

HUNGARY'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 have updated their National Energy and Climate Plans (NECPs) for the first time since 2019**. The European Commission has assessed Hungary's draft updated NECP, submitted on 31 August 2023.

Hungary'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)	-23.8%	-18.7%*	Hungary reaches its target based on projections.
 GHG emissions in LULUCF (Mt CO ₂ eq. net greenhouse gas removals)	N/A	-0.934 (additional removal target) -5.724 (total net removals)**	No projections included in the plan.
 Energy Efficiency (Final energy consumption)	17.9 Mtoe	16.2 Mtoe***	Hungary's final energy consumption is above the indicated target resulting from EU legislation.
 Renewable Energy (Share of renewable energy in gross final consumption)	29%	34%****	Hungary's contribution to the EU target is significantly below 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.

Hungary's main positive elements and areas for improvement

- ✓ On **decarbonisation**, Hungary is one of the only Member States to consider in their plans and projection scenarios the new emissions trading system (ETS2) for the buildings, road transport and small industry sectors.
- ✓ On the **internal energy market**, Hungary has a high level of electricity interconnection and put forward an electricity interconnection level of 60% for 2030 which could be a key enabler for the deployment of renewable energy sources.
- ✓ On **research and innovation**, Hungary clearly sets its priorities, actively engages in research and innovation programmes notably with the 'Visegrád 4' countries in energy efficiency and renewables, and participates in several European and international energy initiatives.
- ✓ On **renewable energy**, Hungary sets a share of renewables in transport of 29% by 2030, including on biofuels, bioliquids and biomass fuels.

- ✗ On **international commitments under the Paris agreement and alignment with adopted Territorial Just Transition Plans (TJTps)**, Hungary is postponing its commitment to phase out of lignite and assumes to continue its use in Mátra power plant by 2030, conditional on the finalisation of a new combined cycle gas turbine (CCGT). Moreover, it does not include any action to phase out the existing fossil fuels subsidies.
- ✗ On **energy efficiency**, the plan lacks complete information on policies and measures to achieve the national contributions on energy efficiency, energy savings target and its impacts, and how the Energy Efficiency First principle will be implemented.
- ✗ On **energy security**, while the plan notably sets objectives to diversify Hungary's energy supplies, it does not sufficiently describe measures to do so.
- ✗ On **competitiveness**, the plan does not set out concrete clean energy-related competitiveness objectives, measures to implement national net-zero industry policy and related skills, and to ensure resilient and sustainable supply chains for key net-zero components and equipment.
- ✗ On **energy poverty**, the plan does not develop in detail the approach to address energy poverty, including an assessment of the situation in households nor a measurable reduction target.

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 Hungary's draft updated NECP: [here](#)
More information about the National Energy & Climate Plans: [NECP website](#)*