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# REVIEW OF THE EU'S GOVERNANCE REGULATION

Consultation Response  
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# Call for evidence: Review of the EU's Governance Regulation

## Introduction

The EU's Governance Regulation sets out the rules for **planning, reporting and monitoring** on the Energy Union and Climate Action. It supports strategic medium- and long-term energy and climate planning and provides a framework for Member States to report on their progress towards meeting the 2030 and long-term energy and climate objectives and targets to the Commission and the United Nations Framework Convention on Climate Change (UNFCCC). It also enables the Commission to assess and monitor the progress made by the EU and by Member States, and to take measures in cases where the level of ambition or progress is insufficient. The European Commission is currently undertaking a review of the Governance regulation and is in the process of assessing several options to revise the Governance Regulation 'with a view to developing the framework needed for a true Energy Union and to deliver on the EU's climate and energy objectives in a simple and flexible manner'.

This consultation response is informed by Environmental Justice Network Ireland's research and advocacy on [EU climate governance](#) and our [practical experience of engaging with the recent update of Ireland's National Energy and Climate Plan and Long-Term Strategy](#) under the Governance Regulation, as well as analysis from CAN-E, EEB, WWF and E3G.

The [consultation](#) runs until 19<sup>th</sup> March, 11pm Irish time.

## Summary

1. To ensure a secure, independent, competitive and decarbonised energy system as well as a climate neutral and resilient EU by 2050 the Governance Regulation should focus on: just transition and social impacts; energy security and phasing out fossil fuels and fossil fuel subsidies; the Energy Efficiency First Principle and integration of methane commitments.
2. EJNI supports using a whole-of-economy approach based on the five dimensions of the Energy Union, complemented by quantitative and/or qualitative KPIs to monitor performance, as well as continuation of current structure of binding EU targets for renewables and energy efficiency, supported by national contributions.
3. EJNI supports legally binding national objectives and energy sector targets at Member State level to reach the energy and climate Union objectives. This must be supported by enhanced accountability mechanisms to address any gaps in delivery by strengthening the connection between progress on the objectives and KPIs in the Regulation and access to EU-level support tools. A compliance mechanism based largely around non-binding recommendations is not a strong course correction mechanism. Introduction of an access to justice provision within the Governance Regulation would send an important signal to the Member States that the EU legislature is serious about climate accountability at the national level. Actions to implement the Governance Regulation must also respect, protect and fulfil human rights and gender equality.

4. The current architecture (binding EU targets for renewables and energy efficiency, supported by national contributions and binding national climate targets) offers sufficient flexibility and is important for providing investment certainty and predictability.
5. The Governance Regulation's contribution to a stable and predictable investment environment for private investors in the transition could be strengthened by automatic trigger mechanisms for implementing corrective tools and stronger financial incentives (e.g. coherence with the MFF) to enhance compliance. Timing and frequency of updates should be carefully considered and binding 2040 targets for climate and energy (renewables and energy efficiency) remain the best way to enhance investors' certainty.
6. Adapting energy infrastructure to better integrate renewable energy sources and address the decline in domestic fossil fuel demand, facilitating the shift to lower-carbon alternatives while ensuring long-term security of supply.
7. EJNI supports [Ecologic Institute's](#) eight recommendations for a smarter, simpler and more effective climate policy framework:
  - Integrate NECPs and their reports (NECPRs) iteratively to reduce duplication.
  - Align monitoring of decarbonisation, competitiveness, and just transition aims.
  - Common core set of indicators for planning, reporting and assessments.
  - Merge LTSs and NECPs (and possibly more) for fewer submissions and more aligned long-term planning.
  - Streamline by cutting low-value, purpose unclear obligations.
  - Enhanced digitisation and AI-supported tools for data flows.
  - Merge Reportnet 3 and ReportENER.
  - Build a single EU transition dashboard across domains.
8. EJNI supports [E3G's recommendations](#) to:
  - Renew the commitment and ensure the homogeneous implementation of the interconnection and cross-border capacity targets across MS.
  - Optimise European-wide network planning by strengthening coherence between national and EU-level planning, including through more transparent and harmonised NECPs with comparable indicators and modelling assumptions, and by leveraging the European Grid Package's proposed Central EU Energy System Scenario as a common benchmark to better inform cross-border infrastructure and investment decisions.
9. The Governance Regulation can facilitate more effective cooperation between Member States by expanding the scope of existing High-Level Groups to more areas of the NECPs and by setting up new fora or mechanisms tailored to cross-border energy and climate planning. Collaboration with extra-EU neighbouring countries (e.g. the UK), when required to achieve EU objectives, should also be strengthened.
10. The governance process between the European Commission and Member States could be enhanced to ensure timely and high quality NECPs and reporting through Commission country visits to national civil servants during NECPs drafting & implementation, ensuring better CSO participation, development of a soft law instrument to share good practices from/with Member States on planning and reporting and ensuring the use of all legal (and other) enforcement mechanisms already in place in cases of poor compliance.

# 1. Reviewing the scope of the Governance Regulation

Q1: Which of the following areas should the Governance Regulation focus on more to best support a secure, independent, competitive and decarbonised energy system as well as a climate neutral and resilient EU by 2050?

**To ensure a secure, independent, competitive and decarbonised energy system as well as a climate neutral and resilient EU by 2050 the Governance Regulation should focus on:**

- **Just transition and social impacts** because the current planning frameworks (such as National Energy and Climate Plans, NECPs) largely fail to meet just transition requirements, assess socio-economic impacts of planned measures and consider vulnerability factors. This update should (a) improve monitoring and enforce compliance on JT and social aspects by setting definitions and mandatory objectives (e.g. KPIs on energy poverty, energy communities); and (b) reinforce engagement of underrepresented groups as well as of competent ministries/stakeholders in the planning process. Our [analysis](#) of Ireland's NECP for example found that it:

*'does not sufficiently address the social, economic, and equality impacts of transitioning to a low-carbon economy, nor does it provide adequate policies for a just transition. [...] the NECP's current focus is narrowly centred on employment and economic aspects, overlooking the broader social impacts and the needs of marginalised communities.'*

- **Energy security and phasing out fossil fuels and fossil fuel subsidies** to ensure competitiveness, consumer protection and climate protection. The Governance Regulation update should foresee NECPs that include clear, binding phaseout scenarios. Subsidies are currently listed inconsistently, without a full inventory, common definitions, or binding phase-out deadlines. This revision should set (a) harmonised EU-wide definition of fossil fuel subsidies; (b) Mandatory, transparent and regular reporting by Member States; (c) Phase-out deadlines; and (d) A robust monitoring and enforcement mechanism; (e) assessment of vulnerable groups and support for alternatives.
- **The Energy Efficiency First Principle**, which must remain the overarching principle of EU energy policy. This update should continue ensuring that energy savings and demand-side solutions are considered on an equal footing with supply-side options in all planning, policy and major investment decisions.

In addition to these areas, it would be beneficial to integrate methane commitments. This could be achieved through requiring more detailed specifications on methane-related objectives, policies and measures in NECP(R)s and reporting on progress on methane commitments (from EU policies and international pledges) in the State of the Energy Union (art 35).

## 2. Addressing the evolution of the post-2030 policy framework

Q2: As the EU's energy system continues its transformation, becoming more integrated, resilient and decarbonised, how should the overall energy and climate policy framework guide this change and track progress, while reflecting aspects such as flexibility, affordability, competitiveness, innovation, interconnectivity and security of supply?

**EJNI would support using a whole-of-economy approach based on the five dimensions of the Energy Union, complemented by quantitative and/or qualitative KPIs to monitor performance**, such as: competitiveness (e.g. economic value added of energy consumption); affordability and security

of supply (e.g. electrification, energy system flexibility, robust infrastructure and climate resilience, domestic manufacturing capacity of clean energy technologies, interconnectivity); and decarbonisation (e.g. fossil fuel phase out).

EJNl supports continuation of the current structure of binding EU targets for renewables and energy efficiency, supported by national contributions guided by formulas (based on the formulas for Member States contributions on renewable energy and energy efficiency under the current governance framework).

EJNl supports the priorities set out in [CAN-E's analysis for this question](#):

1<sup>st</sup> choice = Option 1: Continue with the current structure of binding EU targets for renewables and energy efficiency, supported by national contributions guided by formulas (Based on the formulas for Member States contributions on renewable energy and energy efficiency under the current governance framework).

2<sup>nd</sup> choice = Option 5: Option 1, 2, 3 or 4 complemented/combined with monitoring KPIs for key energy system components (e.g. electrification, waste heat reduction or re-use), while ensuring transparency and comparability.

3<sup>rd</sup> choice = Option 4: Define a single, overarching electrification target for the EU, with embedded minimum thresholds for key parameters (e.g. renewable energy, energy efficiency)

4<sup>th</sup> choice = Option 2: Keep a similar structure with binding EU targets as in option 1 while allowing for flexibilities that reflect Member's states' specificities.

5<sup>th</sup> choice = Option 3: Define a single, overarching clean energy target for the EU, with embedded minimum thresholds for key energy parameters (e.g. renewable energy, energy efficiency).

*Q3: How can the Governance Regulation most effectively ensure compliance with post-2030 energy and climate objectives and drive sufficient progress toward climate neutrality by 2050 and the goals of the Paris agreement?*

**EJNl supports legally binding national objectives and energy sector targets at Member State level to reach the energy and climate Union objectives. This must be supported by enhanced accountability mechanisms to address any gaps in delivery by strengthening the connection between progress on the objectives and KPIs in the Regulation and access to EU-level support tools.**

### **Alignment and consistency**

As part of the climate plan-making process, Member States produce two types of plans: national energy and climate plans (NECPs) and long-term strategies (LTS). These documents should be aligned. Our [national experience](#) indicates that a lack of alignment between the two plans created confusion and that the sequencing of the preparation of the two plans also created a lack of coherency. The lack of alignment and timing of production of the two plans meant that it was impossible to assess whether or not the plans were consistent.

*'Submissions of Ireland's EU climate plans have been consistently late, piecemeal and poorly synchronised. Ireland's updated Long-term Strategy on Greenhouse Gas Emissions Reduction was approved by the Government on June 26, 2024. The strategy was subsequently published on 23 July, 2024 over 3 years after the EU deadline. The second consultation on the final updated NECP closed on 27 June, 2024 - just one day after the nLTS had been approved by Government.*

*No time was made available to the public to review the level of consistency between both documents. It is noted in the nLTS that it will “build on the targets, policies, measures and actions we [the Government] have already committed to in the period to 2030 as set out in successive annual national Climate Action Plans and our EU National Energy and Climate Plans.” The delayed publication of the national Long-Term Strategy meant that it was not possible for analysis to be undertaken to ensure that the two plans were consistent.’*

In addition, [our experience](#) indicated that a lack of alignment between national and EU climate plans created a further level of complexity and confusion, and inhibiting proper public participation:

*‘The process of updating Ireland’s NECP revealed significant issues in the alignment and sequencing between EU legal requirements and national climate planning processes. It appeared that national planning took precedence, sidelining the EU’s coordinated climate objectives. This approach reduced the NECP update and progress reporting to an administrative task rather than an opportunity for meaningful policy-making and strategic planning. There also appeared to be a lack of understanding about its distinct role and importance as a strategic policy making framework. Consequently, public participation was inherently flawed, as the NECP update largely consisted of pre-existing policies – many of which had already undergone consultation – thus failing to engage the public on the plan as a whole.’*

## **Non-binding recommendations**

Monitoring and evaluating largely take the form of non-binding recommendations. For example, the Commission assesses draft NECPs and provides country specific recommendations. Every two years, the Commission assesses whether finalised NECPs are sufficient for the achievement of the climate and energy goals. If a Member State’s level of ambition is insufficient, or it is not making enough progress on NECP implementation, the Commission is required to make recommendations to the Member State. Member States must ‘take due account of the recommendation in a spirit of solidarity’.

The problem with a compliance mechanism based largely around non-binding recommendations is that it is not a strong course correction mechanism. This is well exemplified in the latest round of NECP updates, where despite significant gaps in many NECPs, infringement proceedings were not initiated by the European Commission (on the basis of a lack of proportionality), nor were the corrective tools provided for in the Governance Regulation (article 32) used. For example, EJNI’s complaint to the European Commission about Ireland’s NECP highlighted both procedural and substantive non-compliance relating to issues such as insufficient detail on achieving ESR and LULUCF targets, lack of timelines for phasing out fossil fuel subsidies and insufficient alignment between NECP and LTS. Even though the Commission’s own assessment of Ireland’s final NECP highlighted similar issues; the Commission’s recommendations for achieving compliance have still not been fully addressed.

## **Access to justice**

In the absence of strong public enforcement by the Commission through infringement proceedings, the need for private enforcement of the Governance Regulation by individuals and NGOs comes into sharp relief. Neither the Governance Regulation nor the European Climate Law contain express provisions on access to justice. [Climate law academics](#) have argued that the Governance Regulation could expressly give NGOs and members of the public access to their domestic courts to challenge the substantive/procedural legality of NECPs and LTS. This right of access to justice could cover [both the implementation of, and the level of ambition in,](#) EU climate plans. An express right of access to justice would be to create legal certainty that the provision of sufficient information on how climate and energy targets will be met in NECPs/LTSs is legally binding obligations, enforceable by courts. In the context of recent attacks on access to environmental justice, enshrining a sectoral right of access to justice within the Governance Regulation could prevent further backsliding by Member States on Aarhus rights. As was recently highlighted by the [UN Special Rapporteur on Human Rights and the Environment](#) on her in

country mission to Ireland, 'regressive' reforms to judicial review risk reducing access to environmental justice, limiting the possibility for citizens to defend their rights, and undermining accountability. These regressive reforms are proceeding notwithstanding the fact that effective judicial oversight, particularly when it comes to the protection of the climate system, can help government to identify potential inadequate evaluations and improve decision-making. The introduction of an access to justice provision within the Governance Regulation would send an important signal to the Member States that the EU legislature is serious about climate accountability at the national level. A provision granting access to justice before national jurisdictions to ensure the legality of NECPs and their implementation would have the benefit of increasing the national ownership of compliance with the EU's objectives. National judges are better placed to assess national requirements (e.g. flowing from national climate framework laws) in addition to EU law requirements. This could also create an important bridge between EU and national framework climate laws, reducing duplication and improving coherence.

*What other option, or combination of options, if any, should be considered? In particular, what kind of enforcement tools can be deployed to ensure Member States accountability?*

A compliance mechanism based largely around non-binding recommendations is not a strong course correction mechanism. Introduction of an access to justice provision within the Governance Regulation would send an important signal to the Member States that the EU legislature is serious about climate accountability at the national level. Actions to implement the Governance Regulation must also respect, protect and fulfil human rights and gender equality.

**Automatic trigger mechanism for implementing corrective tools:** to increase transparency in what additional actions will be needed from Member States in case of failures. These should be activated, among others, in case of underperformance (including not delivering on KPIs, or not providing enough details e.g. on investment needs) and when changes to scenarios, targets or objectives do not comply with the progression principle, i.e. reflecting equal or increased ambition (Article 14, paragraph 3).

**Stronger financial incentives:** This includes reinforcing coherence with the economic dimension of the EU - Medium-Term Fiscal and Structural Plans, the Semester and the next MFF. In a KPI-based planning and reporting system, for instance, persistent underperformance would be addressed via requests for targeted reforms and corrective actions in Country Specific Recommendations, as well as via reforms, milestones and targets embedded in future national spending plans (NRPPs).

*Q4: How can the Governance Regulation introduce more flexibility in achieving targets compared to the current approach?*

The current architecture (binding EU targets for renewables and energy efficiency, supported by national contributions and binding national climate targets) offers sufficient flexibility and is important for providing investment certainty and predictability.

### **3. Making energy and climate investments happen**

*Q5: How can the Governance Regulation's contribution to a stable and predictable investment environment for private investors in the transition be strengthened?*

As [highlighted by Climate Action Network Europe](#) (CAN-E)

**Investment needs and funding sources:** Current NECP templates require a relatively detailed amount of information; the main issue is Member States not considering them. Hence, while granularity and harmonisation are useful, what is most needed are (1) stringent compliance and enforcement rules and (2) stronger incentives. In this light, we welcome stronger links with Structural Plans, European Semester

(via CSRs) and MFF (i.e. addressing NECPs underperformance in NRPPs, e.g. by requesting MS to dedicate higher percentages of funding to climate action if NECP(R)s showcase insufficient ambition/progress and aligning the NRPPs and NECPs).

**Timeline and frequency of updates:** While merging NECPs with LTS could decrease administrative burden and increase consistency between short and long-term objectives, planning long-term (2050) must not be an excuse to delay earlier action towards 2040 objectives. If NECPs and LTS are merged, Member States must keep planning enough PAMs and investments to deliver on 2040 climate and energy targets. NECPs submission should remain as it is (i.e. every five years, with flexibility for MS to update when they like), and reporting should be conducted on an annual basis. However, (1) the two should be streamlined into one process, for instance via a common set of KPIs; (2) the process could become more dynamic, e.g. more frequent updates between COM and MS (see section 6), to keep NECPs relevant for investors, as long as potential adjustments are aligned with the progression principle (Art 14, para 3).

**KPIs:** Binding 2040 targets for climate and energy (renewables and energy efficiency) remain the best way to enhance investors' certainty. The Renewable Energy Financing Mechanism (REFM) should be strengthened. Art 32.3 (which offers also the possibility to make a payment to the Union REFM) should become binding in case Member States fail to reach reference points. The EC should also assess whether EU-wide auctions (art 19ac Electricity Directive) could be organised under the REFM.

## 4. Contributing to a more resilient energy system

*Q6: In which areas can the Governance Regulation strengthen the resilience of the energy system, complementing existing rules?*

Adapting energy infrastructure to better integrate renewable energy sources and address the decline in domestic fossil fuel demand, facilitating the shift to lower-carbon alternatives while ensuring long-term security of supply.

## 5. Streamlining the Governance framework

*Q7: What could simplify the existing Governance framework?*

EJNl supports [Ecologic Institute's](#) eight recommendations for a smarter, simpler and more effective climate policy framework:

- Integrate NECPs and their reports (NECPRs) iteratively to reduce duplication.
- Align monitoring of decarbonisation, competitiveness, and just transition aims.
- Common core set of indicators for planning, reporting and assessments.
- Merge LTSs and NECPs (and possibly more) for fewer submissions and more aligned long-term planning.
- Streamline by cutting low-value, purpose unclear obligations.
- Enhanced digitisation and AI-supported tools for data flows.
- Merge Reportnet 3 and ReportENER.
- Build a single EU transition dashboard across domains.

## 6. Strengthening cooperation between and within Member States

Q8: What are the main strategic areas where stronger cooperation between Member States is needed - including those outside of the scope of current cooperation mechanisms?

EJNI supports [E3G's recommendations](#) to:

- Renew the commitment and ensure the homogeneous implementation of the interconnection and cross-border capacity targets across MS.
- Optimise European-wide network planning by strengthening coherence between national and EU-level planning, including through more transparent and harmonised NECPs with comparable indicators and modelling assumptions, and by leveraging the European Grid Package's proposed Central EU Energy System Scenario as a common benchmark to better inform cross-border infrastructure and investment decisions.

Q9: How can the Governance Regulation facilitate more effective cooperation between Member States in these areas?

- By expanding the scope of existing High-Level Groups (for example, the North Seas Energy Cooperation, Interconnection for South-East Europe, BEMIP, CESEC) to more areas of the NECPs.
- By setting up new fora or mechanisms tailored to cross-border energy and climate planning.

Collaboration with extra-EU neighbouring countries (e.g. the UK), when required to achieve EU objectives, should also be strengthened.

Q10: How can the governance process between the European Commission and Member States ensure timely and high quality NECPs and reporting?

- Enhance COM country visits to national civil servants during NECPs drafting & implementation, ensuring CSOs participation (similar to country visits during RRP drafting)
- Develop a soft law instrument to share good practices from/with Member States on planning and reporting (e.g. public participation, modelling, sectoral policies) to foster cross-country capacity-building and replication.
- Proactively use all legal (and other) enforcement mechanisms already in place in cases of poor compliance

EJNI's experience indicates that even where [multiple failures were identified in an NECP](#) and reported to the European Commission via the official complaint procedure that no infringement action was commenced. This experience was mirrored in multiple other member states where [CSOs also submitted complaints in a pan-EU coordinated action](#). Clarity on when non-compliance will result in enforcement action is vital to ensure requirements are taken seriously.

Q11: In your view, should the Governance Regulation public consultation process and provision be revised?

Yes, significant improvements are required. Current provisions do not consistently ensure meaningful, timely, and effective public participation in climate and energy planning. [Our experience](#) in the latest NECP update highlights the deficits in the current approach in stark detail.

*The two public consultations that did take place occurred only after the draft had been submitted to the EU Commission, and the main approaches already substantially decided without public input. Very little was done to facilitate engagement with these documents in terms of accessible information, and the first consultation was based on an outdated policy projections scenario, while the second, conducted just days before the final NECP submission deadline in June, provided*

*little room for meaningful adjustments. These consultations did not comply with the legal standards of the Governance Regulation, the Aarhus Convention, or the European Commission's own guidance. The delays, lack of supporting information and limited consultation windows compromised the effectiveness of public participation in shaping the NECP.'*

EJNI supports CAN-E's recommendations to:

- Explicitly integrate Strategic Environmental Assessment (SEA) requirements into the Regulation, clarifying that NECPs fall within the scope of the SEA Directive and therefore benefit from established standards on public participation, transparency, and environmental assessment. SEA should take place as part of the drafting process, not after it is concluded.
- Strengthen Article 10 on public participation by making procedural rights explicit rather than implicit, including requirements for early consultation when all options are still open and the introduction of minimum timeframes for consultations.
- Differentiate clearly between preliminary and final draft NECPs, ensuring that public consultation takes place on drafts that can still be meaningfully amended before submission to the Commission.
- Introduce access to justice provisions, enabling the public and civil society to challenge procedural failures and ensuring that Commission recommendations are subject to review under EU Aarhus rules.
- Improve proactive access to information, by specifying what documents and data must be published, in accessible and user-friendly formats, throughout the planning and implementation cycle.
- Strengthen the obligation of Member States to explain how the inputs from the public consultation have been taken into account.

*Q12: In your view, is there a need to revise the regulation's Multilevel Climate and Energy Dialogue provision?*

The Governance Regulation's MCED provision needs revision to clarify and strengthen Article 11's text, improve reporting and accountability, promote permanence and broader scope and ensure the provision of EU guidance and support.

Other comments:

### **Making the links between the protection of human rights and the Governance Regulation**

An orderly and planned transition, which the NECPs and LTS are meant to enable, is essential for the effective enjoyment of human rights. Currently, the Governance Regulation states that Member States 'should ... adequately integrate the dimensions of human rights and gender equality' into their NECPs and nLTS and report on how the implementation of these plans contributes to promotion of both human rights and gender equality. This could be strengthened by making explicit that actions to implement the Governance Regulation must respect, protect and fulfil the right to life (Art 2 of the Charter) and the right to respect for private life (Art 7 of the Charter) and observe the principle of 'high level of environmental protection' guaranteed in Art 191(2) TFEU, Art 3(3) TEU & Art 37 of the Charter. There is also a strong argument to refer to Art 52(3) of the Charter to highlight links between EU and ECHR interpretations of positive human rights obligations in the context of climate change.