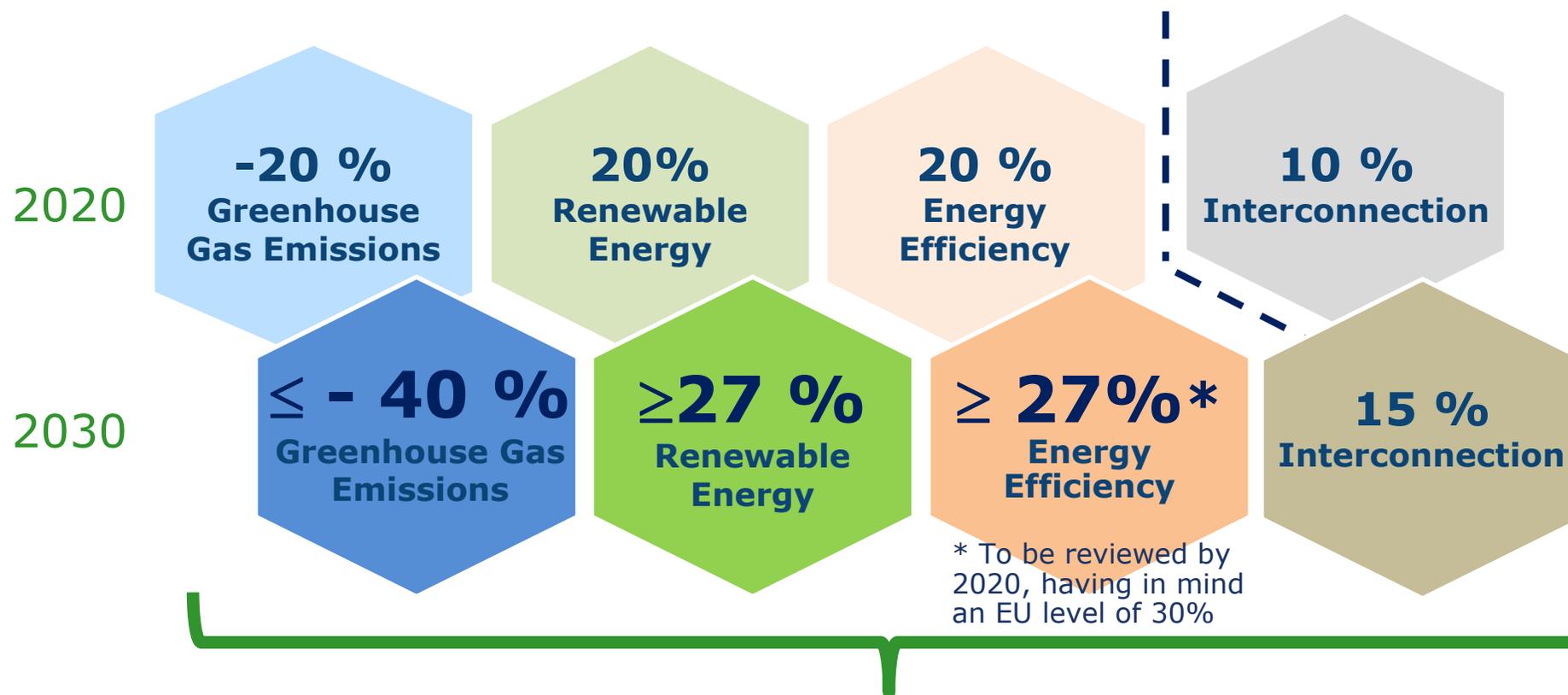**European Commission**

2030

FRAMEWORKforCLIMATE&ENERGY
#EU2030

Outcome of the October 2014 European Council

Agreed headline targets
2030 Framework for Climate and Energy

2020

| -20 %
Greenhouse
Gas Emissions | 20%
Renewable
Energy | 20 %
Energy
Efficiency | 10 %
Interconnection |

2030

| ≤ - 40 %
Greenhouse Gas
Emissions | ≥27 %
Renewable
Energy | ≥ 27%*
Energy
Efficiency | 15 %
Interconnection |

* To be reviewed by
2020, having in mind
an EU level of 30%

New governance system + indicators

European
Commission

Emission reductions in ETS and non-ETS

EMISSION
REDUCTIONS
IN ETS AND
NON-ETS
COMPARED TO 2005

2020 2030
-10%
-30%
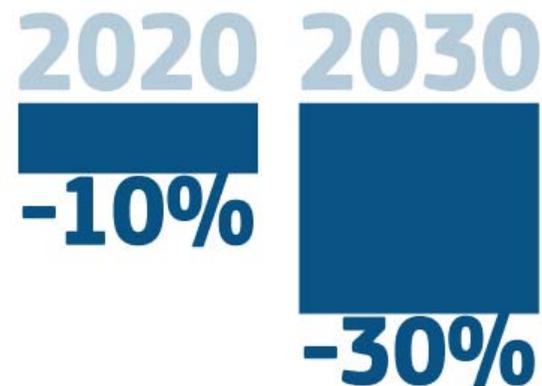
NON ETS
INCLUDING
ROAD TRANSPORT,
HOUSING,
AGRICULTURE
etc.

2020 2030
-21%
-43%
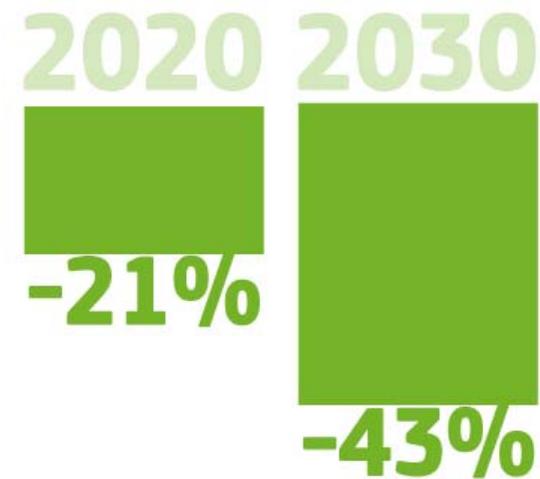
ETS
INCLUDING
POWER/ENERGY
SECTOR & INDUSTRY

GHG Emissions

European Commission

The European carbon market after 2020
Well-functioning reformed EU ETS as the main instrument

Cap to decline with **2.2 %** from 2021 onwards

Free allocation to prevent carbon leakage **continued**

Redistribution: 90 % among all 28 Member States / 10 % among lower income Member States

Innovation fund created (**"NER400"**)

Modernisation fund set up

GHG Emissions

European Commission

Innovation fund
Support for low-carbon demonstration

400 million allowances, amount depending on carbon price

Building on **existing NER300** programme for carbon capture and storage and renewables

New: extension of scope to low carbon innovation in industrial sectors

Open for **projects** in **all Member States**

GHG Emissions

Modernisation fund

Modernising energy systems in lower income Member States

New: some **300 million allowances**, amount depending on carbon price

For 10 Member States with a GDP/cap < 60 % EU average; distribution key agreed; 2024 review

To improve energy efficiency, modernise energy systems

Management of fund by Member States, **EIB** involved in project selection, full **transparency**

Continuation for same 10 Member States of limited free allocation to energy sector with **enhanced transparency**

European
Commission

Free allocation to prevent carbon leakage continued

Appropriate levels of support as long as no comparable efforts by other major economies

Benchmarks periodically **reviewed** in line with technological progress

Direct and **indirect carbon costs** to be taken into account, in line with **EU state aid rules**

The most efficient installations in sectors exposed to international competition not to face **undue costs**

Better alignment with **production**, fully preserve **innovation incentives**, keep **administrative feasibility**

GHG Emissions

European Commission

Guidance for determining non-ETS targets

Member State targets between **0%** and **-40%**

Maintain current methodology, update GDP/capita data

Member States with GDP/capita above EU average: targets adjusted with **cost effectiveness**

Enhanced flexibility to ensure **cost efficiency**, new flexibility mechanisms subject to several constraints
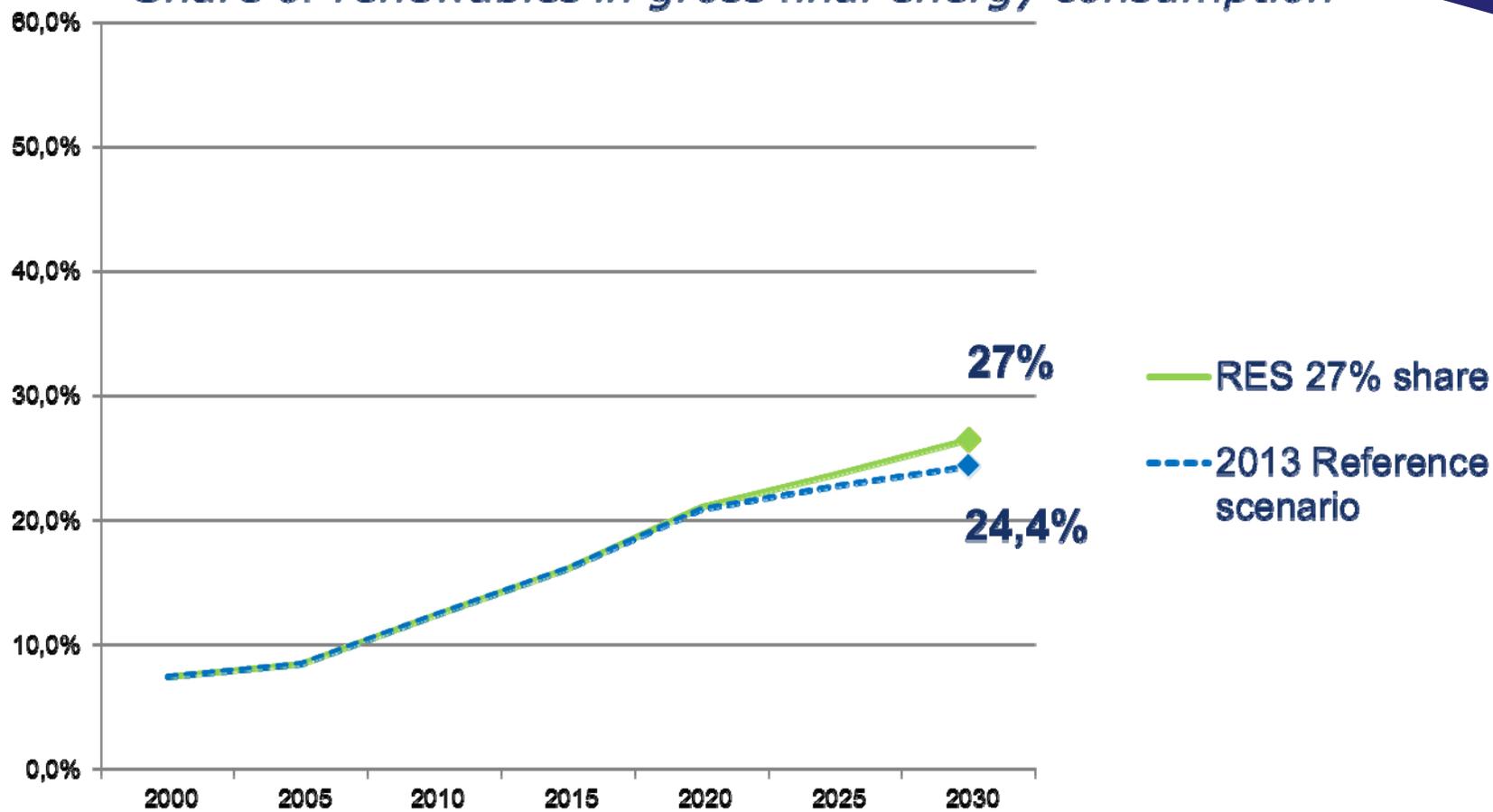
Possibility to **convert** limited number of allowances for auctioning in **EU ETS into non-ETS** emission budgets

Renewable energy

EU-binding 2030 target: at least 27% of energy from renewable sources

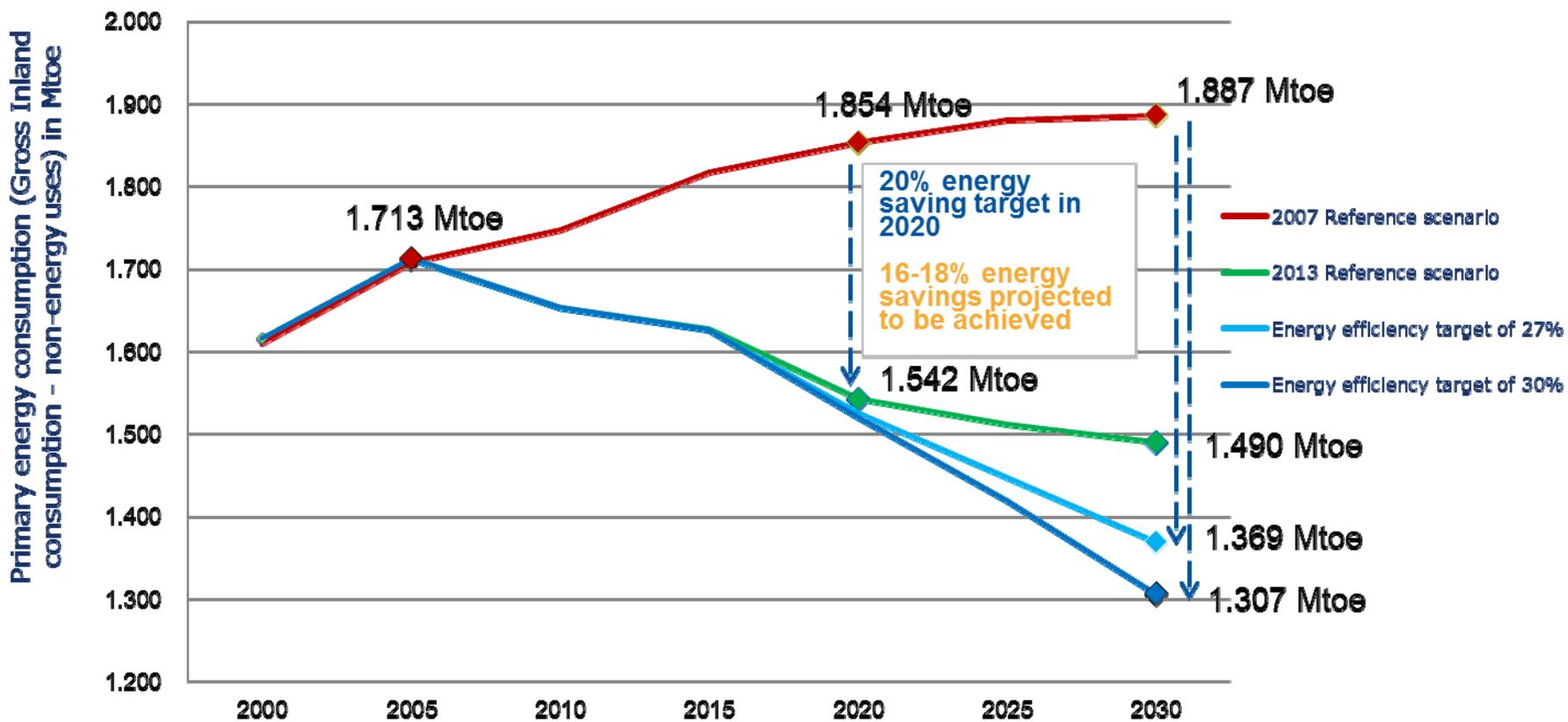Share of renewables in gross final energy consumption

27%

24,4%

RES 27% share

2013 Reference scenario

Energy efficiency

2020 and 2030 energy savings targets

EU 2030 target: at least 27% of energy savings

Primary energy consumption (Gross Inland consumption - non-energy uses) in Mtoe

1.713 Mtoe

1.854 Mtoe

1.887 Mtoe

20% energy saving target in 2020

16-18% energy savings projected to be achieved

1.542 Mtoe

1.490 Mtoe

1.369 Mtoe

1.307 Mtoe

— 2007 Reference scenario
— 2013 Reference scenario
— Energy efficiency target of 27%
— Energy efficiency target of 30%

Implementing the 2030 framework
Mastering the investment challenge

Climate and energy policies require significant investments, 2030 framework requires more investments

Higher investment needs in lower income Member States addressed

Majority of **private investments** depend on a **stable regulatory environment** and a **strengthened carbon market**

Public resources more effectively channelled to mobilize and accelerate private investments

Investing now is an **opportunity** to facilitate EU's low carbon transition

Next steps

Policy initiative on **new governance system**

Implementation of **European Energy Security Strategy**

Implementation of provisions for **EU ETS:**
- Pending Commission proposal for **Market Stability Reserve**
- **Legislative proposals** for post-2020 period

Setting of **Member States targets** in the **non-ETS sectors**, including policy on how to include **Land Use, Land Use Change and Forestry**

2030
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