) of Regulation (EU) 2018/1999. Ensure that sufficient measures are taken in order for France to cover the gap towards reaching its 2020 national binding renewables target. Ensure that additional measures are taken to cover the gap towards its 2021 renewables baseline, which must not be lower than its mandatory national overall target for the share of energy from renewable sources in 2020, as per Article 32(4) of Regulation (EU) 2018/1999.
- 6. 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 in line with Directive (EU) 2018/2001 as amended. Include specific targets to contribute to the indicative sub-target in buildings for 2030, and the binding sub-target for renewable fuels of non-biological origins (RFNBOs) in industry for 2030 in line with Directive (EU) 2018/2001 as amended. Include more information on the trajectory to achieve a sub-target for advanced biofuels and RFNBOs in transport, making sure the minimum level of RFNBO in 2030 is observed.
- 7. Further develop detailed and quantified policies and measures, in a way that enables a timely and cost-effective achievement of France's national contribution to the Union's binding renewable energy target of 42.5% in 2030, with the collective endeavour to increase it to 45%. Describe, in particular, how it plans to accelerate permitting and elaborate further the renewable energy technologies for which it plans to designate 'renewables accelerate the deployment of renewables via the uptake of renewable power purchase agreements or measures using guarantees of origin, and via an enabling framework for increasing integration between electricity and heating and cooling networks. Describe how the design of the obligation on fuel suppliers in the transport sector will be covered and include comparable measures for promoting hydrogen in industry and prepare the EU for renewable hydrogen trade.
- 8. 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 France's obligations

under the revised LULUCF Regulation, particularly for 2026-2030, together with national measures and policies to ensure such compatibility. Elaborate on the measures to promote sustainable biogas/biomethane potential and the production profile of natural gas consumption and existing infrastructure, digestate use and biogenic CO_2 applications.

- 9. 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.
- 10. Include 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.
- 11. Set out complete policies and measures to achieve the national contributions on energy efficiency, and in particular how the Energy Efficiency First principle will be implemented. Further quantify the expected energy savings of the planned measures to achieve the 2030 energy efficiency goals and include measures to promote energy audits and energy management systems.
- 12. Include 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 and a comparison with the most recent long-term renovation strategy. Support the targets for the decarbonisation of buildings by providing further information on policies and measures including their costs and expected impact in energy savings, for the implementation of a coherent long-term renovation strategy.
- 13. Explain more concretely how France will further diversify its gas supply and continue encouraging gas demand reduction towards 2030. Strengthen the resilience of the energy system by setting clear objectives and measures to address constrained or interrupted supply and putting forward policies and measures to integrate the imperative of climate adaptation in the energy system. Specify the planned policies and measures in light of the future role of nuclear energy in the energy mix taking also into account diversification and long-term supply of nuclear materials, fuel, spare parts, and services, and the long-term management of nuclear waste given also the planned construction of new nuclear power units and the planned lifetime extension of the existing reactor fleet. Provide more details for the announced exercise of the assessment of adequacy of current oil infrastructure.
- 14. Further develop targets and objectives described in the internal market dimension, and define forward-looking objectives and targets concerning market integration. Further detail measures to enhance flexibility in the electricity system and market, as well as measures to develop competitive wholesale markets and phase out measures that interfere with market signals. Describe how France aims to facilitate energy system integration in connection with the new Article 20a of Directive (EU) 2018/2001 as amended.
- 15. Complete the approach to addressing energy poverty by indicating a specific measurable reduction target as required by Regulation (EU) 2018/1999, taking account of Commission's Recommendation (EU) 2023/2407.

- 16. 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 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. 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 development of clean energy-related skills, and to facilitate open trade for resilient and sustainable supply chains of key net-zero components and equipment.
- 17. 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 and 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 the role of national promotional banks in the respective schemes and/or how private financing is mobilised. Consider the costeffective 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.
- 18. Explain in detail how and by when France intends to phase out the remaining fossil fuel subsidies. Explain in more detail how France plans to phase out solid fossil fuels for power generation by clarifying related commitments and measures.
- 19. 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 neutrality²¹. Ensure alignment between the coal phase out timeline outlined in the Territorial Just Transition Plans and the final updated NECP. 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) 2023/955²², 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 identify potential beneficiaries and a relevant policy framework. Explain how the policy framework identified in the NECP will contribute to the preparation of France's Social Climate Plan and how the consistency between the two plans will be ensured.

²¹ Council Recommendation of 16 June 2022 on ensuring a fair transition towards climate neutrality, OJ C243, 27.6.2022 p.35-51

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)

- 20. 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.
- 21. Ensure 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 national energy and climate plan. Describe how France plans to establish a framework for cooperation with other Member States by 2025, in line with Article 9 of the Directive (EU) 2023/2413. Pursue efforts to sign the three required bilateral solidarity arrangements for the security of gas supply with its neighbours (Belgium, Germany and Spain).

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

- 1. Assess relevant vulnerabilities and risks related to coastal floods. Complete the establishment of an appropriate legal framework for climate change adaptation policy and action.
- 2. Engage stakeholder groups that are particularly vulnerable to the impacts of climate change in France's adaptation policy design and implementation. Document the processes and outcomes of relevant consultations. Involve social partners and private sector stakeholders in policy design, implementation and investments.
- 3. Promote nature-based solutions and ecosystem-based adaptation in national strategies, policies and plans and provide investments for their deployment.

Done at Brussels, 18.12.2023

For the Commission Kadri SIMSON Member of the Commission