

# **NECP Regional Consultation Penta & NSEC – 25 March 2024**

## **Chair's Summary**

### **1. Introduction**

Belgium and Denmark, respectively from this year's Penta presidency and NSEC presidency, welcomed the participants to the second exchange on the updated NECPs, alongside the Benelux secretariat. Belgium took the initiative to organise this regional consultation in Brussels, following the previous exchange organised by the Netherlands a few months prior. These exchanges build upon the first regional consultation initiated by Belgium, in 2019. Structural consultation within the Penta and NSEC regions allows for common statements among these countries, creating a more cohesive approach in certain areas.

### **2. Key Messages from the European Commission's assessment of the draft updated plans**

The Commission praised Penta and NSEC on their collaborative work on the NECPs. The NECPs are the main vehicle for providing investment certainty. We are now in the phase of the midterm update, as foreseen by the Energy Union governance regulation. The updates are made through an iterative process, where Member States work together with the European Commission, and with each other.

The Commission has provided its assessment to most of the draft updates in December 2023. It consists of a package including an overall assessment, country specific recommendations, and fact sheets. Final updates are expected for the end of June 2024. The updates will need to take into account the increased level of ambition. In parallel, the governance regulation 2018/1999 is also in the process of being revised.

Mainly, the Commission stated that while the increase in ambition is substantial, it is not yet up to par with Fit-for-55. It also noted that the reporting on the measures varies greatly and often lacks sufficient details, and that the increased focus on competitiveness and innovation needs to be further reflected upon. Furthermore, more is needed on the assessment of the investment needs and how it will be (publicly versus privately) financed.

With regard to the important pillar of regional cooperation, the Commission noted that it provided guidance to the Member States in December 2022. The assessment of the current draft showed some good practices, as well as areas for improvement.

Concerning the good practices, the Commission highlighted the cross-border renewables project under CEF by Estonia and Latvia, REFM by Luxemburg and Finland, the joint 'energy island' project by Belgium, Denmark and Germany, and the joint research centre on energy storage between Spain and Portugal. As for areas for improvement, the Commission pointed out that more clarity on the consultations during the preparation for the plans is needed, and that many solidarity agreements need to be improved upon. The Commission also raised the question on future steps regarding renewables cooperation and the obligations stemming from art. 9 of RED.

Lastly, the Commission reiterated its support to the Member States towards finalisation of the updates, through bilateral technical discussions, political engagement and regional cooperation fora.

### 3. Roundtable on key changes in the updated NECPs.

The Member States present gave an overview of their key new policies foreseen to be integrated in the final updated NECPs, focussing on changes within their plans since November 2023, the Commission's recommendations on the draft updated NECPs and the cross-border aspects.

While the content of the key changes differs from Member State to Member State, certain similarities can be found among them. These include increased attention to interconnectivity, cross-border impact and regional initiatives, introducing new legislation, and focussing on different/more sources of energy.

Finally, the Member States expressed their gratitude to the Commission on its detailed recommendations on their NECPs, and are committed to taking them into account as much as possible. This process does take time, which raised some concerns on the feasibility of the deadline.

### 4. Updated Common Chapter

Ministers of the Pentalateral Energy Forum and of the North Seas Energy Cooperation approved the draft common chapter in June of last year. Penta and NSEC coordinators will be invited to check whether there are major changes that need to be made to this draft. It will then be sent to respectively Penta DGs and NSEC DGs for approval in May.