



Annual Activity Report 2023

DIRECTORATE GENERAL FOR ENERGY (DG
ENER)

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INTRODUCTORY MESSAGE BY THE DIRECTOR-GENERAL

In 2023, **the European Union (EU) continued to face one of the greatest challenges since its foundation**, with war raging on our continent and the global energy crisis. Working closely with EU Member States and the European Parliament, **we have managed to avoid the worst of the energy crisis while accelerating the decarbonisation of our energy supply**, despite Russia's attempts to weaponize energy supplies, disrupting fossil fuel supplies to Europe and therefore damaging our economy.



Thanks to these joint European efforts, we have not only **mitigated the risks for our energy system and the impact on Europe and Europeans**, but we have also **reinforced Europe's competitiveness and security** and accelerated efforts **towards climate neutrality by 2050**.

DG ENER continued its work to deliver the European Green Deal, the energy transition and the REPowerEU Plan with the aim of reducing the EU's dependence on fossil fuels while contributing to economic recovery, spurring green investments and job creation, and delivering a just transition. **All energy-related proposals under the Fit for 55 package were either adopted by the co-legislators or subject to a political agreement**. 2023 was again a record year for renewable energy deployment thanks to measures to reduce permitting time and accelerate the deployment of renewable energy. DG ENER also continued its work to leverage the EU's market weight by aggregating demand and strengthening EU's relations with reliable gas suppliers via the **AggregateEU Platform**.

Enhancing Europe's strategic autonomy and competitiveness is a prerequisite for our technological sovereignty, economic security, the functioning of our energy system and the achievement of our decarbonisation goals. In 2023, DG ENER worked to strengthen the **resilience of Europe's energy system** and **promote competitiveness of EU industry** by **creating favourable conditions to attract private investments** for the clean energy transition. An important step in this regard will be the implementation and follow up of the **Net-Zero Industry Act** and the **Critical Raw Materials Act**. A strong European clean tech industry is crucial for the future of the EU and European competitiveness.

DG ENER continued developing strategic international partnerships with key partners to secure supplies of, inter alia, natural gas and hydrogen and support EU clean tech industry by unlocking new business opportunities across the world. The aim of our international partnerships is to ensure secure and affordable energy, to remove barriers to the energy transition away from fossil fuels and to stimulate energy solutions, which will boost EU's global leadership and competitiveness, while reducing its energy dependency and import bills. DG ENER also continued to work closely with Ukraine and Moldova to support them in response to Russia's unprovoked war of aggression.

Many of these actions will pave the way to a more prosperous future led by decarbonised sources of energy offered through existing and new technologies, built by an EU manufacturing market and a talented and skilled generation. Energy will be more secure and affordable and reach all citizens via integrated and smart grids ensuring that nobody is left behind.

Among the achievements that are outlined in this report, several were set forward by President von der Leyen in the Commission work programmes for 2023 and 2024. The **revised Electricity Market Design** (CWP 2023) is a foundational element in our energy transition, adopted by the College in March, and agreed by co-legislators in less than nine months; the **Hydrogen Bank project** (CWP 2023), presented via a Commission Communication in the same month, saw a first successful EU-auction being launched already in November 2023; the **Wind Power Action Plan** (CWP 2024) presented in October sets out immediate actions to be taken together by the Commission, the Member States and the industry in favour of competitiveness, and was complemented by the **Grids Action Plan** in November, establishing a set of actions to build the necessary infrastructure across the EU.

Each of these initiatives will strengthen our capacity to deliver – through investments, strengthened competitiveness, international partnerships and simplified procedures - **on our targets and objectives**, both the ones the legislators have agreed based on our proposals and globally as established at **COP 28**.

I wish you an interesting read.

Ditte Juul Jørgensen

DG ENER IN BRIEF

Under the political guidance of Commissioner Kadri Simson, the Directorate-General for Energy (hereafter 'DG ENER' or 'the DG') is responsible for developing and implementing **European energy policy**.

As of December 2023, DG ENER had 610 establishment plan staff and 96 external staff (contract agents and SNEs). Four Directorates (A, B, C and TF) are based in Brussels, while another two Directorates (D and E) plus the Euratom Supply Agency (ESA) are based in Luxembourg. DG ENER activities are supported by the Shared Resources Directorate (SRD), shared with and administratively assigned to DG MOVE. In 2023, the SRD had 87 staff, all based in Brussels. The work of the DG is also supported by the European Climate, Infrastructure and Environment Executive Agency (CINEA), ACER, F4E Joint Undertaking ⁽¹⁾ and by the ESA.



Commissioner of Energy, Kadri Simson, at Awards ceremony of European sustainable Energy Week 2023.

Energy is a shared competence between the Union and its Member States, defined in Article 194 of the Treaty on the Functioning of the Energy Union (TFEU). In a spirit of solidarity, the Union policy action responds to three main challenges: ensure a secure and safe energy supply, maintain affordable energy prices for business and citizens and support Europe's competitiveness, and promote clean and sustainable energy production and use in order for the EU to meet decarbonisation goals. The EU is a net energy importer and still dependent on fossil fuels and therefore highly exposed to external energy shocks. In the changing geopolitical context, the international dimension of EU energy policy is essential. In relation to the TFEU, the EURATOM Treaty is a *lex specialis*, which applies to the nuclear energy sector and covers the civil use of nuclear energy.

DG ENER works to accelerate Europe's clean and just energy transition to be the first climate-neutral continent by 2050 and to contribute to the EU's competitiveness and growth. The DG sets out policies to develop an innovative, resilient and integrated energy system, which delivers a continuous supply of affordable, secure, reliable and clean energy to its citizens and businesses in line with the Green Deal and REPowerEU. DG ENER works closely with EU Member States and stakeholders, as well as international partners.

Among its tasks, the DG develops and monitors the implementation of the Euratom legal framework for the safe use of nuclear energy, the safe and responsible management of radioactive waste and the radiation protection of EU citizens. It also ensures the wider application of Euratom law, including nuclear safeguards and aims to foster access of EU

⁽¹⁾ Additional details on the functioning of CINEA, ACER and F4E JU as well as the supervisory measures put in place by DG ENER are covered in Annex 7 to the AAR.

citizens to high quality radiological and nuclear technologies in medicine. Finally, the DG contributes to the development of fusion energy technologies through the International Thermonuclear Experimental Reactor (ITER) project.

The main spending programmes in 2023 that supported the work of DG ENER were:

- Connecting Europe Facility (CEF)-Energy programme ⁽²⁾
- LIFE Clean Energy Transition sub-programme ⁽³⁾
- Horizon 2020 (H2020) legacy on energy efficiency and societal challenges calls ⁽⁴⁾
- Support to the Agency for the Cooperation of Energy Regulators (ACER) (3%)
- Financing the ITER project via the European Joint Undertaking for ITER and the Development of Fusion for Energy (F4E JU) (65%)
- The Nuclear Decommissioning Assistance Programmes (NDAP) (18%)
- Nuclear energy including the operation of nuclear safeguards (3%).

⁽²⁾ implemented by CINEA

⁽³⁾ implemented by CINEA

⁽⁴⁾ implemented by CINEA

EXECUTIVE SUMMARY

This annual activity report is a management report of the Director-General of DG ENER to the College of Commissioners. Annual activity reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties ⁽⁵⁾.

A. Key results and progress towards achieving the Commission’s general objectives and department's specific objectives

At the beginning of 2023, DG ENER was faced with the necessity to tackle the continued energy crisis ⁽⁶⁾, making sure to further mitigate its impacts by implementing the REPowerEU Plan and its three core objectives ⁽⁷⁾ to save energy, diversify energy sources, and accelerate the clean energy transition.

Whilst 2022 action was inevitably focused on rapidly enhancing the EU’s preparedness to Russian gas supply disruptions, 2023 was marked by a series of important achievements on the medium to long-term perspective, with a view to accelerating the deployment of non-fossil energy.

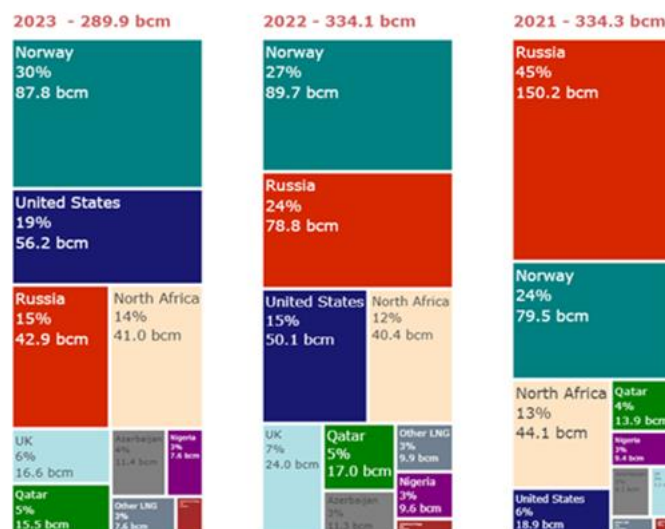


Figure 1: Diversification of Natural Gas Imports (ENER Chief Economist team, based on data from JRC, ENTSO-G, Refinitiv)

⁽⁵⁾ [Article 17\(1\) of the Treaty on European Union.](#)

⁽⁶⁾ [DG ENER Management Plan 2023](#)

⁽⁷⁾ [DG ENER Strategic Plan 2020-2024](#)

Already in March 2023, DG ENER presented a Communication on the **European Hydrogen Bank**, setting out plans on how to stimulate and support investment in sustainable hydrogen production. The Communication accompanied the DG ENER contribution to the Commission’s legislative proposal for a **Net-Zero Industry Act**, aimed at boosting EU manufacturing of net-zero technologies and to which DG ENER also contributed via the linked Staff Working Document assessing its financing needs.

Later, in October 2023, the Commission adopted the **Wind Power Action Plan** ⁽⁸⁾, with several proposed measures - notably on permitting and design of tenders and auctions - aimed at strengthening not only the wind sector, but also other renewable energy sources and the overall competitiveness of the sector.

In November 2023, to integrate a growing share of renewables in a decentralised and flexible system, the Commission adopted the **Grids Action Plan**, aimed at ensuring the rapid expansion and digitalisation of the EU electricity transmission and distribution grids.

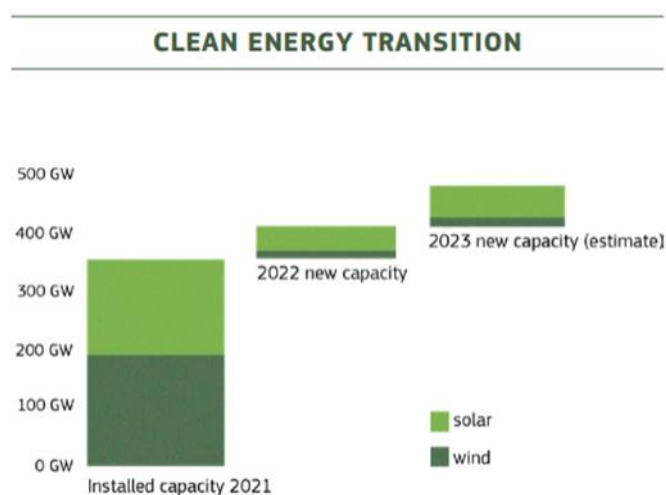


Figure 2: New wind and solar additions in 2022 - estimates for 2023 (ENER Chief Economist team, based on data from Eurostat, WindEurope, Solar Power Europe)

Finally, all energy-related files under the **Fit for 55 package** were either adopted by the co-legislators (including increased 2030 targets for renewable energy ⁽⁹⁾ and energy efficiency ⁽¹⁰⁾ as proposed in the REPowerEU plan) or political agreement was reached. DG ENER accompanied the discussions that led to the final adoption of the **Renewable Energy** ⁽¹¹⁾ and **Energy Efficiency** ⁽¹²⁾ directives including the revised targets set forward by the REPowerEU Plan. DG ENER also supported the discussions that led to a provisional agreement between co-legislators on all remaining files of the **FIT for 55 Package** notably: the recast of the **Energy Performance of Buildings Directive, the**

⁽⁸⁾ [COM\(2023\)669](#)

⁽⁹⁾ At least 42.5% renewables in the EU energy mix by 2030, with the ambition to reach 45%

⁽¹⁰⁾ Reduce final energy consumption at EU level by 11.7% by 2030 compared with the 2020 reference scenario projections.

⁽¹¹⁾ [Directive \(EU\) 2023/2413](#)

⁽¹²⁾ [Directive \(EU\) 2023/1791](#)

proposal to reduce methane emissions, and the **Hydrogen and decarbonised gas market package**. A provisional agreement was reached also on those initiatives proposed in early 2023 (**reform of the Electricity Market Design** and the **Regulation on Wholesale Energy Market Integrity and Transparency (REMIT)**).

The State of the Energy Union Report ⁽¹³⁾, published in October 2023, confirmed that the EU has significantly accelerated the installation of renewable energy capacities and produced increasing amounts of renewable electricity. The assessment of Member States **draft updated National Energy and Climate Plans (NECPs)** indicated however that substantial ambition and implementing efforts are still needed.

To further support Member States in implementing REPowerEU, the Commission decided to strengthen the **Recovery and Resilience Facility (RRF)**, making more than EUR 270 billion available under the addition of the **RePowerEU chapters**. By the end of 2023, all Member States had their amended Recovery and Resilience Plans (RRPs) assessed by the Commission and approved by the Council, with 23 of them including a REPowerEU chapter.

Notwithstanding the overall positive outlook for the energy markets in 2024, tight global gas markets and market balances that are expected to remain precarious in the immediate future continue to represent important challenges. Given the persistency of the crisis setting, DG ENER has therefore put forward proposals to extend for the period of one year four of the five emergency regulations: **Gas Demand Reduction** in March, and the speeding up of **permitting** processes, **enhancing solidarity between Member States and protecting EU citizens from excessively high energy prices** in November (adopted in December 2023).

Moreover, to ensure preparedness for next winter 2024/2025, the Commission adopted on 20 November 2023 an **implementing regulation to establish the gas storage filling trajectory for 2024 for each Member State** ⁽¹⁴⁾. The Storage Regulation was instrumental in getting all Member States to successfully refill storage and achieve an unprecedented 99% filling rate by 1 November 2023. The Commission also undertook the necessary steps via EU pilots to ensure that all the Member States adopt **updated and timely gas preventive action plans and emergency plans**.

In parallel, DG ENER has continued its work to leverage the EU's market weight by **aggregating demand** and **strengthening the EU's partnership** with reliable gas suppliers. On 25 April 2023, the demand aggregation platform **AggregateEU** was launched, with four tendering rounds concluded by the end of 2023, that resulted in a total aggregated demand of 54.1 billion cubic meters (bcm), 61.13 bcm of supply bids and 42.11 bcm of demand matched.

DG ENER has engaged with **international partners**, bilaterally and in multilateral settings such as the International Energy Agency (IEA), the International Renewable Energy Agency

⁽¹³⁾ [COM/2023/650](#)

⁽¹⁴⁾ [C/2023/7890](#)

(IRENA) and the climate Conference of the Parties (COP28), for secure and transparent global markets and energy transition.

In a landmark moment for the global energy transition, the **28th Conference of the Parties (COP28)** to the United Nations Framework Convention on Climate Change (UNFCCC) agreed to **triple renewable power and double energy efficiency by 2030** and to **transition away from fossil fuels as soon as possible** to put the world back on track to meeting the 1.5°C objective of the Paris Agreement. This was agreed by all Parties in the **first-ever Global Stocktake**, which charts a way forward for world's clean energy transition for 6 next years. In particular, the **Global Pledge on Renewables and Energy Efficiency** has been a great diplomatic success for the EU, with 136 countries endorsing the declaration and the main content of the pledge being included in the final COP28 Global Stocktake.

The **United States is a key partner and the biggest LNG supplier**, increasing its share to **46%** compared to 28% in 2021. The ministerial-level EU-U.S. Energy Council is our main cooperation framework to address mid- and long-term issues. On energy security, the transatlantic cooperation has been elevated to the Presidential level with the establishment early 2022 of an EU-U.S. Task Force on Energy Security. On 10 March 2023, Presidents Biden and von der Leyen confirmed that the U.S. and the EU will continue to work together to advance energy security and sustainability in Europe by diversifying sources, lowering energy consumption, and reducing Europe's dependence on fossil fuels.

In July 2023, **Japan organised its LNG Producers, Consumers Conference (PCC)**, which was attended by major gas producers and consumers including the Commission, where DG ENER and its counterparts from Japan agreed to explore opportunities to cooperate closer on international security of supply. The Commission also joined a statement together with Japan, US, Korea and Australia on continuous support to methane initiatives with a focus on emissions in the LNG value chain. Moreover, in the IEA framework, DG ENER proposed as well a **Global Early Warning System**, where participating governments would exchange information on gas security of supply incidents and their assessment. A Pilot between the Commission and Japan is ongoing.

Norway has become the biggest supplier of natural gas to the EU, representing approximately 30% of EU gas consumption. On 24 October, the 6th EU-Norway Energy Conference and Dialogue took place to discuss gas supplies and implementation of the Green Alliance signed in April 2023. **Azerbaijan** is another important supplier with whom close cooperation has continued, with Azerbaijan joining the Global Renewables and Energy Efficiency pledge at COP28.

The support for an integration of **Ukraine and Moldova** into the European energy market remains a priority for the European Commission. DG ENER continued to provide special assistance to both countries to cater for their needs associated with Russia's military aggression. As a result, import and export capacities to exchange electricity between these countries and the EU have been increased enhancing regional security of supply. Moreover,

the Commission has set up a targeted **Energy Support Package for the Western Balkans** with EUR 1 billion.

Energy and clean tech cooperation with countries in the **Mediterranean region** is of high importance for the EU and 2023 saw a further strengthening of cooperation and dialogue in the region. The cooperation with Israel and Egypt was impacted by the conflict in Gaza, but DG ENER is ready to re-engage on the implementation of the trilateral Memorandum of Understanding (MoU) on gas supplies and bilateral MoU with Egypt on hydrogen whenever possible.

In the field of nuclear, DG ENER brought to a successful completion the pre-partnership process on **Small and Modular Reactors** (SMRs), paving the way for the launch of an Industry Alliance in early 2024. To this end DG ENER, in close collaboration with the relevant stakeholders, organised in October 2023 a Stakeholders’ Forum to debate on the outcomes of the Pre-partnership and to pave the way forward.

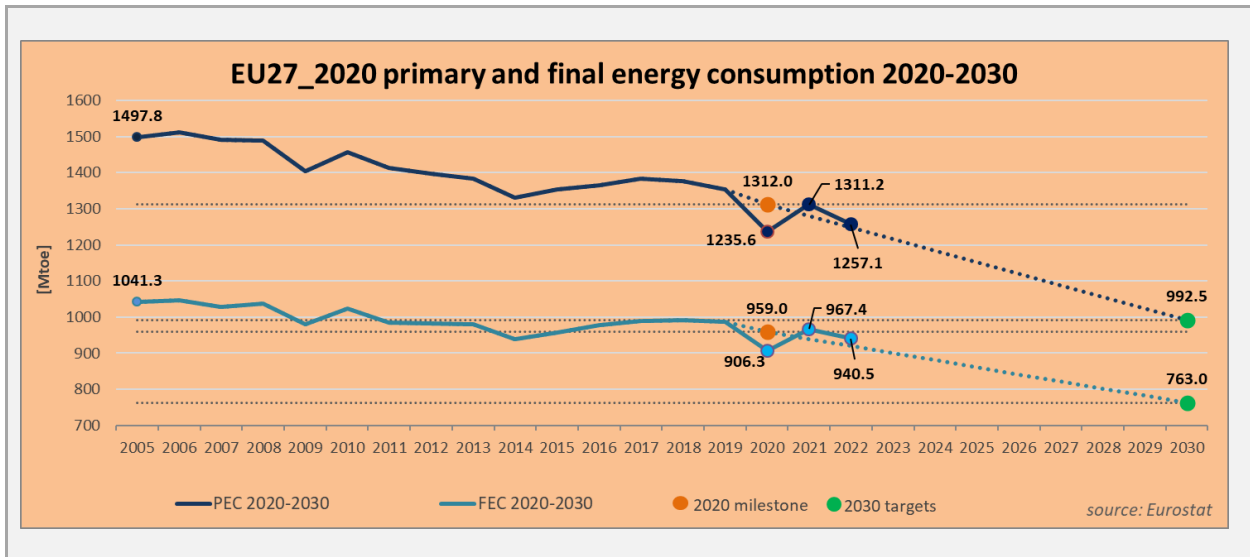
Policy work continued as in previous years to be supported by **external communication actions** with the focus in 2023 on explaining and visualising what the EU was doing on energy policy and related issues, notably in the context of the Russian invasion in Ukraine.

B. Key performance indicators

1. Final Energy Consumption (FEC)

Baseline (2017)	Interim milestone (2020)	Target (2030)	Latest known results (2022)
988 Mtoe ⁽¹⁵⁾ (for EU27_2020)	959 Mtoe (for EU27_2020) by 2020	846 Mtoe (for EU27_2020) by 2030	Final energy consumption (FEC) reached 941 Mtoe in 2022, a 2.8% decrease compared with 2021 and a 4.7% decrease compared with 2019. There was an unusual drop in FEC in 2020 due to COVID-19 pandemic. In 2021, final energy consumption increased above the target path, but in 2022 returned to linear 2030 target path.

⁽¹⁵⁾ Million Tonnes of Oil Equivalent



2. Completion of EU Market Coupling

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2022)
Market coupling for electricity not completed (notably in Eastern Europe). 20 Member States coupled to the pan-EU day-ahead market; 21 coupled to the pan-EU intraday market.	All Member States with interconnector to be coupled for day-ahead electricity trading.	All Member States with interconnector coupled for day-ahead electricity trading, with all their borders.	All EU MS coupled in day-ahead (DA) and intraday (ID) already in 2022.

3. NECPs implement European Green Deal and EU post-2020 energy and climate goals, and thereby contribute to the economic recovery

Baseline (2019)	Interim milestone (2023)	Target (2024)	Latest known results (2023)
Final NECPs detailing existing and additional policies and measures to be implemented in the period 2020-2030.	100% of the policies and measures introduced by MS, reflected in their NECP and Integrated Progress Reports, are in line with the European Green Deal objectives and contribute to the economic recovery.	100% of the policies and measures introduced by MS in their revised NECPs to be submitted by June 2024 are in line with the European Green Deal objectives and contribute to the economic recovery.	Not all policies and measures reflected in Member States' draft updated NECP and Integrated Progress Reports (NECPs) fully reflect the European Green Deal objectives/REPowerEU. This is partly due to late coming into force of all fit-for-55 legislation which is, therefore, not yet factored-in at national level. The Commission in its recommendation has called on Member States to address these shortcomings. Some Member States also have scope to increase the ambition of their NECPs, and to better map investment needs towards the achievement of the targets. Stakeholders report the usefulness of NECPs to deliver investment certainty leading to economic recovery.

4. Estimated risk at closure

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2023)
0.1%	< 2% of relevant expenditure	< 2% of relevant expenditure	The estimated overall risk at closure represented 0.33% of the DG's total relevant expenditure for 2023.

C. Key conclusions on internal control and financial management

In 2023, DG ENER managed to maintain a robust degree of control to ensure that its resources were used effectively and efficiently. DG ENER successfully mitigated the risks related to the energy crisis, kept its effort as regards to the control of the cost and schedule of the ITER programme and injected a new impulse to the governance of F4E JU.

In line with the Commission's Internal Control Framework DG ENER has assessed its internal control systems during the reporting year and has concluded that it is effective, and the components and principles are present and functioning well overall, except for principles 10 (Control Activities), 12 (Deployment of Controls) and 13 (Relevant information) for which minor deficiencies were identified. As a consequence, component III (Control activities) is considered as partially effective. Please refer to section 2.3 for further details.

In addition, DG ENER has systematically examined the available control results and indicators, including those from supervised entities to which it has entrusted budget implementation tasks as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors (ECA). These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to section 2 for further details.

In conclusion, management has reasonable assurance that suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated. Improvements are necessary concerning the effectiveness of internal control principles 10, 12 and 13. Ongoing or planned improvements and/or remedial measures focus on implementing the revised strategy on the physical inventory of assets as well as on drawing an inventory of measures to be reported as contributing to the assurance on the reliability of information. The Director-General of DG ENER, in her capacity as Authorising Officer by Delegation, has signed the Declaration of Assurance.

D. Provision of information to the Commissioner(s)

In the context of the regular meetings during the year between DG ENER and the Commissioner on management matters, the main elements of this report and assurance declaration have been brought to the attention of Commissioner Kadri Simson, responsible for Energy.

1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE COMMISSION'S GENERAL OBJECTIVES AND SPECIFIC OBJECTIVES OF THE DEPARTMENT

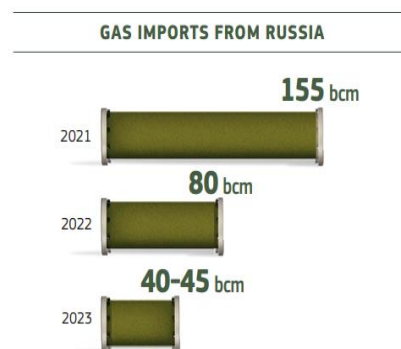
The strategic vision of DG ENER for the period 2020-2024 ⁽¹⁶⁾ is to fully support through its actions, policies and instruments the **European Green Deal for the European Union (EU) and its citizens** while **providing a rapid response to the geopolitical and energy prices crises** ⁽¹⁷⁾. Russia's unprovoked and unjustified war of aggression against Ukraine has triggered price volatility and energy insecurity across the world with significant impacts and repercussions for the EU's energy system.

The EU and its Member States responded decisively and reduced dependence on Russian fossil energy with the aim to phase out Russian energy imports by 2027. This includes a

reduction of energy consumption through energy efficiency and savings, an acceleration of the shift to renewable sources of energy, diversification away from Russian nuclear fuel supplies and fuel-cycle services and intensified actions to receive needed gas supplies from alternative trusted suppliers.

In 2023, with the **European Green Deal** in its fourth year of implementation and the **REPowerEU strategy** ⁽¹⁸⁾ complementing it, Europe has continued to prove that it can deliver a united and decisive response to the global energy crisis and DG ENER, together with the other DGs and the Member States, has been at the forefront of the Commission's reaction to the crisis and has delivered clear EU-added value.

Given the persistency of the crisis setting, DG ENER has also put forward proposals to extend for the period of one year **four of the five emergency regulations**: Gas Demand Reduction (in March), Solidarity, Permitting and Market Correction Mechanism in November. While those measures are still of a temporary nature, a permanent mechanism to support the EU Energy Platform introduced by the Solidarity Regulation, was also negotiated between the co-legislators under the Hydrogen and decarbonised gas market package and is expected to enter into force in the course of 2024.

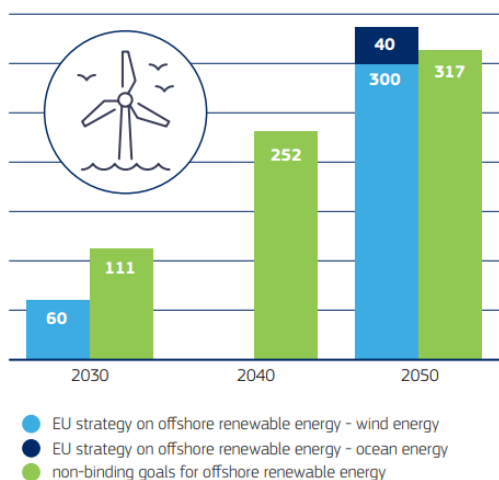


⁽¹⁶⁾ Strategic Plan 2020-2024, DG ENER, available at: [Strategic plan 2020-2024 – Energy - European Commission \(europa.eu\)](https://european-council.europa.eu/media/en/press-communications/infographic/interim-strategic-plan-2020-2024-ener.pdf)

⁽¹⁷⁾ DG ENER had included in its Risk Register for 2022 the risk of emergence of an energy crisis. This risk materialised with the Russian invasion of Ukraine. A follow up risk related to longer-term effect was included in the 2023 risk register.

⁽¹⁸⁾ [REPowerEU Plan](#)

EU offshore energy installed capacity objectives (in GW)



As announced in the State of Union 2023, DG ENER presented a **Wind Power Action Plan** ⁽¹⁹⁾ tackling the challenges facing the wind energy sector by creating the conditions for technological progress, economic growth and energy independence in October ⁽²⁰⁾.

In November, DG ENER also put forward a **Grids Action Plan** to ensure that electricity grids will operate more efficiently and will be rolled out further and faster. The Commission also adopted **the first Union list of Projects of Common Interest and Projects of Mutual Interest** under the revised TEN-E Regulation on 28 November 2023.

In the second half of the year, DG ENER in collaboration with DG CLIMA, also finalised the assessment of 21 draft updated national energy and climate plans submitted by Member States in line with the Regulation of the **Governance of the Energy Union and Climate Action** and issued recommendations in December. The **NECP assessment package** ⁽²¹⁾ is a building block to monitor national contributions to the 2030 Energy Union targets and objectives.

On inter-institutional negotiations, DG ENER accompanied the discussions that led to the final adoption of the **Renewable Energy** ⁽²²⁾ and **Energy Efficiency** ⁽²³⁾ **directives including the revised targets set forward by the REPowerEU Plan**. DG ENER also supported the discussions that led to a provisional agreement between co-legislators on all remaining files of the **FIT for 55 Package** notably: the recast of the **Energy Performance of Buildings Directive, the proposal to reduce methane emissions, and the Hydrogen and decarbonised gas market package**. A provisional agreement was reached also on those initiatives proposed in early 2023 (**reform of the Electricity Market Design** and the **Regulation on Wholesale Energy Market Integrity and Transparency (REMIT)**).

Alongside those actions, continued progress was made on achieving the **five specific objectives** defined in line with the European Green Deal and DG ENER's Strategic Plan 2020-2024 to meet the European Green Deal ambitions while ensuring a just transition for all. With the production and use of energy across economic sectors accounting for around 75% of the



EU net **greenhouse gas emissions fell by 3%**, continuing the downward trend, reaching a **32.5% reduction** compared to 1990.

⁽¹⁹⁾ [COM\(2023\)669](#)

⁽²⁰⁾ https://ec.europa.eu/commission/presscorner/detail/en/fs_23_5187

⁽²¹⁾ [COM\(2023\)796](#)

⁽²²⁾ [Directive \(EU\) 2023/2413](#)

⁽²³⁾ [Directive \(EU\) 2023/1791](#)

EU's greenhouse gas emissions, continued decarbonisation of the energy system is critical to reaching the 2030 energy and climate objectives and climate neutrality by 2050, as well as to realise the economic benefits of the clean energy transition in terms of growth, job creation and competitiveness. The overall challenge for EU Energy Policy is therefore to set the foundations for a climate-neutral Europe by 2050 while ensuring a **sustainable, affordable and secure energy system** and **leaving no one behind**.

DG ENER also contributed to the **corporate exercise of simplification of reporting obligations** by adopting in December 2023 a rationalisation plan with concrete actions to simplify reporting obligations in the energy acquis. Notably, this includes the review of the Governance Regulation, which will entail an in-depth screening of the reporting and planning obligations of the energy and climate acquis, and interlinkages between reporting in the energy/climate sectors with sustainability reporting obligations in other policy areas, including those resulting from the Fit for 55 package and the REPowerEU plan.

As regards performance information, DG ENER relied on trusted sources such as ESTAT as well as information provided by partner organisations and implementing bodies. It carried out the necessary controls to assess the reliability of the performance information on indirectly managed EU financial programmes, particularly when reporting on the operations of the **NDAP** and on the implementation of the Euratom contribution by **Fusion for Energy (F4E)**. For the NDAP, all three implementing bodies were subjected to recently updated pillar assessments. They provided accounts and management representations in line with the requirements set by the financial regulation. The information received from the entrusted entities was subjected to checks by the Commission services. Furthermore, the information received from the **European Investment Bank (EIB)** and from the **European Energy Efficiency Fund (EEEF)** which corresponds to the financial industry standards, was subject to technical reviews and to independent audits. DG ENER's services verified and validated equally the information provided by **CINEA** as regards its implementation of the **LIFE** and **CEF-E programmes** in line with the provisions of the memoranda of understanding between the Commission and the Executive Agency.

1.1 Specific Objective 1: Energy is clean, affordable and secure by fostering a decarbonised energy production and use in the EU that contributes to economic recovery and increased climate ambition. It relies on a well-functioning and secure internal energy market, fit for decarbonisation where progress is monitored through the Energy Union Governance.

Clean energy

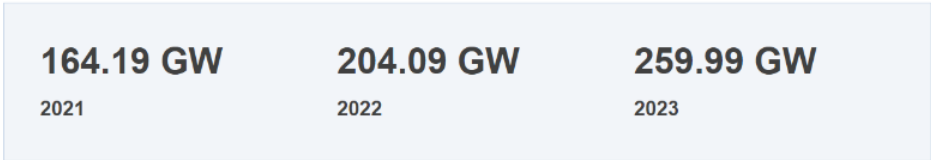
Intensive work to deliver on clean energy, in line with the year-end COP 28 commitment to transition away from fossil fuels, in particular by tripling the installed renewable energy generation capacity by 2030 and doubling the energy efficiency efforts, has progressed throughout the year at a steady pace.

On 9 October 2023, after intense negotiations between the co-legislators facilitated by the Commission, **Directive (EU) 2023/2413 amending the Renewable Energy Directive (EU) 2018/2001** ⁽²⁴⁾ was adopted and entered into force on 20 November 2023. The amended directive **increases the Union’s renewable energy target to at least 42.5%** (with an aspiration to go to 45%) and introduces targeted modifications to speed up permitting of renewable energy projects. The revised directive includes new sectoral targets and measures to enable a more integrated energy system largely supplied by renewables, including via electrification and renewable hydrogen, and strengthened sustainability requirements for the production and use of bioenergy.

In addition, in November 2023, the Commission adopted a **proposal for a prolongation of certain elements of the emergency Council Regulation (EU) 2022/2577** under Article 122 TFEU to accelerate the deployment of renewable energy by **speeding up permitting processes**. The amending regulation, which complements the rules included in the revised RED, was adopted on 22 December 2023 with a validity until 2025.

Concerning **solar**, the Commission has been working on implementing the 2022 Strategy and has made progress on several key initiatives, such as on the **European Solar Rooftops Initiative**, where a provisional agreement has been reached to introduce mandatory solar rooftop deployment in certain buildings through the Energy Performance of Buildings Directive, and on the large-scale **renewable energy skills partnership**, which was launched in March 2023.

Key facts on solar capacity



On 24 October 2023, the Commission adopted the **Wind Power Action Plan** ⁽²⁵⁾, (WPAP), as announced in the Commission Work Programme 2024, to ensure that Europe is able to maintain a healthy and competitive wind energy supply chain, with a clear and secure pipeline of projects, attracting the necessary financing and competing on a level playing field globally. Although most of the actions of the WPAP will be implemented in 2024, some of them have already been completed (e.g., the **European Wind Charter** was signed by 23 Member States and more than 300 representatives of the wind sector in December 2023).

⁽²⁴⁾ [Directive \(EU\) 2023/2413](#)

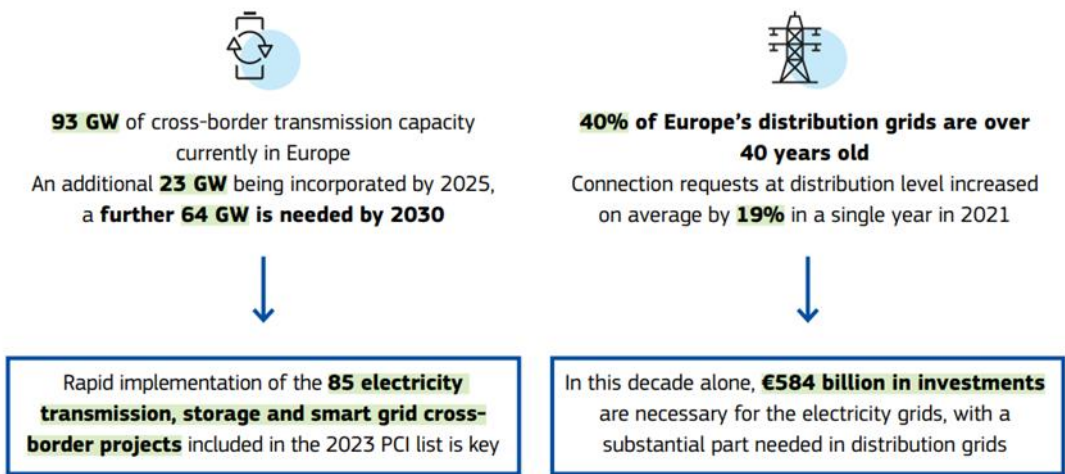
⁽²⁵⁾ [COM\(2023\)669](#)

In line with the TEN-E Regulation, in January 2023, the Commission guided Member States in reaching the first **non-binding sea-basin goals for renewable development in each of Europe’s sea basins for 2050 with intermediate steps in 2030 and 2040.**

After a more than one year process, the Commission adopted **the first Union list of Projects of Common Interest and Projects of Mutual Interest** under the revised TEN-E Regulation on 28 November 2023. This is the first list of PCIs and PMIs based on the revised TEN-E Regulation which ends support for fossil fuel infrastructure and focuses instead on the cross-border energy infrastructure of the future. It follows five lists of PCIs adopted, every two years, since 2013. The list includes 166 projects in total. Together, they will help to build an infrastructure network across Europe that is fit for a decarbonised future.

On the same occasion the Commission adopted an **Action Plan for Grids** ⁽²⁶⁾, which aims to address the main challenges in expanding, digitalising and better using EU electricity transmission and distribution grids ⁽²⁷⁾.

It identifies concrete and tailor-made actions to help unlock the needed investment to get European electricity grids up to speed. The actions focus on implementation and swift delivery to make a difference in time for our 2030 objectives.



The Commission also organised the yearly CEF call in 2023. **EUR 594 million of EU funds are being invested in eight cross-border energy infrastructure projects under CEF for Trans-European Networks for Energy.** In the last call for funding proposals open to Projects of Common Interest (PCIs) from the 5th PCI list of November 2021, **five carbon dioxide (CO2) networks projects, one gas storage project, and two projects in the electricity sector** have been selected for funding.

The Commission was very active in coordinating the **four political High-level Groups** focusing on regional cooperation in the field of energy with key highlights from 2023: new

⁽²⁶⁾ [COM\(2023\)757](#)
⁽²⁷⁾ https://ec.europa.eu/commission/presscorner/detail/en/fs_23_6046

MoU signed for the High-level Group South-West Europe, a new Baltic Synchronisation Political Declaration was signed on 19 December 2023, and a ministerial meeting of the North Seas Energy Cooperation took place in November.

Affordable energy

In 2023, the Commission continued its efforts to ensure that European citizens had access to affordable energy despite the existing volatility on energy markets. This was done through several policy initiatives.

First, the Commission provided guidance to Member States on the **implementation of the temporary emergency crisis regulation** adopted in 2022 to tackle the impact of sustained high energy prices on consumers and companies. On 5 June, the Commission issued a report on the implementation of the emergency measures related to electricity demand reduction measures, infra-marginal revenue cap, and retail price setting rules.

In addition to emergency measures taken in the aftermath of the energy crisis, the Commission worked on several ongoing and new legislative proposals in 2023 to deliver affordable energy to European consumers. In March, the Commission adopted legislative proposals on the **reform of the Union's electricity market design** and on the **Union's framework for protection against market manipulation in the wholesale energy market (REMIT)**. The Commission also provided technical support and facilitated legislative negotiations on the **Hydrogen and Decarbonised Gas Markets Package**. At the end of 2023, the co-legislators reached a political agreement on the four legislative files. Formal adoption is foreseen in the first half of 2024. The new rules will facilitate the uptake of renewable and low carbon gases, including hydrogen, by establishing a market design for hydrogen in Europe. The updated REMIT will also ensure better data quality as well as strengthen ACER's role in investigations of potential market abuse cases of cross border nature. Overall, this will step up the protection of EU consumers and industry against any market abuse.

Finally, on 20 October, the Commission adopted its **second Recommendation on Energy Poverty**, which was accompanied by a staff working document. It consists of 25 concrete recommendations to Member States, developed building on the engagement by DG ENER with Member States and stakeholders through the Energy Poverty and Vulnerable Consumers Coordination Group and Energy Poverty Stakeholder Group. The Guidance is designed to help Member States finalise their update to the NECPs.

The Commission also continued supporting the Energy Poverty Advisory Hub, the leading EU initiative that provides technical assistance to local authorities on how to diagnose and tackle energy poverty and offers online guidance and knowledge products on the issue.

Secure energy

With the energy crisis that unfolded in 2022, **energy security** was placed at the centre of the EU's response to the consequences of the war in Ukraine. This continued to be one of **DG ENER's priority action in 2023**. In an extremely complex geopolitical and economic

context, the Commission addressed numerous gas security threats from the political, policy, legal and communication perspective.

Regarding **gas security of supply**, DG ENER kept enhancing the EU's preparedness against Russian gas supply disruptions through a number of legislative and policy actions.

The **Council Regulation on coordinated demand reduction measures** was prolonged for another year in 2023 (until March 2024), including the possibility for the EU to declare a 'Union alert', which would make the voluntary 15% demand reduction mandatory for all Member States. In 2023, demand reduction measures provided the necessary flexibility to the market to refill gas storages while containing gas prices and price volatility significantly below 2022 levels.



The EU reduced its demand for energy, **cutting gas consumption** by more than **18%** compared to the previous 5 years.

The revised rules of the **Hydrogen and Gas Decarbonisation Package** agreed this year will also reinforce energy security. Default solidarity rules will apply automatically to protect vulnerable customers, including between Member States that do not have a direct connection. Crisis management procedures have also been strengthened by adding safeguards for the cross-border flows of gas during an emergency and by allowing the reduction of non-essential consumption.

Moreover, to ensure preparedness for next winter 2024/2025, the Commission adopted on 20 November 2023 an **implementing regulation to establish the filling trajectory for 2024 for each Member State** ⁽²⁸⁾. The Storage Regulation was instrumental in getting all Member States to successfully refill storage and achieve an unprecedented 99% filling rate by 1 November 2023. The Commission also undertook the necessary steps via EU pilots to ensure that all the Member States adopt **updated and timely gas preventive action plans and emergency plans**.

Concerning **oil security of supply**, the EU banned seaborne imports of Russian oil products from 5 February 2023. The EU managed to overcome the major reshuffle of global oil markets that took place as a follow up of EU and G7 sanctions against Russia and closely monitored the situation on local and global markets with the Oil Coordination Group.

Regarding the **protection of critical energy infrastructure**, DG ENER continued in 2023 its close cooperation with DG HOME, particularly concerning the stress tests in the energy sector, as foreseen in the Council Recommendation to strengthen the resilience of critical infrastructure.

⁽²⁸⁾ [C/2023/7890](#)

DG ENER also worked closely with DG GROW on **ensuring a secure and sustainable supply of critical raw materials** by contributing to the **European Critical Raw Materials Act**, which creates a regulatory framework to strengthen the EU's security of supply for the minerals needed for the twin transition, as well as for defence and aerospace.

To further contribute to sufficient and diversified gas supply, DG ENER implemented in 2023 the **demand aggregation and joint purchasing mechanism of natural gas** introduced by the Solidarity Regulation. The **AggregateEU** mechanism, is meant to play a key role in pooling gas demand and increasing transparency for gas buyers and suppliers.

Four tendering rounds have already been organised from April to December 2023. The tenders have covered 25 delivery points and two liquefied natural gas virtual points (North-West, and South-East). Over 180 companies subscribed to the service (to sell or buy), and AggregateEU has been able to match more than 42 bcm.

AggregateEU provided additional opportunity for European buyers to procure gas from reliable suppliers at competitive prices as well as market transparency on demand and supply, whilst contributing to decreasing volatility of markets.

The temporary legal basis supporting demand aggregation and joint purchasing has been prolonged for a further year in December 2023 and the mechanism is meant to be taken over within the legal framework of the Gas Decarbonisation Package.

On **nuclear emergency preparedness and response** (EP&R), DG ENER ensured the operation of the ECURIE system for the exchange of urgent information in case of a radiological emergency (including several tests and exercises), and of the EURDEP system for the exchange of radiation monitoring data. Participation in ECURIE was further expanded in 2023 with the accession of Serbia to the system. In the field of **non-power applications of nuclear and radiation technology**, the Commission made significant progress in the implementation of the Strategic Agenda for Medical Ionising Radiation Applications (SAMIRA) Action Plan. Following a high-level workshop in April 2023, the feasibility assessment of potential ways to maintain and enhance the supply of medical radioisotopes was launched as the next step in the European Radioisotope Valley Initiative.

The **Euratom Safeguards report covering the years 2020–2021** prepared by DG ENER was adopted by the Commission on the 22 November 2023. DG ENER also drafted the report for 2022. Both underline that, applying Euratom safeguards, no evidence was found to suggest that nuclear materials were diverted from their intended uses in the EU, and that the safeguards obligations assumed by the Euratom Community under international agreements were complied with.

DG ENER also submitted to the Commission **a proposal for a Council Decision approving a Commission Regulation (Euratom) on the application of Euratom safeguards** (COM/2023/793). The proposal includes a draft new (revised) Commission Regulation (Euratom) on the application of Euratom safeguards which presents

adjustments, in line with the conclusions of its evaluation conducted in 2022, meant to better reflect the recent and expected developments in the nuclear industry. The proposal was adopted by the Commission on 21 December 2023.

Energy Union strategy and implementation

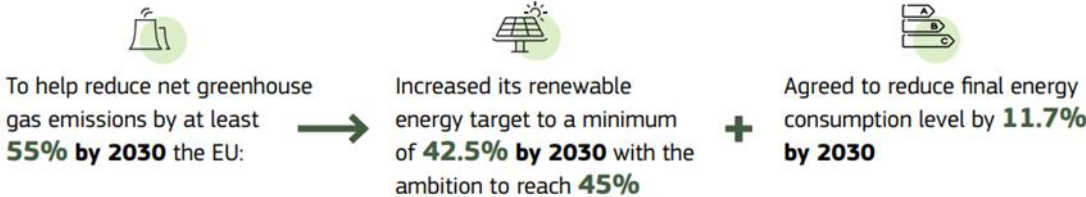
In 2023, strategic energy policy planning, development and foresight continued to play a central role in the successful delivery on the clean energy transition goals as outlined in the European Green Deal.

Together with DG CLIMA and the SG, DG ENER led the preparation of the **2023 State of the Energy Union**, further accompanied by two reports (on energy subsidies and on competitiveness of clean energy technologies) and by **Country Fiches** ⁽²⁹⁾.

The assessment showed that, whilst the Union has advanced in the right direction, Member States still need to step up efforts to deliver on 2030 objectives, targets and contributions in accordance with the Governance Regulation.

DG ENER further examined the **draft NECPs** submitted by Member States, detecting the risk that the recently agreed 2030 targets agreed will be put in jeopardy. The share of renewable energy in final energy consumption could reach between 38.4% and 39% in 2030 at Union level. This is significantly higher than the 32% set in REDII, yet lower than 42.5% set in the revised REDII. In energy efficiency, the 2030 final energy consumption at Union level would amount to 816.1 Mtoe, which is lower than the 956 Mtoe final energy consumption level set in the 2018 EED; yet higher than the 763 Mtoe, corresponding to a reduction of 11.7% compared to the 2030 projections, set in the EED recast.

It is recognised that the finalisation of the Fit for 55 package came very late in the process for Member States to take it fully into account in their draft updated NECPs. However, most Member States need to do more to implement the recently agreed objectives and targets.



DG ENER coordinated the negotiations of the REPowerEU chapters of the RRP with the Member States (with SG RECOVER and DG ECFIN), and assessed their proposed energy related measures. By the end of 2023, all Member States had their amended RRP assessed by the Commission and approved by the Council, 23 of them including also a REPowerEU chapter.

⁽²⁹⁾ [State of the energy union report 2023 – country fiches - European Commission \(europa.eu\)](#)

Furthermore, DG ENER has continued monitoring the REPowerEU progress and developed Country Specific Recommendation on Energy for all Member States in the context of the **2023 European Semester cycle**.

With DG CLIMA, DG ENER also worked on the **2040 climate targets impact assessment**.

Another core activity of DG ENER was to **enforce the energy acquis** by means of dialogue with the Member States and infringement procedures when needed.

In 2023, DG ENER held so-called package meetings with nine Member States (Czechia, France, Ireland, Italy, Luxembourg, the Netherlands, Portugal Slovakia and Spain) and prepared 111 infringement-related Commission decisions in the context of the monthly infringements' decision-cycle.

1.2 Specific Objective 2: Buildings and renovations are performed in an energy and resource efficient way and the Energy Efficiency First principle is applied in investment decisions on energy infrastructure in the Union.

Prioritising energy efficiency in all stages of the energy chain from generation to final consumption helps to decarbonise the whole energy system in a cost-effective way, a key prerequisite of reaching the Union's climate objectives. It also helps improving access to affordable, secure, reliable and clean energy for all Europeans.

Buildings and products

2023 was a successful year for the EU's buildings and energy efficiency policy. The **recast of the Energy Performance of Buildings Directive (EPBD recast)** was successfully concluded with a provisional agreement in December 2023 which includes obligations on the **renovation of existing** buildings, with particular focus on worst-performing ones, **putting an end to subsidies for the installation of stand-alone boilers powered by fossil fuels as of 1 January 2025**, gradually phasing out boilers powered by fossil fuels, boosting **sustainable mobility** with pre-cabling, recharging points and bicycle parking spaces in residential and non-residential buildings, and the **solar rooftops amendment put forward as part of REPowerEU. Installing solar energy will become the norm for new** buildings, which will be solar-ready and fit. For **existing** public and non-residential buildings solar will need to be gradually installed, starting from 2027.

The implementation phase of the Renovation Wave Strategy continued in 2023. DG ENER steered the Inter-service Group and large stakeholders' events on skills, financing instruments and heat pumps' deployment. As a key deliverable of the Renovation Wave Action Plan, the EPBD recast will ensure **better building data, information for citizens and businesses** with strengthened Energy Performance Certificates and trigger the Renovation Wave further **with improved strategic planning, financing, and technical assistance**. To fight energy poverty and bring down energy bills, financing will target in particular vulnerable customers and worst-performing buildings.

2023 also saw the **successful conclusion of the legislative negotiations on the Ecodesign for Sustainable Products Regulation (ESPR)**. The new Regulation builds on the success of the current Ecodesign Directive 2009/125/EC, which together with energy labelling has been estimated to bring energy savings of approximately 230 million tons of oil equivalent (Mtoe) by 2030 and will ultimately replace it as new legal basis. EU's product policy is vital for energy efficient products that are also more environmentally sustainable, and circular, and is a key lever for the EU's competitiveness and industrial policy.

The implementation of the Ecodesign and Energy Labelling Working Plan 2022-2024 has progressed in 2023, with the adoption of product specific regulations on **tumble dryers** and with revised Ecodesign rules for **local space heaters** having passed scrutiny and being due for adoption in early 2024. Similarly, the revised regulation on **industrial fans** was finalised in 2023 (to be adopted in 2024). Several other regulations are well advanced, notably on **heating and cooling appliances, including heat pumps**.

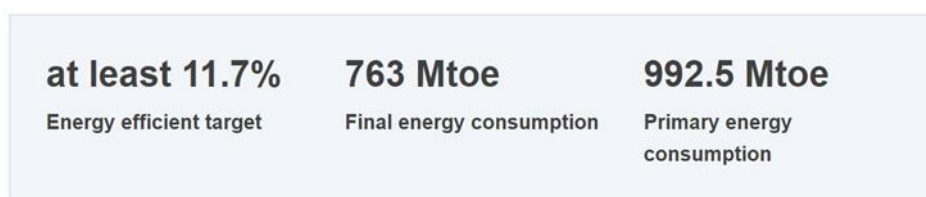
Horizontal product related work has advanced significantly, notably as regards **reparability, circumvention**, and on a new implementing regulation on **operational details for the EPREL database**, which is due for final adoption also in early 2024. Another key horizontal area for making sure that the benefits of products policy materialize is **market surveillance**. DG ENER continued engaging with Member States to strengthen capabilities and launched a new compliance services project with major industry associations, to support suppliers and retailers on compliance with EU rules.

DG ENER continued its contribution to the Recovery and Resilience Plans (RRPs) on renovating buildings with energy efficient envelopes, technical systems, and on-site renewables, and ensuring that financial support targets the highest efficiency energy-related product classes. Efforts on the **'Renovate flagship' under RRP and REPowerEU chapters** have been successful, amounting to approximately EUR 78 billion of investments. DGENER also participated in the negotiation of multiple operational programmes under the European Structural and Investment Funds (ESIF).

Energy efficiency

A key highlight of 2023 was the adoption of the **recast of the Energy Efficiency Directive** (EED recast) by the co-legislators in September 2023.

Key figures by 2030



The Directive introduces a mechanism to ensure that Member States collectively reach these targets. The EED recast also introduces new measures to reduce energy consumption

in the public sector and now includes a dedicated article for the Energy Efficiency First principle, which should be applied in all major policy, planning and investment decisions.

As regards **energy efficiency progress in power and heat generation**, on 4 July 2023 the Commission adopted the Delegated Regulation (EU) 2023/2104 reviewing the harmonised efficiency reference values for separate production of electricity and heat.

The **European Local Energy Assistance (ELENA) facility** achieved unprecedented results in 2023, with close to EUR 45 million worth of grant contracts signed. ELENA continues to be the main programme at EU level that supports project aggregation and the development of a strong pipeline of investment projects in energy efficiency and integrated renewables. In 2023, the facility has received additional support of EUR 24.4 million from the LIFE Clean Energy Transition sub-programme to assist Member States in replicating the ELENA model.

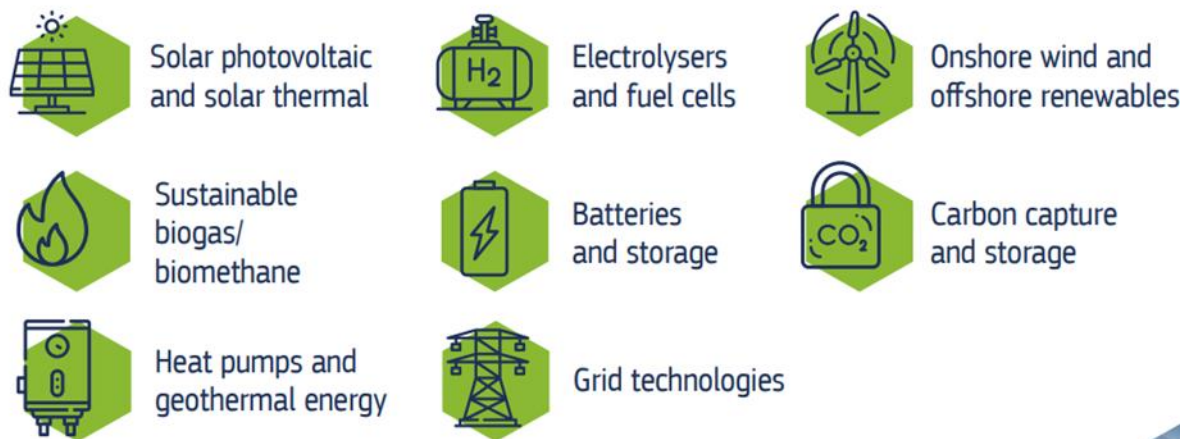
The **European Energy Efficiency Fund (EEEF)**, a specialised investment fund through which the Commission provides the first loss guarantee for projects in municipal, local or regional authorities, has attracted new private investors in 2023.

As regards **energy efficiency financing**, in 2023, DG ENER worked towards the setting-up of the **European Energy Efficiency Financing Coalition** to facilitate the mobilisation of private financing for energy efficiency in support of the 2030 and 2050 EU energy and climate objectives. The initiative, which was announced in the REPowerEU Plan, builds upon the results of the Energy Efficiency Financial Institutions Group (EEFIG). All EU Energy Ministers signed together with Commissioner Simson a Joint Declaration on energy efficiency financing and on the European Energy Efficiency Financing Coalition in the margins of the Energy Council on 19 December 2023.

1.3 Specific Objective 3: **Research is mobilised and innovation fostered by designing a modern EU energy system that relies on clean energy technologies and digitalisation.**

Promoting competitive net-zero energy technologies

The most significant policy achievement of 2023 was the adoption of the Commission proposal for a **Net-Zero Industry Act (NZIA)**, which preparation was co-led with DG GROW and DG CLIMA. This Act aims at innovating and scaling up the manufacturing of net-zero technologies in the EU, reinforcing EU's open strategic autonomy. It was also followed by the publication of guidance on regulatory sandboxes to support the Act's provisions fostering research and innovation in net-zero energy technologies.



In the political agreement reached in February 2024 the scope of the strategic net-zero technologies has been broadened to include **nuclear fission** energy technologies, including nuclear fuel cycle technologies, **and hydropower**.

DG ENER was also responsible for the fourth annual **Progress Report on the Competitiveness of Clean Energy Technologies**. This report shows that despite rising prices, clean energy technologies have remained highly cost competitive and that their roll-out rate has increased in the EU. However, the EU's clean energy manufacturing industry faces challenges. Even in sectors such as wind energy or heat pumps, where the EU has a strong manufacturing base, EU market shares have been falling.

DG ENER, in cooperation with other DGs, implemented the **Horizon Europe** Work Programme 2023 for Cluster 5 on 'Climate, Energy, and Mobility', including by promoting its funding opportunities. The DG also amended the Work Programme 2024, finalised the preparation of the Strategic Plan 2025-27.

The **Communication on the revision of the Strategic Energy Technologies Plan (SET Plan)** was adopted on 20 October, aligning the SET Plan with the new priorities of the European Green Deal and REPowerEU. It also gives more importance to cross-cutting themes such as societal needs, skills, digitalisation, market uptake, and access to finance.

In parallel, DG ENER together with DG CNECT and other DGs, implemented the **Action Plan on the Digitalisation of the Energy System**. The Commission adopted a Decision to set up a Smart Energy Expert Group, launched a large-scale Partnership on the digitalisation of the energy value chain, published a guidance on digital tools for energy communities, and adopted an Implementing Act on interoperability requirements and procedures for access to metering and consumption data.

DG ENER continued informing the energy policy debate based on results from EU-funded research and innovation projects. It gave a particular focus on smart energy networks, hydrogen, storage, Carbon Capture, Utilisation and Storage (CCUS), buildings and industry.

DG ENER continued engaging with international initiatives and institutions, particularly with the International Energy Agency, the Clean Energy Ministerial (CEM), the Mission Innovation

Initiative, the Breakthrough Agenda, and the International Partnership for Hydrogen in the Economy, to foster international cooperation on clean energy innovation and deployment. The highlights of 2023 included the launch of the **CEM Supercharging Battery Storage Initiative** at COP28, as well as the 14th CEM meeting, alongside the Mission Innovation Ministerial and the G20 Energy Transition Ministerial Meeting.

In the nuclear field, DG ENER brought to a successful completion the pre-partnership process on **Small and Modular Reactors (SMRs)**, paving the way for the launch of an Industry Alliance in early 2024. To this end, among all other activities, DG ENER, in close collaboration with stakeholders, organised in October 2023 a Stakeholders' Forum to pave the way forward.

Developing nuclear fusion energy technologies (ITER)

As regards the **ITER project**, Euratom continued to chair the ITER Council in 2023. In the current geopolitical context, the ITER Council decided not to pass the chairmanship of the ITER Council to Russia (as initially foreseen by a rotation scheme) and keep Euratom's chairmanship for another year. In 2023, DG ENER supported the Director General of the ITER organisation (IO) in project restructuring, including the preparation of the new project baseline. In November 2023, the ITER IO made clear that the date for the start of the pre-nuclear ("First Plasma") operation would be postponed by several years beyond the date (2025) in the current baseline from 2016.

The situation of the ITER project has been recognised as a critical risk for DG ENER. The developments in the project and the governance of F4E JU and IO are regularly discussed with other relevant Commission services and with the political leadership through an *ad hoc* Cabinets-DGs group set up in 2023 and chaired by the Head of Cabinet of Commissioner Simson. As follow-up to the IAS audit of 2022 to strengthen the oversight of the agency by its parent DG, DG ENER adopted a revised F4E Supervision Strategy in early 2024. The revision of the strategy was accompanied by the amendment to the Administrative Agreement between the Commission and F4E JU (to be signed in 2024).

1.4 Specific Objective 4: All stakeholders are involved, and a just transition is ensured by enabling energy consumers to be at the heart of the clean energy transition and ensuring that no one is left behind, building on the European Climate Pact.

During 2023, the impact of energy crisis continued to be felt by consumers, and energy **consumer empowerment and protection** remained high on the EU policy agenda.

New consumer empowerment and protection provisions were adopted in the **reform the design of the electricity market** and the agreed **Hydrogen and Gas Decarbonisation Package** aligning as well as complementing those in with the Clean Energy Package rules for electricity. The Commission also worked with Member States on the **implementation of Council Regulation 2022/1854** which gave Member States the possibility to

temporarily extend regulated prices to SMEs and temporarily allow below cost regulated prices.

In October 2023 all signatories recommitted to the **Joint Declaration on Enhanced Consumer Protection** under which, suppliers, distributors, regulators and consumer organisations are encouraged to implement additional voluntary consumer protection measures.

In June, the Commission adopted a **new implementing act 2023/3477 to improve access to metering and consumption data** to further protect consumers and empower them through digitalisation, for them to be more active in the energy transition. The new requirements and procedures implemented will ensure that data on metering and consumption in EU countries use one common reference model.

The 15th edition of the **Citizens' Energy Forum**, built on lessons learnt from the energy crisis, including opportunities to design a more consumer-centric and inclusive energy system. The forum was held back-to-back with the **Second Regulatory Roundtable on Energy Policy for Consumers** which examined in particular the regulatory challenges in retail energy markets that need to be tackled in the coming years.

In line with the commitment that **no person or region will be left behind by the energy transition**, the Commission announced dedicated support for 30 islands to become 100% renewable by 2030 as part of the **Clean Energy for EU islands initiative**, through which DG ENER supports inhabited EU islands in generating sustainable, cost-effective energy. A new service contract was signed to provide technical assistance to islands, share best practices and pool efforts.

The Commission continued assisting Member States to make best use of the **Just Transition Mechanism for energy-related investments**. The Commission provided technical assistance, developed knowledge products, held two conferences on the territorial just transition as well as an annual political dialogue. The Commission also pursued its dedicated assistance for the **Coal regions in transition** initiative notably in the Western Balkans and Ukraine in coordination with other international organisations.

The **European Covenant of Mayors for Climate and Energy** continued to support cities of all sizes in their efforts on climate mitigation and adaptation and fighting energy poverty. The **"Cities Energy Saving Sprint"** launched in 2022 was extended and was the headline topic of a high-level event in March 2023. The **Smart Cities Marketplace** continued facilitating and strengthening strategic partnerships between businesses, municipalities and the financing sector.

The 16th edition of the **European Nuclear Energy Forum** (ENEF) took place in Bratislava on 6-7 November 2023. The two-day event co-organised by DG ENER and Slovakia proved to be a successful platform for a broad debate around the potential and challenges of the EU nuclear ecosystem in the light of the current Union's climate ambition and dynamic geopolitical environment.

1.5 Specific Objective 5: **The EU acts as energy global leader** by contributing to an increased ambition for clean energy produced and used in third countries

In 2023, DG ENER led the work on the design and adoption of the **Global Renewables and Energy Efficiency Pledge**, endorsed by over 130 countries at COP28. The energy targets included in the pledge, with a global commitment to triple the world's renewable energy capacity and double energy efficiency improvements by 2030, while transitioning away from fossil fuels, were later included in the first Global Stocktake adopted at COP28, and therefore endorsed by all UNFCCC contracting parties.

DG ENER also continued to work closely with **Ukraine** and the Republic of **Moldova** in response to Russia's unprovoked war of aggression in Ukraine, notably through the High-Level working Group with Ukraine and the High-Level Energy Dialogue with Moldova, helping the Countries to enhance their energy security while staying aligned with the EU market reform path.

International outreach with reliable gas suppliers was intensified to further reduce Russian gas supplies and to facilitate hydrogen imports in the future.

Work continued with the **United States** on EU's energy security and transition, with the presidential EU-US Task Force on Energy Security and the EU-US Energy Council remaining the main vehicles for cooperation.

On 24 October, the **6th EU-Norway Energy Conference and Dialogue** took place to discuss gas supplies and implementation of the Green Alliance signed in April 2023. Cooperation with **Azerbaijan** has continued, with Azerbaijan joining the Global Renewables and Energy Efficiency pledge at COP28.

The cooperation with **Israel and Egypt** has slowed down due to the conflict in Gaza, but DG ENER is ready to re-engage on the **implementation of the trilateral Memorandum of Understanding on gas supplies** and **bilateral MoU with Egypt on hydrogen** whenever possible. In October, the EU-**Algeria** high-level energy dialogue took place, with discussions focused on current and potential future supplies.

A dedicated dialogue was set up with **Japan** on global LNG architecture, which focuses on global security of supply, transparency of markets and reducing methane emissions in the LNG supply chains.

In October 2023, the 11th edition of **EU-China Energy Dialogue** took place as preparations for the EU-China Summit. Discussions focused on global energy security, clean energy transition and a fair mutual trade relationship in clean tech.

DG ENER actively stepped-up engagement with Africa, aiming for closer cooperation with **Nigeria** in particular. The Commissioner visited Mozambique as part of a Global Gateway outreach to discuss investment in LNG production, and **South Africa** focussing on

investment opportunities in wind generation, hydrogen, electricity grids and critical raw materials, but also on South Africa's efforts on its just transition programme.

Work under the **Energy Community** framework focused on the **implementation of the Electricity Integration package and of the 2030 energy and climate targets**.

On 14 December 2023, DG ENER successfully brought forward the preparation and adoption of the Energy Community of milestone decisions, notably: **the extension of the Energy Community Treaty duration until 2036**; the extension of the Energy Community Treaty scope to **hydrogen and carbon dioxide**, and the adoption the new **TEN-E Regulation**.

DG ENER contributed to in the preparation of the proposal for the **New Growth Plan for Western Balkans** and will continue engaging with DG NEAR on the development of Reform Agendas by each country, setting out priority reforms and milestones.

Interinstitutional discussions regarding the adoption of the **modernisation of the Energy Charter Treaty** continued throughout 2023. On 7 July 2023, the Commission proposed a Council Decision on the withdrawal of the Union from the Energy Charter Treaty and a Commission Recommendation for a Council Decision on the approval of the withdrawal of EURATOM from the Energy Charter Treaty. The proposals were not adopted by the Council. Consequently, **the annual Energy Charter Conference on 20 November 2023 neither adopted nor rejected the modernisation of the treaty**. DG ENER is participating in the ongoing interinstitutional reflections to seek a timely solution. DG ENER contributed to the **preparation of 2023 Enlargement reports** by DG NEAR, organising screening meetings for North Macedonia and Albania.

In the field of nuclear energy, DG ENER continued to closely monitor the situation in **Ukraine's nuclear facilities**, notably Zaporizhzhia nuclear power plant (NPP), and EU's emergency preparedness and response in case of radiological/nuclear events. DG ENER successfully coordinated its activities with the IAEA and UA nuclear safety regulator and supported Ukraine at the international level, including at the 8th -9th Review Meeting of the Convention on Nuclear Safety and the IAEA General Conference.

DG ENER continued cooperation with the European Nuclear Safety Regulator's Group (ENSREG) for the implementation of stress tests in third countries. Due to the construction delays, the completion of the peer review of the stress tests of the Türkiye's Akkuyu Nuclear Power Plant in 2023 had to be postponed to 2024.

Discussions with Member States operating VVER reactors which are currently dependent on Russian nuclear fuel continued, to accelerate **diversification of fuel supply**. By the end of 2023, four out of the five concerned EU utilities signed contracts for the supply of alternative nuclear fuels. In this sensitive political context DG ENER assessed six different **agreements and contracts of EU Member States with non-European countries in the nuclear field, notified under Article 103 Euratom Treaty**, including one to be concluded between a Member State and the Russian Federation.

2. INTERNAL CONTROL AND FINANCIAL MANAGEMENT

Assurance is provided on the basis of information on the efficiency and effectiveness of internal control systems and governance processes. The management monitors the functioning of the internal control systems on a continuous basis and carries out an objective examination with internal and external auditors. The results are explicitly documented and reported to the Director-General. The following reports / documentation have been considered:

- the reports by Authorising Officers by Sub-Delegation (AOSDs);
- the reports from Authorising Officers in other Directorates-General managing budget appropriations in cross-delegation;
- the reports on control results from entrusted entities in indirect management as well as the result of the Commission supervisory controls on the activities of these bodies;
- the contribution of the Internal Control Coordinator, including the results of internal control monitoring at the Directorate-General level, including the results of the annual risk assessment exercise;
- the reporting on the implementation of DG ENER's Anti-Fraud Strategy;
- the reports on recorded exceptions, non-compliance events and any case of 'confirmation of instructions' (Art 92.3 Financial Regulation);
- the reports of the ex-post audit;
- the limited conclusion of the Internal Auditor on the state of control and the observations and recommendations reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of Auditors (ECA).

The systematic analysis of the available evidence provides sufficient guarantees as to the completeness and reliability of the information reported and results in the full coverage of the budget delegated to the Director-General of DG ENER.

This section covers the control results and other relevant elements that support management's assurance. It is structured into 2.1. Control results, 2.2. Audit observations and recommendations, 2.3. Effectiveness of internal control systems and resulting in 2.4. Conclusions on the assurance.

2.1. Control results

This section reports on the control results used by management to support the assurance on the achievement of the internal control objectives (ICO) ⁽³⁰⁾. The DG ENER's assurance building and materiality criteria are outlined in Annex 5. Annex 6 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems. Annexes 7 and 8 provide detail regarding the different elements used for building assurance.

Under direct management DG ENER principally manages procurements, described in detail in Annex 6, Relevant Control System (RCS) 3, and has a limited exposure to grants (RCS 1 and 2). Under indirect management DG ENER has entrusted tasks to F4E JU (RCS 4) and the NDAP bodies (RCS 5) as well as the ACER decentralised agency (RCS 6). DG ENER manages Financial Instruments (RCS 7). The main indicators are the residual error rate, the risk at closure and the financial performance of the funds.

DG ENER has established a system of controls and checks, aiming to ensure sound financial management and to build reasonable assurance on the legality and regularity of all financial transactions. These controls are embedded in the roles and responsibilities of the different actors as per DG ENER's Control Strategy.

Overview of the 2023 budget implementation

The total payments of DG ENER in 2023 amount to EUR 626.87 million, the vast majority being operational as the administrative part only accounts for less than 0.1%. In 2023, DG ENER had a very high execution of its payment appropriations ⁽³¹⁾ (99%). DG ENER further implemented 99% ⁽³²⁾ of its commitment appropriation (EUR 721.78 million). As in the past few years, DG ENER's main budget management mode for the year was indirect management.

The chart below provides an overview of DG ENER's implementation of its programmes and activities under:

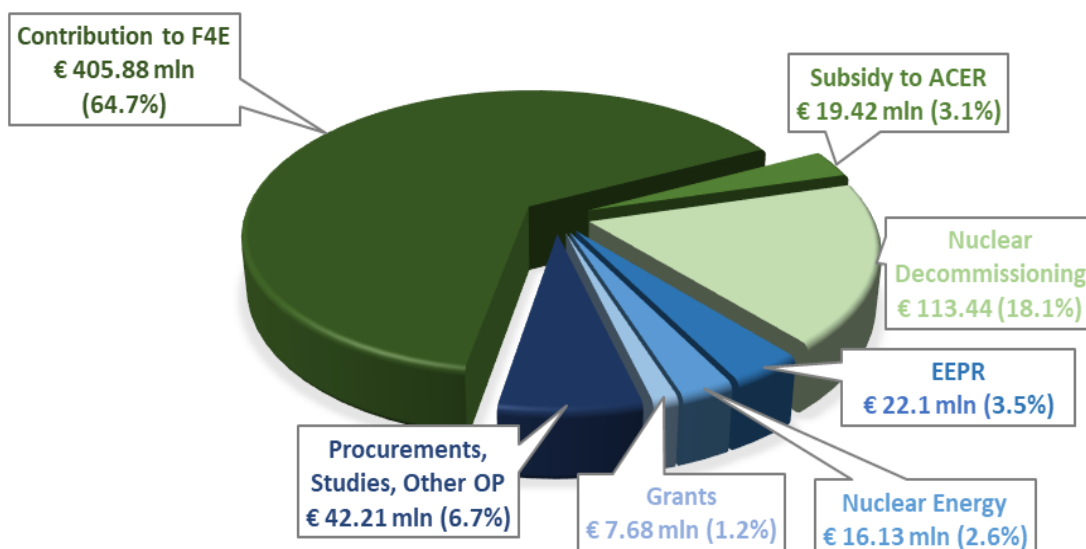
- **direct management** (14% of the expenditure), which includes grants (EEPR, Research and CEF Energy) and procurements, studies, administrative agreements, nuclear safeguards, agreements with EU bodies and other operational expenditure.
- **indirect management** (86% of the expenditure), including the contribution to F4E JU, the subsidy to ACER and the NDAP.

⁽³⁰⁾ 1) Effectiveness, efficiency and economy of operations; 2) reliability of reporting; 3) safeguarding of assets and information; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 36.2). The 2nd and/or 3rd Internal Control Objective(s) (ICO) only when applicable, given the DG's activities.

⁽³¹⁾ Based on C1, C5, C8 and EO credits only (payment appropriations expiring at the end of the financial year), while tables 1 and 2 of Annex 3 include all authorised appropriations.

⁽³²⁾ Based on C1, C5 and EO credits only (commitment appropriations expiring at the end of financial year), while tables 1 and 2 of Annex 3 include all authorised appropriations.

ALLOCATION OF 2023 PAYMENTS PER TYPE OF ACTIVITY
TOTAL AMOUNT EUR 626.86 MILLION



In addition to this expenditure, DG ENER manages tangible assets related to the operations on nuclear safeguards (EUR 3.48 million), a share in the legacy European Energy Efficiency Fund (EUR 110.18 million) and a share in the CEF Financial Instrument investments (EUR 96.07 million) (see Annex 7 for details).

The revenues assigned to DG ENER include:

- an amount of EUR 40 million, corresponding to the commitment received from one Member State to participate to the Union renewable energy financing mechanism (Reg EU 2020/1294).
- an amount of EUR 3.9 million encompassing recovery of expenses, financial income, and other exchange revenues.

DG ENER's management factually concludes that the control results, presented in the sections that follow are complete and reliable and provide reasonable assurance about the achievement of the internal control objectives. It should be highlighted that:

- Based on the main indicator results available, overall suitable controls were in place in 2023 and worked as intended.
- The critical risk related to the implementation of the ITER project was acted upon and maintained. The evolution of the risk is dependant of both ITER Organisation (IO) as an entity and of the ITER project as a whole. While significant improvements were achieved at the level of the Joint Undertaking, the situation of the project itself remains difficult. Due to technical or regulatory obstacles to the completion of the construction of the ITER or to its commissioning, the cost and timeline of the project completion could become no longer acceptable for at least some of the Contracting Parties. DG ENER closely monitors and takes part to the risk response of ITER Organization, including a comprehensive reform of the project management and a new baseline for the project which should be presented by the ITER Organization to the ITER Parties in 2024 (see Annex 7 for more details).

- As a result and taking into account the multiannual character of the main programmes, no new reservation is introduced in this AAR. The risks are mitigated and/or monitored; improvements and reinforcements are being implemented.

In line with the 2018 Financial Regulation, DG ENER's assessment for the new reporting requirement is as follows:

- No cases of "confirmation of instructions" (new FR art 92.3).
- Cases of financing not linked to costs (new FR art 125.3) – The remuneration of the entities implementing the NDAP is defined for the European Bank for Reconstruction and Development (EBRD) by the rules of the funds, and for the national agencies as a percentage of the managed contributions.
- No new cases of Financial Framework Partnerships with a duration of more than 4 years (new FR art 130.4).
- Cases of flat-rates >7% for indirect costs (new FR art 181.6) – There were no cases of flat rates > 7% for indirect costs in 2023 other than those allowed under the Horizon 2020 and Horizon Europe Rules for Participation, providing that indirect eligible costs are determined by applying a flat rate of 25% of the total direct eligible costs.
- No cases of "Derogations from the principle of non-retroactivity of grants pursuant to Article 193 FR" (new Financial Regulation Article 193.2).

2.1.1. Effectiveness of controls

a) Legality and regularity of the transactions

DG ENER uses internal control processes to ensure sound management of risks relating to the legality and regularity of the underlying transactions it is responsible for, taking into account the multiannual character of programmes and the nature of the payments concerned.

1) Control objective

The overall control objective is to ensure that risks relating to the legality and regularity of the underlying transactions are adequately managed. The main indicator, the residual error rate affecting the relevant expenditure of 2023, remains below 2%. For the expenditure under the Horizon 2020 (H2020) programme (see RCS 1), the control system aims at giving a reasonable assurance that the risk of error over the course of the multiannual expenditure period is, on an annual basis, within a range of 2-5 %, with the ultimate aim to achieve a residual level of error as close as possible to 2%. For other grants (RCS 2) and procurements (RCS 3) under direct management, the objective is to remain strictly under the 2% threshold. For expenditure under indirect management (RCS 4, 5 and 6) the control objective is to obtain the necessary assurance as regards the legality and regularity and

performance of the operations managed by the entrusted entities. Further details on DG ENER's assurance building and materiality criteria are outlined in annex 5.

2) Assessment of the control results

DG ENER's Control Strategy comprises all control activities applicable to the operational and financial implementation of its spending programmes.

Regarding the **directly managed actions**, the ex-ante controls put in place by DG ENER contributed to the achievement of the policy and operational objectives and provided an assurance that the projects are running adequately. The ex-post controls on segments involving grants had a positive deterrent effect, fostering system improvements and a better compliance. More details on these measures and on the quantified benefits from the ex-ante and ex-post controls exercised by DG ENER are disclosed in Annex 7.

One segment has a relatively high error rate, i.e., the directly managed research grants. This concerns both:

- **The Seventh Framework Programme (FP7)** – the latest cumulative residual error rate for this legacy programme (with only limited amount of final payments and cleared pre-financings) ⁽³³⁾ was estimated at 4.05% (see Annex 7), above the 2% threshold. Since this programme represents a very limited share of the total activity, the impact on the amount at risk and on the overall materiality at DG level is minimal. Due to the 'de minimis' threshold for financial reservations introduced in 2019 ⁽³⁴⁾, no quantified reservation is required in 2023 for the FP7 payments.
- **Horizon 2020** – the cumulative residual error rate was estimated at 2.08% in 2023 vs 2.21% in 2022. This error rate is due to the complexities of the programme and the type of beneficiaries and is largely mitigated by efforts made to reinforce the related controls systems. The estimated residual error rate for the directly managed H2020 funds remains within the estimated band of 2%-5% for this programme. The evolution of the risk at closure/payment for H2020 is decreasing in line with the evolution of the underlying amount of relevant expenditure. Since the detected error rate for H2020 decreased slightly in 2023 and considering the limited exposure of DG ENER to this programme, the situation does not impair the assurance.

The residual error rate of the EEPR programme is stable at 0.92%, under the 2% threshold. There is no indication of significant issues regarding other directly managed grants or

⁽³³⁾ In the end of 2023 the final payments of the last two active FP7 project were completed, and the project closed.

⁽³⁴⁾ In 2019, a 'de minimis' threshold for financial reservations was introduced stipulating that quantified Annual Activity Report reservations related to residual error rates above the 2% materiality threshold are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. As is the case for the FP7 expenditure, a quantified reservation is not required. FP7 payments represent 0.81% of 2023 DG ENER payments and financial impact is below the materiality threshold.

procurements (administrative or operational, including procurements related to Nuclear Safeguards). The error rate is therefore estimated at 0.5% (under the 2% threshold).

Regarding **indirect management**, the key elements considered for the assurance are: the delegation of implementation of the Euratom contribution to the ITER project to the F4E JU; the delegation of implementation to the NDAP, for which DG ENER relies on updated pillar assessments for its relationship with the European Bank for Reconstruction and Development (EBRD) and the National Agencies in Lithuania (CPMA) and Slovakia (SIEA); the contributions paid to ACER; and the Financial Instruments. The reports received from the entities implementing NDAP, F4E JU and ACER provide the necessary assurance. The control objective is considered fulfilled.

The report received from the European Investment Bank (EIB) regarding DG ENER's share in the CEF Debt Instrument indicated a net positive economic result amounting to EUR 4.61 million, which partially absorbed the non-realised loss observed in 2022. The value of the shareholding in the European Energy Efficiency Fund (EEEEF) remains stable.

3) Supervision/Coordination of EU bodies (executive agencies, decentralised agencies, joint undertakings).

DG ENER is a parent DG for the European Climate, Infrastructure and Environment Executive Agency (CINEA). The controls performed to the monitoring of the agency and the steering of its governance provided DG ENER with a reasonable assurance that the Agency implemented effectively the programmes, protected the financial interests of the EU and that there are no particular issues, events or problems that could have a material impact on the assurance. DG ENER confirms the effective fulfilment by CINEA of the implementation of the CEF Energy programme delegated to it ⁽³⁵⁾.

While F4E JU is an autonomous EU body and has the full responsibility for the design and operation of its controls, DG ENER is responsible for the oversight, within the framework of a supervision strategy, of its operations and of its work to implement the Euratom contribution to ITER. It does not aim at a daily monitoring of all transactions carried out by the entrusted entities, but to ensure that the internal governance of the F4E JU allows for the achievement of its objectives. In 2023, DG ENER, as representative of the Commission in the different governance entities of the JU ⁽³⁶⁾, acted to reform the JU in order to resolve the management issues that affected the functioning of the organisation with the appointment of a new Director in February 2023 and the adoption of an updated Supervision Strategy in early 2024. It maintains its effort to improve the governance of the project both at ITER and F4E JU levels (see Annex 7).

DG ENER ensures the supervision of ACER. In 2023, ACER carried out its work in line with the objectives agreed with DG ENER. The monitoring and supervision activities ensured regular information and steering of the work of ACER towards achieving Commission objectives allowing decisions on potential actions in adequate time. Reports from both

⁽³⁵⁾ See CINEA's AAR and Annex 7 of DG ENER AAR for further details on the agency performance.

⁽³⁶⁾ Administrative and Management Committee, Bureau and Governing Board.

external and internal auditors did not highlight any major issue that might raise additional concerns for DG ENER. Overall, DG ENER considers that its supervision of ACER is effective and is therefore in a position to give assurance as to its activities in this respect.

4) Overview of DG ENER risk profile

ENER's portfolio mainly consists of segments with a low risk profile thanks to their management mode and the nature of the beneficiaries, and the performance of the related control systems. It mainly concerns CEF energy actions, the directly managed procurements, indirectly managed expenditure and payments made to the entrusted entities.

Two segments have a high-risk profile, i.e., the directly managed research grants under FP7 and H2020 (more details in Annex 7). This higher error rate is linked to the applicable funding model, which is based on the reimbursement of eligible actual costs. The detected error rate conservatively applied for FP7 payments was the last one calculated for this legacy programme as of 2021, while for H2020 the detected error rate decreased slightly in 2023. Considering the limited exposure of DG ENER to these programmes, the situation does not impair the assurance.

The residual error rate of the EEPR programme is stable at 0.91%. There is no indication of significant issues regarding other directly managed grants or procurements (administrative or operational, including procurements related to Nuclear Safeguards).

As regards other operational expenditure, the issues encountered with the budgetary support to the Energy Community Secretariat are not material and do not have any impact on the estimated amount at risk (see Annex 7).

5) Table (X): Estimated risk at payment and at closure

Based on all the above, DG ENER presents in the following Table X an estimation of the risk at payment and risk at closure for the expenditure managed during the reporting year:

Table (X): Estimated risk at payment and at closure (amounts in EUR million)

The full detailed version of the table is provided in annex 9.

DG ENER	Payments made	Relevant expenditure	Estimated risk (error rate %) at payment		Estimated future corrections and deductions		Estimated risk (error rate %) at closure	
	m EUR	m EUR	m EUR	%	m EUR	%	m EUR	%
FP7 Grants (RCS 1)	5.08	13.27	0.72	5.44%	0.18	1.39%	0.54	4.05%
Horizon 2020 Grants (RCS 1)	1.40	3.31	0.09	2.57%	0.02	0.49%	0.07	2.08%
Horizon Europe Grants (RCS 1)	0.40	0.00	0.00	2.00%	0.00	0.00%	0.00	0.00%
CEF Energy Grants (RCS 2)	0.81	0.09	0.00	0.50%	0.00	0.25%	0.00	0.25%

EEPR Grants (RCS 2)	22.10	22.10	0.40	1.80%	0.19	0.88%	0.20	0.92%
Procurements, Studies and other OP (RCS 3)	42.21	40.30	0.20	0.50%	0.10	0.25%	0.10	0.25%
Nuclear Energy (RCS 3*)	16.13	16.35	0.08	0.50%	0.04	0.25%	0.04	0.25%
Contribution to F4E JU (RCS 4)	405.88	596.75	2.98	0.50%	1.49	0.25%	1.49	0.25%
NDAP (CPMA/EBRD/SIEA) (RCS 5)	113.44	146.53	0.73	0.50%	0.37	0.25%	0.37	0.25%
Subsidy to ACER (RCS 6)	19.42	14.69	0.00	0.00%	0.00	0.00%	0.00	0.00%
DG total	626.87	853.40	5.21	0.61%	2.40	0.28%	2.81	0.33%

The estimated overall risk at payment for 2023 expenditure, 0.61%, is the AOD's best conservative estimate of the amount of relevant expenditure during the year that is not in conformity with the contractual and regulatory provisions applicable at the time the payment was made. This expenditure will subsequently be subject to ex-post controls and a proportion of the underlying errors will be detected and corrected in subsequent years, corresponding to the conservatively estimated future corrections for 2023 expenditure, 0.28%. The difference between those two estimates results in the estimated overall risk at closure⁽³⁷⁾, 0.33%. The limited increase against 2022 (0.23%) is due to a higher prevalence of legacy grant payments.

For an overview at Commission level, the departments' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the Annual Management and Performance Report.

6) Preventive and corrective measures

As regards the corrections carried out in 2023, DG ENER has in place an effective mechanism for correcting errors, through ex-ante and ex-post controls, resulting in preventive and corrective measures, amounting to EUR 0.28 million and EUR 0.04 million respectively. This represents a decrease compared to last year, with EUR 1.2 million and EUR 0.05 million respectively, which is mostly explained by the lower number of irregularities detected ex-ante.

b) Fraud prevention, detection and correction

DG ENER has developed and implemented its own anti-fraud strategy since 2012, based on the methodology provided by OLAF. The anti-fraud strategy was last updated in 2020 and the action plan was updated in November 2023 with a revised set of actions covering the period 2023-2025. Its implementation is being monitored and reported to the management through DG ENER Control Board three times per year and when necessary, through targeted reports. Continuous actions from the previous action plan were implemented in 2023.

⁽³⁷⁾ This is the AOD's best, conservative estimation of the expenditure authorised during the year that would remain not in conformity of applicable regulatory and contractual provisions by the end of implementation of the programme.

DG ENER also provided input for the revision of the Commission anti-fraud strategy Action Plan ⁽³⁸⁾ of July 2023, notably to actions 6 (database), 31 (relation with entrusted entities) and 40 (training). DG ENER followed up on the only one OLAF financial recommendation, which is still under implementation due to a pending legal action. Furthermore, DG ENER followed up on one non-financial recommendation and reported to OLAF that it had implemented the task under its remit. The recommendation is pending OLAF follow-up review.

DG ENER is a stakeholder for the R&I anti-fraud strategy and was consulted on its revision, however it only has a limited involvement in the implementation of projects as current energy research projects are implemented through CINEA.

In 2023, DG ENER achieved its objectives in terms of representation in anti-fraud networks and working groups and anti-fraud awareness raising. Finally, it contributed to the peer reviews of the antifraud strategies of partner EU bodies. It had a smooth and effective cooperation with OLAF.

On the basis of the available information, DG ENER has reasonable assurance that the anti-fraud measures in place are effective.

c) Safeguarding of assets and information

The intangible assets managed by DG ENER as well as the tangible assets related to its 'Euratom Safeguards' activity are under the reporting thresholds. The general objective is valid as regards the specific off-balance sheet items. DG ENER's current procedures and controls are considered as robust and effective. It also covers contingent liabilities, which correspond to the guarantees given in the framework of the CEF Debt Instrument. These guarantees remained stable.

d) Reliability of reporting

DG ENER assessed the reliability of the reporting it receives from the entrusted entities (F4E JU, EBRD, CPMA and SIEA). The information received is compliant with the applicable guidance. DG ENER concludes that overall, the information and reporting are reliable and adequate for drawing assurance conclusions.

DG ENER identified a minor internal control deficiency as regards the comprehensiveness of the inventory of measures ensuring reliability of information (ICF Principle 13). This deficiency however relate to how the measures are described and not to the substance of the controls. It has therefore no impact on the assurance.

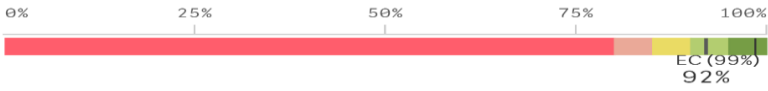
DG ENER received no observations on its accounts and relied on unqualified opinion of the accounts and management reporting from EIB, EBRD, CPMA, SIEA and F4E JU.

⁽³⁸⁾ COM (2023) 405 final

2.1.2. Efficiency of controls

The assessment of the most relevant key indicators and control results shows that DG ENER is compliant with the rules and efficient with the budget execution.

As far as the **‘timely payments’ indicator** is concerned (i.e., payment accepted amount in time/payment accepted amount in EUR), and despite the extraordinary circumstances and increased pressure on its activities, DG ENER managed to achieve 92%. The timely payments indicator is lower than the Commission average although still high, and concerns only one payment of EUR 49 million which was late by two days but weighs considerably in the indicator due to its value.

Timely Payments	ENER Score	EC Score
	<p>92%</p>	<p>99%</p>

Due to the limited exposure to directly managed grants, the time-to-grant and time-to-inform indicators are not relevant for DG ENER.

The indicator related to commitment forecast implementation returned an apparently unsatisfactory result (69%). The DG over forecasted due to a reduction of credits. This however had no impact on the efficiency of the operations.

Initiatives to improve the efficiency of operations include:

- An Action Plan to monitor the individualisation of global commitments and the procurement procedures was reconducted in 2023. It led to high levels of budget implementation, individualisation of all the global commitments and reduced number of global commitments at the end of 2023.
- The supervision strategy for the F4E JU was completed and is scheduled for approval in early 2024. It brings clarity as to the respective roles and introduces the concept of key account managers that will improve the efficiency of controls by streamlining the different supervisory activities.

2.1.3. Economy of controls

Ex-ante controls contribute to the achievement of the policy and operational objectives and provide an assurance that the projects are running adequately. Ex-post controls have a positive deterrent effect within the programme, which will foster system improvements and a better compliance with regulatory provisions.

Overall, the total cost of the controls performed by DG ENER in 2023 was EUR 13.09 million or 2.09%. This cost is proportionate to the activities and comparable to the costs for 2022 of EUR 12.82 million (see Annex 7, in particular table Y).

The relatively high costs reported regarding directly managed grants correspond to the final stage of these programmes where very few new payments are made while controls need to be maintained for their closure.

The costs related to financial and supervisory controls for F4E JU and NDAP remain under 2%. The cost efficiency indicator for ACER improves at around 2.06%.

Details of the estimated cost related to shared/pooled control activities carried out by the European Research Executive Agency (REA) and hosted by DG R&I (Common Implementation Centre; Common Audit Service; Common Policy Centre) for the Research and Innovation family are reported in the Annual Activity Reports of REA and DG R&I.

2.1.4. Conclusion on the cost-effectiveness of controls

Based on the most relevant key indicators and control results, DG ENER has assessed the effectiveness, efficiency and economy of its control system and reached a positive conclusion on the cost-effectiveness of the controls for which it is responsible.

The cost of control of the directly managed activities is proportionate and necessary. As regards the expenditure under indirect management, the costs of the control system remain low compared to the level of expenditure.

The efficiency and the effectiveness of the controls are supported by quantitative and qualitative benefits, identified for the relevant stages of the process. The costs of the controls remain overall low and the higher cost items are justified by objective needs or by specific circumstances, thus providing a positive impact on the assurance.

In conclusion, DG ENER considers that the current control system represents a good balance between the invested efforts (internal control costs and remuneration fees), the obtained error rates (effectiveness of controls) and delivery of objectives (efficiency).

2.2. Audit observations and recommendations

This section sets out the observations, opinions and conclusions reported by auditors – including the limited conclusion of the Internal Auditor on the state of internal control. Summaries of the management measures taken in response to the audit recommendations are also included, together with an assessment of the likely material impact of the findings on the achievement of the internal control objectives, and therefore on management's assurance.

Internal Audit Service

In July 2023, the IAS issued the final audit report on LIFE implementation. The report contains one very important and three important recommendations. DG ENER was involved in one important recommendation under the lead of DG ENV. The recommendation was accepted, and appropriate action plan was designed and submitted. The recommendation was implemented as planned, without any significant difficulties nor delay, in October 2023 in collaboration with DG ENV, CLIMA, and CINEA.

In its contribution to the 2023 AAR process, the IAS issued the limited conclusion of the Internal Auditor on the state of DG ENER’s internal control, which concluded that the internal control systems in place for the audited processes are effective.

European Court of Auditors

In 2023, five performance audits related to DG ENER activities were finalised:

Name of Special Report (SR)	Level of involvement	Publication date
SR 03/2023 “Internal electricity market integration”	Lead service	January 2023
SR 18/2023 “EU Climate and Energy Targets	Associated	June 2023
SR 22/2023 “Offshore renewable energy in the EU”	Lead service	September 2023
SR 24/2023 “Smart Cities”	Lead service	October 2023
SR 29/2023 “EU’s support for sustainable biofuels in transport”	Lead service	December 2023

The audit findings do not indicate any systemic problem in DG ENER’s internal controls or financial management and rather focus on policy development and implementation.

Several performance audits are ongoing on Hydrogen, Security of energy supply, Smart grids.

In 2023, DG ENER was subject to the recurring ECA financial audits on the Declaration of Assurance (DAS) and to audits on the annual accounts of DG ENER. However, no important or critical shortcomings were identified for the energy related expenditure. Furthermore, there were no open recommendations from the previous DAS exercises for DG ENER.

The Director-General is regularly informed of the conclusions and the main recommendations stemming from the work of the auditors. The timely implementation of all recommendations is regularly monitored throughout the year and reported at DG ENER’s Control Board meetings.

Annex 7, section 2.2 provides a comprehensive overview of ECA and IAS audits and the follow-up of recommendations.

Overall, internal and external audit work contributes significantly to the continuous improvement of DG ENER’s systems and operations. The energy policy matters are increasingly scrutinised by ECA and benefit from numerous audits and audit recommendations. The IAS, ECA and the Discharge Authority findings and recommendations

are subject to a systematic follow up by the Directorate-General. The current residual risk from the audit recommendations remaining open in DG ENER does not impair the declaration of assurance. The limited conclusion of the IAS stated that the internal control systems in place for the audited processes are effective.

As regards F4E JU, ECA reiterated emphasis on matter on the cost and schedule on the overall project, which is one of the ITER-IO members. As regards ACER, ECA issued a clean opinion on the reliability of the accounts and on the legality and regularity of operations. None of these elements impair the declaration of assurance of DG ENER.

2.3. Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework (ICF) based on international good practice, to ensure the achievement of its policy and management objectives. Compliance with the internal control framework is a compulsory requirement.

DG ENER uses the organisational structure and the internal control systems suited to achieving its policy and internal control objectives in accordance with the internal control principles and has due regard to the risks associated with the environment in which it operates.

DG ENER has assessed its internal control system during the reporting year and has concluded that it is effective, and the components and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified related to assets physically controlled (ICF Principle 10), the number of reported exceptions (ICF Principle 12) and the comprehensiveness of the measures reported on reliability of information (ICF Principle 13).

The minor deficiency identified in the 2022 assessment was addressed (95% of DG ENER local IT systems have an up-to-date IT Security Policy/Plan) and is now considered as closed.

Improvements were already noted as regards the weakness identified for ICF Principle 10 (based on the Communication ‘Special provisions on inventory management for property of the European Commission’ issued in October 2023, a new revised strategy for the management and the physical inventory of the assets will be established and implemented) and ICF Principle 12 (the number of reported exceptions was reduced but remains above the target of zero).

Ongoing or planned improvements and/or remedial measures focus on implementing the revised strategy on the physical inventory of assets as well as on drawing an inventory of measures to be reported as contributing to the assurance on the reliability of information.

2.4. Conclusions on the assurance

The audit results, the internal control assessment and the control indicators do not reveal any significant weaknesses and do not fulfil any of the materiality criteria laid down in Annex 5.

The information reported in section 2.1 stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a comprehensive coverage of the budget delegated to DG ENER.

Overall, the controls carried out by DG ENER for the management of the budget, implemented directly or indirectly, were effective, efficient and economical for the reporting year. The high cost of control observed for directly managed grants has no material impact on the overall economy of the controls. The resources assigned in 2023 to the activities described in this report were used for their intended purpose and in accordance with the principles of sound financial management. The control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions, safeguarding of assets and information and the prevention, detection and correction of fraud and irregularities.

The conservative assessment of the AOD is that the overall amount at risk at closure is not material and corresponds to about 0.33% of the relevant 2023 expenditure.

Concerning the directly managed expenditure, DG ENER implements appropriate ex-ante and ex-post controls, to the extent that they remain cost-effective and support the other programme objectives and financial management.

Regarding indirectly managed expenditure, DG ENER considers, that its assurance was not materially impaired by the organisational and management issues that affected F4E JU, as the Governing Board and DG ENER took the necessary corrective actions. It is furthermore too early to assess the impact of the on-going revision of ITER's baseline and schedule.

There is no indication of any other element that would impair the assurance. The information received from F4E JU, CINEA, the NDAP entrusted entities and from ACER is considered as adequate and reliable.

DG ENER revised its Anti-fraud action plan for 2023-2024.

DG ENER assessed its internal control systems and concluded that the internal control framework is implemented and functioning as intended, except for Component III, Control activities that are affected by several minor deficiencies. DG ENER identified the necessary corrective actions, which will be implemented in 2024. Risk management processes worked as intended and contributed to the good operation of the control systems. The critical risk related the ITER programme was maintained, reflecting the efforts of DG ENER to contribute to the reform of the overall project. The critical risk on Energy emergency was

successfully mitigated. DG ENER demonstrated its agility as an organisation in the management of its budget and its adaptability through efforts in the field of HR management and IT security.

In relation to the recommendations issued in 2023 by ECA, none is considered to have a material impact on the declaration of assurance of DG ENER. All accepted recommendations issued by ECA have led to specific action plans addressing the underlying issues. The current residual risk from the audit recommendations remaining open for DG ENER does not impair the declaration of assurance.

In conclusion, based on the elements reported above, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director-General of DG ENER, in her capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

2.5. Declaration of Assurance

Declaration of Assurance

I, the undersigned,

Director-General of DG ENER

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view ⁽³⁹⁾.

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the work of the Internal Audit Service and the lessons learnt from the reports of the European Court of Auditors for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

Brussels, 27 March 2024

(signed)

Ditte Juul Jørgensen

AOD

⁽³⁹⁾ True and fair in this context means a reliable, complete, and correct view on the state of affairs in the DG.

3. MODERNISING THE ADMINISTRATION

3.1. Human resource management

During 2023, the management of the energy crisis remained DG ENER's main challenge. The core HR processes focused on optimising the allocation of resources, developing an agile workforce and delivering the Commission's energy policy. The structure was further adjusted to better streamline its workflow and clarify its activities. DG ENER started a gradual physical integration of Unit D4 ITER from Brussels to Luxembourg. DG ENER was reinforced by additional external staff (contract agents) yet continues to operate under high pressure. The staffing needs are continuously monitored to cover the additional work caused by the energy crisis.

Work continued on the specialist competition on the Green Deal (EPSO/AD/401/22) where DG ENER received over 1700 applications. The reserve list is expected in spring 2024. Replacement of outgoing staff in the nuclear domain, due to retirement and the difficulty to recruit staff in Luxembourg, remains a challenge. The validity of the 2021 nuclear inspector competition list was extended until June 2025. In October 2023, a new nuclear-related competition was launched (EPSO/AD/411/23). The competition seeks 130 nuclear safeguards inspectors (for inspections, research and project management) and 68 policy officers in the area of nuclear energy (for legislative, administrative, scientific, advisory, and supervisory activities). Most of the jobs to be filled following this competition will be based in Luxembourg.

DG ENER's internal communications strategy continued to focus on staff engagement through webinars, increasing and sharing knowledge and through improved newcomers' and staff's experience. In 2023 DG ENER organised 25 webinars in the field of energy, five Chief Economist lectures, seven info sessions by MOVE-ENER Shared Resource Directorate, and seven on corporate themes of Ethics, Career Guidance, Mediation Service, and Diversity. The June All-Staff brought together colleagues from Luxembourg and Brussels. DG ENER switched to the new Sharepoint Online ENER Hub and increased the thematic focus through its weekly MyENER newsletter.

DG ENER reinforced its attention to its staff physical and mental well-being, launching the "Re-ENERgise yourself – How we can work better together" campaign, including webinars, trainings and dedicated workshops and building on existing corporate programmes such as the Mental Health week. New actions being put in place strengthen the working relations between Brussels and Luxembourg. Specific attention is given to Blue Book trainees and staff from the Junior Professional Programme (JPP) as well as to managers' coaching and training needs.

The third edition of the ENER internal female talent programme (ENER4WOMEN) was completed in October 2023, enabling 10 colleagues to benefit from group and individual coaching. The Energy platform had its fourth meeting with energy stakeholders, focusing on sharing experience and good practices around the inclusion of LGBTQ colleagues at the

workplace. The ENER equality network adopted its annual work programme for 2023-2024, with a focus on equality mainstreaming in energy policy and awareness raising campaigns on the diversity and equality agenda.

3.2. Digital transformation and information management

Digital Transformation

As regards *Data Ecosystem*, DG ENER started to redesign the European Master in Official Statistics (EMOS) information system to meet the corporate data governance principles. The work on the central energy finance dashboard in collaboration with DG R&I and CINEA continued.

Under the *Main/Flagship Digital Transformation Initiatives* the implementation of EPREL continued throughout the year, delivering greater access and possibilities in the online interface offered to external users (e.g., Online stores). DG ENER implemented a pilot data management and dashboarding solution using cloud technologies, delivered structured technical documentation for refrigerating appliances (with direct sales) and for electronic displays along with plausibility checks for them. DG ENER progressed with e-Platform releasing the 2023 Reporting for NECPs among other evolutions.

In the area of *Digital Culture*, a new ENER intranet using SharePoint Online was developed. The network of SharePoint correspondents at unit level was set-up. In the framework of *EC Collaboration modernisation* and in line with the Collaboration Solutions Strategy, DG ENER has developed and executed a detailed implementation roadmap and successfully transitioned from legacy collaborative platforms, namely 'Connected' and 'MyIntraComm', to a comprehensive corporate ecosystem by the end of 2023. It paves the way for optimized internal communications, streamlined processes and a focus on user needs.

The *Digital-ready EU policymaking* - Implementing Regulation on interoperability rules for access and exchange of electricity metering and consumption data was adopted marking the beginning of a broader initiative to safeguard and engage consumers in the energy transition through digitalisation. It promotes data interoperability through a common reference model, and it also mandates the mapping by Member States of the respective national practices.

As regards the Directorate's *Business-Driven Digital Transformation*, DG ENER progressed with the Union database (UDB) system which will be used from January 2024 to track all the biofuels exchanges taking place in Europe, allowing the economic operators to monitor and track the supply chain effectively.

In the context of a *Seamless digital environment*, DG ENER made the decision to reuse e-Platform to cover additional reporting needs (e.g., Energy Efficiency Directive). On a similar note, DG ENER has worked on a Portfolio Transformation phased approach which the resulting actions will involve Digital Strategy initiatives like the use of low-code/no-code

technology, migrations to the cloud, and reuse by adopting existing solutions to answer new business needs.

As regards *IT Governance* DG ENER has reached a stable and high level of maturity for the portfolio managed in house. Through SRD, DG ENER is a member of the Information Technology and Cybersecurity Board (ITCB) at corporate level. The organisation of IT Steering Committees twice a year offers the possibility for a better reporting and monitoring of the in-house projects and provides an effective way to control and steer the IT ENER portfolio. A similar approach for the projects that are not developed in house (i.e., projects outsourced to another Commission entity – mostly JRC or DIGIT, or to the market) is in roll out and calibrated based on feedback from relevant policy units. The governance around websites has been strengthened further, with a focus on IT security, with virtually all websites having an IT security plan or being in the process of developing one, and data protection.

IT Security and Business Continuity

DG ENER continued the implementation of the designed specific actions in order to monitor, review and update its security plans following a risk-based approach. The priority systems were assessed, and the identification and evaluation of IT security risks was concluded.

The development of IT security plans is ongoing with around 95% of information systems already covered (100% of the Sensitive Non-classified IS).

With the aim of enhancing in depth the security of the software developed, DG ENER requested Vulnerability Assessments for five of its IT systems and initiated a Proof of Concept for the adoption of the Continuous Software Assurance program offered by DIGIT.

The current threat landscape has had a direct impact on IT security and business continuity due to the increased threats of cyber-attacks. Consequently, DG ENER reviewed physical and IT security measures, business continuity plans and procedures to address the most urgent challenges.

The local IT Security Team informed and advised DG ENER staff on how to identify, prevent and avoid possible attacks, through articles related to phishing and handling of sensitive non-classified information, targeted email communication on the cybersecurity threats and a dedicated information session on cybersecurity and information security.

No serious IT security incidents affected DG ENER IT systems or staff in 2023 despite a high risk due to the geopolitical situation.

In December 2023 DG ENER participated in the business continuity corporate exercise performed to test internal communication tools and procedures with an 89% response rate.

Information Management

The Centre d'Administration des Documents (CAD) continued to monitor the efforts of filing documents by DG ENER, reaching the target of registered documents not filed below 2%. DG ENER provided trainings on document management, directing efforts this year towards equipping IT Project Officers with essential skills in document management and units with archival procedures.

Information Management actions continued to reduce the reliance on paper storage and to increase the efficient use of electronic workflows in line with DG ENER's goal to fully embrace a more efficient paperless work environment.

The preservation needs of the information systems were assessed and prioritised.

The integration of the Events Management Tool (EMT) with the corporate records management system Hermes-Ares-Nomcom (HAN) was successfully completed in 2023.

Data Protection

In line with the guidance of the Commission's Data Protection Officer (DPO), DG ENER operational controllers ensured that their records of processing operations are reviewed and up to date including notification of new processing operations. The review of processing operations is done on an annual basis.

DG ENER's Data Protection Coordinator (DPC) regularly raised awareness on data protection via network of Data Protection Correspondents in each Directorate and Data Protection Corner. It also provided one information session on privacy statements and records and data protection obligations for operational data controllers.

The DPC regularly assisted the operational controllers on various data protection matters and contributed to DG ENER projects involving processing of personal data. Regular contacts were maintained with Commission's Data Protection Officer (DPO) and the European Data Protection Supervisor (EDPS).

3.3. Sound environmental management

European Commission's Political Guidelines for 2019-2024 acknowledge the EU crucial role in mitigating environmental impacts. DG ENER implements its initiatives through the European Commission's Environmental Management (EMAS) program. The priorities include maximising the efficient use of resources (such as energy, water, and paper), reducing CO₂ emissions, promoting waste reduction, recycling, and sustainable mobility.

The ENER Goes Green Network drives DG ENER efforts to address the challenges posed by climate change. The network has proposed concrete actions to reduce its environmental impact both in and outside the workplace, and to serve as a leader within the Commission

and beyond. This includes promoting sustainable commuting habits, managing office waste, optimising office space, and upgrading DG ENER building to be more energy efficient.

This year, DG ENER continued to contribute to energy conservation by closing the DM24 building during the holiday season at the end of the year and during weekends. In addition, the upgrade of meeting rooms to support hybrid meetings, which began in 2020, was completed in 2023.

3.4. Examples of economy and efficiency

E-Platform is an on-line tool, developed by SRD for DG ENER to improve communication, promote cooperation and improve public access to information in order to limit the administrative burden on Member States. It supports timely submission of reports as well as increased accessibility of these reports. By integrating various existing systems, e-Platform is bringing efficiency gains in reporting, analysis, communication and publication. Reusing generic e-Platform mechanisms for other reporting obligations provided financial savings to the Commission. In 2023, the Platform received the first ever integrated progress reports on the implementation of NECPs from 27 Member States bringing a major efficiency gain in the reporting and assessment exercise. In 2024, the functionality of the Platform will be further improved for the reporting on data centres under the revised Energy Efficiency Directive and expanded to DG MOVE. It is noteworthy that e-Platform was mentioned in the Commission work programme 2024 as a tool for collecting and sharing Member States reporting obligations data.

In 2023, DG ENER implemented the SharePoint Online (SPO) technology and enhanced productivity and teamwork with easy sharing and co-editing of documents and pages, and built easily a knowledge base through structured organisation and process in a user-friendly way. The result will be better and more streamlined working methods.

In early 2023, DG ENER pursued its Action Plan to improve budget implementation. This Action Plan included target dates, analyses of deviations compared to the targets, and monthly reporting to the senior Management. It successfully led to high levels of budget implementation, individualisation of all the global commitments and reduced number of global commitments at the end of 2023. DG ENER has made recourse to a wider use of existing framework contracts in place thus reducing the burden of using heavier procedures.

