T&E's response to the European Commission consultation on the revision of the Governance Regulation

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Transport & Environment (T&E) welcomes the revision of Governance of the Energy Union and Climate Action (Governance Regulation) as a key opportunity for shaping the EU's post-2030 climate and energy architecture. The 2018 Regulation has played an important role in coordinating Member State planning and monitoring progress towards the EU's 2030 climate and energy targets. However, the coming decade requires a more strategic framework capable of guiding the structural transformation of Europe's energy system towards the 2040 climate target and climate neutrality in 2050 as enshrined in the Paris Agreement.

Recent geopolitical events, such as Russia's war of aggression against Ukraine and the US-Israel war on Iran, have reinforced the urgency of this transition. Europe's energy dependence led to strong exposure to volatile fossil fuels markets and external suppliers, demonstrating that energy security and decarbonisation are key policy objectives in the post-2030 architecture. Strengthening Europe's energy sovereignty therefore requires accelerating the shift toward domestically produced renewable energy while enhancing resilience.

In this context, T&E supports the European Commission's objective to revise the Governance Regulation from a framework primarily focused on planning, monitoring and reporting for 2030 targets into a strategic piece for the EU's post-2030 climate and energy architecture. T&E urges the European Commission to provide a framework capable of steering a predictable and coordinated clean energy transition across Member States.

Binding post-2030 energy targets as the founding of the Energy Union

The EU's post-2030 climate and energy architecture must support the legally binding objective of reducing net GHG emissions by at least 90% by 2040 compared to 1990 levels, and achieve climate neutrality by 2050. Delivering this objective requires a coherent energy policy framework for the next decade. The revised Governance Regulation should establish a **binding post-2030 energy framework aligned with the 2040 EU climate target**.

As highlighted in the EC's 2026 work programme, **completing the Energy Union for after 2030 should be a central principle**. The existing Energy Union framework should remain the organising structure of the EU's post-2030 climate and energy architecture. The five dimensions of the Energy Union - energy security, internal energy market, energy efficiency, decarbonisation and research and innovation - are interdependent pillars of a resilient and competitive clean energy system and are essential in the EU's post-2030 climate and energy architecture.

Electrification as the backbone of the post-2030 Energy Union

Europe's energy security challenge is fundamentally a problem of structural dependence on imported fossil fuels. Between 2021 and 2024, the EU paid approximately €930 billion more for fossil fuel imports than would have been expected under pre-crisis prices. Reducing this structural dependency must therefore be a central objective of the post-2030 framework. **Electrification powered by domestic renewable energy represents the most effective pathway to achieve this**. However, electrification has not developed as much as needed for reaching climate neutrality in 2050. This is due to, *inter alia*, the differences in the level of electrification among Member States. Thus, a harmonised approach between Member States through a binding **European electrification target** is an appropriate tool to drive rapid and harmonised system electrification.

Transport is a key sector in driving the full electrification of the European economy. T&E has highlighted in several reports the potential for electrification across different transport modes toward system decarbonisation. Road transport is already progressing rapidly through the

deployment of electric vehicles, while electrification in shipping and aviation is emerging as a key strategy to deliver substantial emissions reductions, together with sustainable fuels.

For instance, T&E found that:

- with today's battery technologies, more than half of Europe's ferries can be electrified by 2035;
- the market uptake of zero-emission trucks is also accelerating, with a peak increase of 5.6% in new electrified truck registrations recorded since July 2025;
- ports are increasingly electrifying their operations, including through the deployment of onshore power supply, providing power to vessels at berth;
- electric aircrafts are starting to emerge, with entry into service expected around 2030, and are set to support the decarbonisation of European aviation, particularly on regional and short-distance routes.

Electrification must be accompanied by renewables and efficiency

While the European Commission must recognise that electrification is essential, an electrification target alone is not sufficient to deliver a resilient and decarbonised energy system. With accompanying binding policies electrification only risks increasing electricity demand without necessarily reducing fossil fuel dependence. Additional electricity demand could, for example, be driven solely by energy-intensive digital infrastructure or met through non-renewable or low-carbon sources.

To complement the binding electrification target, **a binding renewable energy target** for 2040 shall also be a core element of the post-2030 energy framework. This target should serve as a central element to reflect the strategic importance of renewables for both European decarbonisation and energy sovereignty. **Expanding domestic renewable energy production is the most effective way to reduce fossil fuel imports and ensure the electrification target leads to effective emissions reductions**. This target should remain focused strictly on renewable energy sources and shall not be broadened to include other low-carbon technologies or "clean energy" approaches that risk deleting the climate integrity of the future energy system, such as bioenergy.

Additionally, energy efficiency must remain a central pillar of the post-2030 framework. A **binding 2040 energy efficiency target** shall be introduced, supported by robust and enforceable energy savings obligations building on the Energy Efficiency Directive. Demand reduction lowers infrastructure needs, limits exposure to fossil fuel price volatility and

reduces overall system costs. Electrification alone cannot compensate for insufficient structural energy savings. To this end, the Energy Efficiency First principle, a key principle included in the Governance Regulation, should remain a central element of the energy transition. By ensuring that demand-side solutions, such as energy efficiency improvements and demand response, are systematically assessed alongside supply-side investments, the principle should support a more cost-effective, resilient and sustainable energy system.

T&E urges the European Commission to consider renewable energy, energy efficiency and electrification together as part of the EU's post-2030 climate and energy architecture. Therefore, the European Commission should:

- accelerate the deployment of renewable energy;
- strengthen demand reduction and energy efficiency;
- electrify more rapidly end-use sectors, especially industry and transport.

These three pillars should be treated as complementary and mutually reinforcing, forming the core of a balanced and resilient energy system.

Maintaining binding sector targets

While T&E supports a new post-2030 overarching climate and energy architecture within the Governance Regulation, which includes renewable, efficiency and electrification 2040 targets, **the current climate and energy architecture must remain in place**.

In particular, ensuring binding sector targets is essential to enable progress across different parts of the energy system and ensure a progressive and overall decarbonisation in the EU. The alternative of relying on economy-wide targets risks uneven delivery across sectors together with insufficient investment signals. Binding sector targets aimed at improving trajectories are key to give clear long-term signals to investors and supply chains. They help make the energy transition more predictable and allow governments and companies to plan ahead. They also support efforts to strengthen energy independence.

Moreover, T&E recognises the role that Key Performance Indicators (KPIs) can play to provide accountability for progress and support visibility in the national decarbonisation trajectory. However, this should remain firmly embedded within the existing Energy Union framework, which should continue to serve as the organising structure for EU's climate and energy policy. In this sense, quantitative and qualitative KPIs would be a complement to the current architecture of National Energy and Climate Plans (NECPs) to monitor, report and verify

performance and ensure competitiveness, affordability and security of supply and decarbonisation. Nonetheless, **KPIs should in any case not replace the role of binding sectoral targets** included in the current Energy Union framework.

NECPs as a guiding investment tool under the next MFF

NECPs should serve as the primary strategic reference for directing climate and energy investments under the next Multiannual Financial Framework (MFF). This requires strengthening the investment dimension of NECPs within the European Semester, including the medium-term fiscal and structural plans under the economic governance framework. A more systemic use of a shared methodology to identify investment and reform needs, based on common KPIs, as already reflected in the Performance Regulation and the Governance Regulation, should guide both the European Semester process and the preparation of national and regional partnership plans (NRPPs) in the next MFF. The Commission should ensure that the NRPPs properly reflect investments and reforms identified in the NECPs.

Our **recommendations** for the revision of the Governance Regulation and the post-2030 energy and climate framework are the following:

- Ensure a balanced post-2030 climate and energy architecture built on **binding renewable energy, energy efficiency and electrification targets**, as complementary pillars of the energy system;
- Ensure that the **renewable energy target remains strictly focused on renewable energy sources** and is not broadened to include low-carbon or "clean energy" alternatives that risk weakening the integrity of the EU's decarbonisation framework;
- **Maintain binding sectoral targets** under the current Energy Union architecture and **supplement them with Key Performance Indicators in NECPs;**
- National and Regional Partnership Plans must properly reflect investment and reforms identified in the NECPs.