

## Den Energie- a Klimaplang : eng liewenswäert a solidaresch Zukunft fir Lëtzebuerg

On April 17 2023, the Prime Minister, Minister of State, Xavier Bettel, the Minister for the Environment, Climate and Sustainable Development, Joëlle Welfring, the Minister for Energy, Claude Turmes, and the Minister for the Economy, Franz Fayot, presented the first draft of the update of the "Energie- a Klimaplang fir Lëtzebuerg."

***EU member states are required to update their national energy and climate plans for 2024. A draft update must therefore be sent to the European Commission at the end of June 2023, in advance of this deadline. The government has raised its ambitions by proposing new and enhanced measures for the energy transition and for climate action by 2030, drawing inspiration from recent public consultations.***

In the context of the Paris agreements on climate action and their implementation at the national and European levels, the "Energie- a Klimaplang fir Lëtzebuerg" represents a key component of the **Grand Duchy of Luxembourg's climate and energy policy**. Adopted in its first version by the Government Council in May 2020, it sets out climate and energy objectives by 2030, as well as the policies and measures to reach them, specifically for each of **six target sectors**: buildings, transport, industry, agriculture, waste and LULUCF (Land Use, Land Use Change and Forestry). Therefore, the "Energie- a Klimaplang fir Lëtzebuerg" is a strategic document enabling Luxembourg to actively engage in climate action, the energy transition as well as the development of a sustainable economy. By aiming to reduce the country's dependence on fossil fuels, the plan is a **direct response to the climate crisis and to the energy crisis**.

### **An ambitious update with a focus on participation**

Under Regulation (EU) 2018/1999 on governance of the Energy Union and Climate Action – the regulation that introduced national plans, member states are required to **update their respective plans for 2024**. In advance of this deadline, a draft update is to be sent to the European Commission by the end of June 2023. As was the case when the first version of the plan was adopted, the draft update of the Luxembourg plan is once again the subject of a **public inquiry, open from 17 April to 16 May 2023**. The inquiry invites citizens to submit their comments and proposals.

As the national climate targets were already ambitious in the 2020 version of the plan and compatible with the EU targets, including the revised EU targets, there is currently no need to further adapt them. However, renewable energy and energy efficiency targets need to be strengthened. With the aim to arm itself with the means to achieve the targets set for the coming years, the government has **strengthened existing measures and introduced new ones** to better fulfil these ambitions.

**The targets for 2030 consist in a 55% reduction in greenhouse gas emissions compared to 2005 (as foreseen by the climate law and the previous version of the plan), an increase in the share of renewable energy of final consumption (from 25% in the previous plan to 35-37%), and a 44% improvement in energy efficiency (from a range of 40-44% in the previous plan).**

While these ambitions and strengthened measures reflect the political will of the government, they are also based on **the results of various public consultation and institutional cooperation processes** implemented in recent years. In fact, the public consultation conducted as part of the "Luxembourg in Transition" (LIT) international consultation, carried out in 2021 and focusing on spatial planning, the "Klima-Bürgerrot" organised in 2022 (KBR, Citizens' Council on Climate), the Climate Policy Observatory (OPC, "observatoire de la politique climatique") launched at the end of 2021 and the Platform for Climate Action and Energy Transition - bringing together organised civil society in its entirety - all came out in favour of even more ambitious targets and measures for Luxembourg. Taking all these opinions and proposals into consideration, the entire government drafted the new version of the "Energie- a Klimaplang fir Lëtzebuerg".

### **Enhanced and new measures to ensure a just transition**

In total, the draft update of the "Energie- a Klimaplang fir Lëtzebuerg" lists **197 different measures**. They correspond to different types of instruments, are at different stages of completion, have different deadlines for their implementation, and identify different entities responsible for said implementation. The objective of a "**just transition**" was a guiding principle in the review process. The following measures were identified and noted as being the most important or innovative compared to the previous version of the plan:

- **The CO2 tax**, which will continue to increase annually by €5/t CO2. Its main goal is to reduce emissions from the sale of fuels for road transport. The revenues will be used to **finance climate measures and solutions, to invest in the energy transition** and to **finance social compensation** measures (tax credit for low-income households, cost-of-living allowance).
- **The continuous development of "Klimapakt 2.0"**, which encourages and supports municipalities in strengthening their exemplary role in climate action and energy transition, to contribute to efforts to adapt to climate change, to promote resource efficiency, and thus to stimulate sustainable local and regional investments. Municipalities are important partners in the implementation of the climate objectives at the local level.
- The **phase-out of fossil fuel heating**, in a first step through a **voluntary approach**, with the support of financial aid and a wide range of collective solutions such as systematic neighbourhood renovations and the development of decarbonised heat networks. If the voluntary approach proves to be too slow or insufficient, only the replacement of heating installations operated with a minimum of 70% renewable energy will be allowed.
- **The creation of a national entity to support energy renovation** of all low energy performing residential buildings. The main objective here is to provide structured and comprehensive support to owners of low energy performing residential buildings.
- Concerning the "**Klimabonus**", the plan stipulates a simplified procedure for accessing support and, in addition, the option of pre-financing mechanisms will be explored.
- **The promotion of the electrification of Luxembourg-registered vehicles**, most notably via the promotion of the **private charging point network**, of the **public charging infrastructure** and via the introduction of **financial subsidies** for zero-emission vehicles. In addition, a working group dedicated to the logistics sector will, in particular, establish a **decarbonisation strategy** for the sector.

- **The introduction of “social leasing”**, meaning a social leasing system for electric cars, implemented by means of long-term lease contracts to support low-income households in electrifying their individual mobility.
- **The launch of the „Klimapakt fir Betriber“ (KPB)**, a new tool conceived to support SMEs in the energy transition and climate action.
- With regards to **hydrogen**, the plan supports the **national hydrogen strategy**. This strategy was presented in 2021 and is fully in line with the 2050 decarbonisation and climate neutrality targets.
- In **agriculture**, in line with the Ministry of Agriculture’s National Strategic Plan, in particular an accelerated roll-out of the **agriculture council** and a promotion of **agrivoltaics**.
- In **forestry**, the **raising of targets for net greenhouse gas removals**, and the introduction of an aid scheme, the **“Klimabonus Bësch”**.

Finally, it is important to emphasise that, in addition to the consultations conducted prior to the updating work, this draft update of the "Energie- a Klimaplang fir Lëtzebuerg" is the result of an **intrinsically collaborative** approach between the ministries and administrations concerned, coordinated by the Ministry of the Environment, Climate and Sustainable Development and the Ministry of Energy and Spatial Planning. Now, it is important to continue to work in this spirit of openness when finalising the draft update and especially when implementing the measures.

Links to the public enquiry: [www.ëmwelt.lu](http://www.ëmwelt.lu).

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