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## Revised Portuguese National Energy and Climate Plan 2021-2030

On 22 July 2024, the Portuguese Government submitted the revised draft of the National Energy and Climate Plan 2021-2030 (the “PNEC 2030”) for public consultation.

The PNEC 2030 is Portugal’s main energy and climate policy instrument in the short to medium term and its original draft was delivered in 2019. It purports to outline how the country intends to address (i) decarbonisation, (ii) energy efficiency, (iii) energy security, (iv) the internal energy market and (v) research, innovation and competitiveness.

The PNEC 2030 qualifies as a national energy and climate plan, introduced by Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, as part of the “Clean energy for all Europeans package”

The draft will remain under public consultation until 5 September 2024.

In this Legal Briefing we highlight the main aspects of the revised draft of the PNEC 2030.

### 1. The revised draft of the PNEC 2030 – Main aspects

The revised draft of the PNEC 2030 builds on a preliminary version submitted to the European Commission in June 2023 and takes into account its recommendations as well as further updates.

In general, the focus has been on setting even more ambitious goals concerning the reduction of greenhouse gas emissions, as well as on redefining targets for specific renewable energy sources and technologies.

The main takeaways from the revised draft of the PNEC 2030 can be summarised as follows:

- **New target for GHG:** the new target is to reach a 55% reduction in greenhouse gas emissions, compared to 2005 levels. The previous goal was set at a range between 45% and 55%.
- **New target for renewable energy:** an increase in the target share of renewable energies in gross energy consumption by 2030 – from the initial estimated value of 47% to 51%.
- **New target for renewable energy (electricity):** the new target for the share of renewable energies in the gross energy consumption of the electricity sector by 2030 is 93% (an increase from the 80% set out in the initial version of the PNEC 2030, which was updated to 85% in the preliminary revised draft).
- **New target for renewable energy (transport):** the new target for the share of renewable energies in the gross energy consumption of the transportation sector by 2030 is 29% (an increase from the 20% set out in the initial version of the PNEC 2030, which was updated to 23% in the preliminary revised draft).

**Note:** This new target already assumes a share of 1.9% of biofuels and biogas, following Directive (EU) 2023/2413 of the European Parliament and of the Council as regards the promotion of energy from renewable sources.

- **New target for solar technology (installed capacity):** the new target for the installed capacity of solar technology has been increased from 20.4 GW to 20.8 GW.
- **Targets maintained for onshore and offshore wind technology (installed capacity):** the targets for installed capacity of both onshore and offshore wind have been maintained – 10.4 GW and 2 GW, respectively.

- **New target for decentralised solar:** the new target for the installed capacity of decentralised solar has been increased from 2% to 5.7% (with 15.1 GW remaining for large-scale solar).
- **Decrease in hydrogen targets:** the target for electrolysis capacity (H2 output) has been set at 3 GW, a decrease from the 5.5 GW set out in the preliminary version of this draft.
- **Interconnections with Spain:** an increase in interconnections with Spain is envisaged, as well as the reinforcement of natural gas infrastructures (to enable future transport of renewable gases, such as hydrogen).
- **National plan for energy storage:** the revised draft of the PNEC 2030 envisages the delivery of a national plan for energy storage, with the aim of defining storage needs and strategy (including electricity storage through batteries, planned for a later stage when the technology is better developed).
- **National natural resource prospection programmes:** the envisaged preparation of national natural resource prospection programmes (including for critical raw materials) to make the most of the country's geological potential.
- **National plan for geological resources:** the envisaged delivery of a national plan for geological resources, with focus on critical raw materials (building on the knowledge of the existence of mineral resources, and on the work carried out to define key areas for the prospection of certain critical raw materials).

Considering the review of the aforementioned targets, further investment (including foreign investment) is definitely expected.

Solar and wind technologies will continue to play a critical role in attaining the targets (with those for solar now even higher), while hydrogen has seen a cut in terms of ambitions (in line with the European Commission's recent expectations).

Renewable gases are poised to play a major role, with the Government also noting geothermal resources as significant (asserting that they are underused).

The expected presence of biofuels and biogas in the mix for transportation is worth noting (and is aligned to what is already set out in the sector's legislation), as well as the incoming strategy for critical raw materials and energy storage.

With regard to energy consumption, it is expected that Portugal will increase its figures of 50 TWh in 2024 to 90 TWh in 2030.

## 2. Next steps

Following the public consultation, the government will present the revised draft of the PNEC 2030 to the Portuguese Parliament, which will then discuss and vote on it (which will take place within 90 days of receiving the draft).

Timing-wise, it is expected that the revised draft is expected to reach the European Commission in October 2024.

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