

# GOVERNANCE REGULATION

Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action

## WHAT'S IN IT?

OBJECTIVE

**Climate ambition**

in view of respecting the limit of 1.5°C global warming under the Paris Agreement

**100% renewables**

accelerating the phase-out of fossils and nuclear

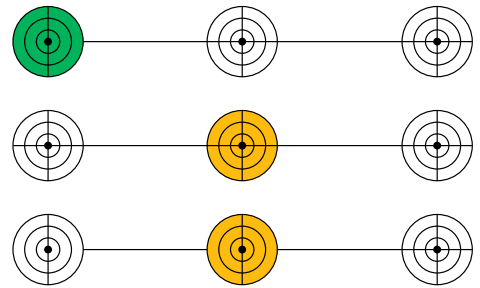
**Fair participation**

of citizens in the benefits of the European Green Deal

GOOD PROSPECTS  
IN VIEW OF  
THE OBJECTIVE

MIXED  
PROSPECTS

A STEP BACKWARDS,  
UNDERMINING  
THE OBJECTIVE



## WHAT'S NEXT?

STATUS

Entered into force



MILESTONES

September 2024  
European Commission review published

By March 2025  
EU Member States to submit National Energy and Climate Plans (NECP) progress reports

By January 2028  
EU Member States to submit updated NECPs

## WHAT TO WATCH OUT FOR?

RISKS

**Speed.** Slowing down the EU law's progress or implementation.

**Money.** Conflict on distributional effects or lack of finance for making this EU law impactful.

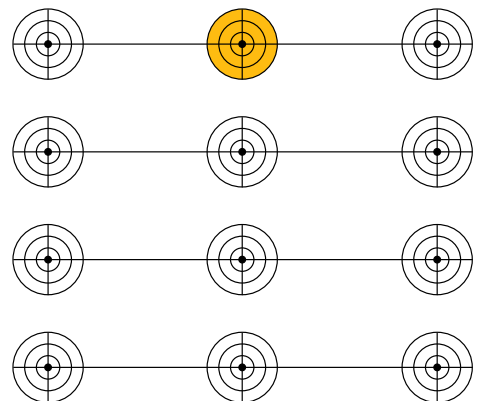
**Fossil fuels.** Open door to supporting the use of fossil fuels.

**Nuclear power.** Open door to supporting the use of nuclear power.

LIMITED RISK

MEDIUM RISK

HIGH RISK



NO RISK

N/A NOT APPLICABLE



Learn more  
[eu.boell.org/green-deal-risk-radar](http://eu.boell.org/green-deal-risk-radar)

## WHAT'S IN IT?

 **Climate ambition**

Ensures EU Member States contribute to the achievement of collective climate and energy targets, inter alia through National Energy and Climate Plans (NECPs).

 **100% renewables**

The Governance Regulation aims to bridge the regulatory gap that was created when the binding targets under the Renewable Energy Directive were abandoned. Through the NECPs, countries need to identify their contribution to the collective EU target to achieve a 42.5% renewable energy share of their final energy consumption by 2030. If EU Member States collectively fail to reach the target, the European Commission (EC) can impose specific targets to specific Member States (based on indicators included in the Regulation).

However, it does not reinstall binding targets and misses a long-term 100% renewable energy target.

 **Fair participation**

EU Member States need to assess energy poverty in their NECPs and where needed include a national indicative objective to reduce energy poverty in their NECPs. Many Member States did not consult civil society appropriately on the content and ambition of their NECPs.

## WHAT TO WATCH OUT FOR? RISKS

 **Speed**    **Money**    **Fossil fuels**    **Nuclear power**

The NECPs are the main tool to achieve the objectives of the Governance Regulation.

Despite request from the European Commission, Member States rarely improve their NECPs. Violations are not even penalised. As a result, the gap between the EU's climate targets and the progress expected on the basis of the NECPs is only growing. With the abolition of nationally binding renewable energy and climate targets, a key risk is that the Governance Regulation will remain unable to close the widening gap between targets and implementation.

**'Given the major challenges of achieving climate neutrality by 2050, it is crucial to create a more robust governance mechanism that provides clarity and legal certainty.'**

– ARIADNE PROJECT BRIEF: STRENGTHENING THE EU GOVERNANCE REGULATION FOR THE 2030 CLIMATE TARGETS, JANUARY 2024

## FURTHER READING

- Heinrich-Böll-Stiftung EU & Environmental Action Germany (DUH): Accelerating the European energy transition. Impetus for the EU reform debate, September 2024
- [Climate Action Network \(CAN\) Europe: NECP Tracker](#)

## WHAT'S NEXT?



STATUS

**Entered into force on 24 December 2018****Transposition by EU Member States**

The Governance Regulation puts many obligations on Member States regarding planning (NECPs and National Long-Term Strategies) and reporting on policies such as the Effort Sharing Regulation (ESR, see our dedicated scorecard) and land use, land use change and forestry (LULUCF). The most critical element are the 10-yearly NECPs of which the first version had to be submitted in 2019. Given the increased climate and energy ambition of the EU, new NECPs had to be submitted by end June 2024. As of 1 September 2024, only ten Member States have submitted a final revised NECP (DE, DK, FI, FR, IE, IT, LV, LU, NL and SE).

**Revision clauses and reporting duties**

The European Commission shall report within six months of each global stocktake under the United Nations Framework Convention on Climate Change (UNFCCC) on the operation of this Regulation (June 2024), as well as on progress towards the EU climate and energy objectives, complemented by Annual Climate Action Progress Reports.

NECP progress reports by 15 March 2025, and next draft NECPs by 1 January 2028 (arts. 9, 17).

**Delegated acts and other related legislative action**

If the EC's assessments conclude that the objectives, targets and contributions of the NECPs or their updates are insufficient for the collective achievement of the targets, it shall propose measures and exercise its powers in order to ensure the collective achievement of those objectives and targets.

## HOW TO IMPROVE IT? OPPORTUNITIES

The NECP process needs a more effective gap filler mechanism that encourages Member States to actually make an adequate contribution to meeting the common EU climate targets. In the area of the Energy Efficiency Directive or the ESR, Member States that do not meet their targets are already required to take additional measures. Failure to do so can lead to infringement procedures. This mechanism should also be introduced in the NECP process.

The NECPs also offer opportunities for overachievement. It will be crucial to ensure each EU Member State provides an NECP reflecting its highest level of ambition so as to avoid any progress obtained by countries overachieving on their fair share being nullified by countries underachieving.