

PORTUGAL'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 Portugal's draft updated NECP, submitted on 30 June 2023.

Portugal's key objectives, targets and contributions

GHG	Greenhouse gas (GHG) emissions in ESR sectors	2030 value submitted in the draft updated NECP	2030 target under EU legislation	Assessment of 2030 ambition level No projections included in Portugal's plan
	(compared with 2005)			
GHG	GHG removals in LULUCF (Mt CO ₂ eq. net GHG removals)	-9.567	removals target) -1.358 (total net	Portugal is on track to meet the targets according to projections. However the projections are not based on latest inventory numbers
°4	Energy Efficiency (final energy consumption)	14.9 Mtoe	13.4 Mtoe***	Portugal's final energy consumption is above the indicated target resulting from EU legislation
	Renewable Energy (share of renewable energy in gross final consumption)	49%	51%***	Portugal's submitted contribution to the EU target is slightly below the one resulting from EU legislation

^{*} under the Effort Sharing Regulation.

^{**} under the Regulation on Land Use, Land Use Change and Forestry.

^{***} 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.

Portugal's main positive elements and areas for improvement

- ✓ On **renewable energy**, Portugal refers in general terms to the promotion of pilot projects including concentrated solar, thermal and wave energy and has ambitious plans for floating offshore wind.
- ✓ On **energy security**, Portugal sets out targets and measures to enhance the security of its energy system, showing ambition in diversification of energy supplies and in ramping up renewable gases as well as in the roll-out of renewables and deployment energy storage.
- ✓ On **energy poverty** the draft plan advances the adoption of a long-term national energy poverty strategy and the creation of a national energy poverty observatory, though it does not refer to concrete objectives to reduce energy poverty.
- ✓ On **the just transition**, the draft updated NECP lists measures that promote the just transition and focuses on education, training, and reskilling of workers, particularly in sectors most impacted by the transition. It also includes measures targeting households in transport poverty.
- ✓ On **solid fossil fuel phase out**, Portugal advanced its commitments from 2023 to 2021.
- X On **land use**, **land use change and forestry**, Portugal's draft updated NECP is based on outdated projections that do not consider the latest updated inventory.
- **X** On **adaptation to climate change**, the plan does not consider relevant climate vulnerabilities and risks, and this may put the achievement of energy and climate mitigation objectives and targets at risk.
- **X** On **energy efficiency**, the draft plan introduces new planned measures but falls short in identifying the estimated quantitative impacts of those measures in terms of energy savings.
- **X** On the **internal energy market**, the draft plan includes some measures for consumer empowerment, but does not provide detailed policies or concrete targets to enhance the development of flexibility services.
- **X** On **competitiveness and skills** the draft plan puts a central focus on training and reskilling programmes but lacks clear objectives and measures to support manufacturing and scale up of specific clean energy technologies, equipment, and components.
- X Portugal's draft updated NECP lacks quantified information on **the investment needs and funding sources** to implement the planned policies and measures.

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 Portugal's draft updated NECP: here

More information about the National Energy & Climate Plans: <u>NECP website</u>