Goal-oriented simplification for the EU's energy transition

PRINCIPLES FOR UPDATING THE GOVERNANCE REGULATION

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At the start of the current EU mandate, European leaders gave the European Commission a clear mandate to 'launch a simplification revolution' and decrease regulatory burdens to boost competitiveness. Simplification is by no means a damaging process and can support climate and energy outcomes. However, it is the method of simplification that matters. In view of the upcoming revision of the Governance Regulation in 2026, this briefing argues for a change in the European Commission's approach and makes the case for a goal-oriented approach to simplification.

A process which both simplifies measures and strengthens delivery can be considered goal-oriented simplification. The European Commission could take measures to streamline legislative processes, reduce single market fragmentation, overcome bottlenecks, speed-up implementation and also improve outcomes. However, to-date, this EU legislature has tackled the simplification agenda by launching omnibus packages which have prioritised deregulation and had undesirable impacts on sustainability, posing a risk to policy coherence, generally.

This briefing outlines the distinguishing features between this approach and the current one that the European Commission has adopted thus far in the 2024-2029 mandate. It uses the case of the upcoming review of the Governance Regulation to illustrate an opportunity for the European Commission to pivot and pursue goal-oriented simplification by proposing three specific measures:

- Reduce the need for overlapping process by making National Energy and Climate Plans the 'keystone' plans in the Governance Regulation

- Harmonise indicators across the climate-energy-economic governance nexus
- Streamline the energy framework

Goal-oriented simplification in the EU

The EU's approach to simplification agenda in the 2024-2029 mandate can broadly be understood as a deregulation agenda to-date. In the face of weak growth, a growing investment gap, and high energy prices, influential European political leaders have called for a "regulatory clean slate" and a "clean sweep" of laws that "appear outdated"[1] [2]

The European Commission has set an objective of reducing administrative burden and reporting obligations on all businesses by at least 25% and at least 35% for SMEs, by 2029.[3] It has favoured an omnibus process to simplify existing EU laws,[4] deviating from established procedures for decision-making to favour speed but putting at risk both the quality and accountability of such reforms.

Simplification of existing legislation, in and of itself, is by no means a damaging process for competitiveness nor for climate and energy outcomes. In fact, it is necessary. For instance, to deliver on the EU's own energy targets, it will be necessary to simplify processes to improve delivery outcomes, overcome bottlenecks and speed up implementation and to tackle the important work to develop more uniform and comparable accountability measures across legislative files between member states. Rather than slashing standards and revoking legislation to meet self-imposed cuts in 'red tape', the European Commission should instead pursue an agenda of goal-oriented simplification.[5]

Goal-oriented simplification can be understood as an approach to amending legislation in order to improve clarity and consistency with other legislative files or introduce alternative harmonising instruments to reach a given objective. Critical to the goal-oriented nature of

[1] Chancelor Friedrich Merz at the European Industry Summit, 11 February 2026 **https://www.bundesregierung.de/breg-en/news/speech-at-the-european-industry-summit-2406966**

[2] 'Enhancing European Competitiveness – Input for European Leaders' retreat, 12 February 2026 **https://cdn.table.media/assets/europe/ger-ita-non-paper-competitiveness_en_finale.pdf**

[3] European Commission, Simplification of EU rules, **https://www.consilium.europa.eu/en/policies/simplification/?__cf_chl_f_tk=ylUgZ3Lh70TJ.4DbTtshNbVU9BdcNjYxFMBILlHEIPA-1782751762-1.0.1.1-_9bCpzyCH.WlHRp1z3k9PdOVmUhYmUxyyCAh39o4xyo**

[4] Ibid

[5] Ecologic, Policy Paper, 'Smarter, simpler, more effective: options to improve EU clean transition policy' 3 December 2025, **https://www.ecologic.eu/sites/default/files/publication/2025/Smarter-EU-climate-policy-management-web-50182.pdf**

simplification is that the original policy objective is intact and attainable and that delivery outcomes are improved.[6] Below are examples of goal-oriented simplification:

- Take measures to ensure quicker and more complete implementation of EU directives at Member State level, thus reducing single market fragmentation.
- Ensure enforcement of existing legislation and provide targeted support to those member states which lack tools for full and speedy implementation.
- Introduce provisions to reduce time spent by Member States on administrative efforts, freeing up capacity and reducing fragmentation in national policy.[7]

One clear intervention moment for the European Commission to simplify processes in a goal-oriented manner is the upcoming review of the Governance Regulation of the Energy Union and Climate Action.

Goal-oriented simplification of the Governance Regulation

The Governance Regulation of the Energy Union and Climate Action (Governance Regulation) and National Energy and Climate Plans (NECPs) have been at the heart of the planning, reporting and monitoring of climate and energy policy in the EU since 2018. The scheduled revision for the period 2030–2040 is expected at the end of 2026. This moment provides the European Commission with an opportunity to deliver goal-oriented simplification to streamline implementation across government.

Successfully managing the transformational decarbonisation of the European economy will require complexity at every stage of the policy cycle. The greater the clarity and predictability, the simpler the task for private sector actors to plan investment decisions over the medium and long term.

The original introduction of the Governance Regulation was itself a first landmark effort to consolidate and simplify processes. However, the incremental evolution of the EU's climate and energy policy framework – as well as the international climate framework – since 2018 has inevitably led to the emergence of inefficiencies, duplication and gaps. By strengthening the climate-energy-economic governance nexus, the overall credibility, consistency and ease-of-implementation could be improved. Below, we recommend three proposals to do this.

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[6] Bertelsmann Stiftung, Policy Brief, 'Cutting red tape, preserving standards: Rehinking the EU's omnibus agenda' October 2025, **Claudia-Dominque Geiser (2025) 'Cutting Red Tape, Preserving Standards: Rethinking the EU's Omnibus Agenda', Bertelsmann-stiftung.de**

[7] Ecologic, Policy Paper, 'Smarter, simpler, more effective: options to improve EU clean transition policy' December 2025, **https://www.ecologic.eu/sites/default/files/publication/2025/Smarter-EU-climate-policy-management-web-50182.pdf**

Reducing the need for overlapping processes by making NECPs the 'keystone' plans

NECPs should take on a whole-of-economy approach - not by covering all sectors themselves per se but rather by serving as a keystone around which other plans are articulated, reusing identical data and projections.

Unless otherwise stipulated by separate legislation, NECPs should be required to incorporate policies and measures for decarbonising all sectors (EU Emissions Trading System1 (ETS) and ETS2 covering fuels used in buildings and road transport, the Effort Sharing Regulation (ESR) and the Land Use Land Use Change and Forestry (LULUCF) Regulation). This would avoid any gaps appearing in planning for decarbonisation, thereby strengthening the credibility and consistency of policy signals. For example, the use of biofuels (in industry, energy generation or transport) has implications for LULUCF; infrastructure and energy planning has implications for the pace of buildings, transport and industry decarbonisation; while transformation of industry and broader manufacturing have material and technological inputs for everything else.

By combining decarbonisation with energy system planning in one document, NECPs do already, in practice, extend beyond the ESR sectors and into policies and measures affecting the decarbonisation of ETS1 sectors. However, this often leads to a gap regarding the trajectories, policies and measures foreseen for industry decarbonisation in particular.

To this end, a more complete set of progress indicators on decarbonisation,[8] beyond GHG emissions, would allow member states and the European Commission to develop a more complete picture of the enablers of decarbonisation according to sectors and sub-sectors.

Harmonising indicators across the climate-energy-economic governance nexus

Embedding new progress indicators of the climate-energy-economy nexus into parallel EU frameworks would improve the visibility and credibility of plans and progress reports and allow for synergies in compliance monitoring within and between national governments and the European Commission. While this would prima facie add complexity to the Governance Regulation/NECPs and National Energy and Climate Progress Reports (NECPR), the deployment of the same set of indicators across different climate, energy, economic (and ultimately social) policy areas could promote overall simplification.

[8] E3G, Report, 'Making national strategies in the EU investable' 2025 **https://www.e3g.org/publications/making-national-strategies-in-the-eu-investable/**

To improve their clarity and credibility over time, the NECPs/NECPRs should be embedded more systematically and visibly into the EU's economic governance framework.[9] [10] This integration across policy frameworks creates a need for a streamlined set of indicators that can be used and monitored across policy frameworks. The European Climate Neutral Observatory Progress Tracker could offer a model in that regard.[11]

Streamlining the energy framework

The benefits of coherence in the energy framework are manifold. However, there are important goal-oriented simplification measures that should be adopted. Below are three proposals for a more streamlined energy framework

1. **Reporting**: Improving the bureaucratic burden on member states should be a priority. Finding accountability standards that are uniform and comparable across the directives and complementary legislation should be prioritised in tandem with a review of which indicators are necessary for reporting. Excessive reporting requirements undermine the capacity of member states to deliver on implementation, often leading to poor quality reporting submissions and undermini EU coherence.

2. **Member state support on implementation**: Member states need better tools to help implement the energy framework. For instance, making better use of existing digitalisation tools will be critical to more streamlined energy framework. The European Commission can play a more central role in sharing digital tools which help speed up the permitting process, for instance, a major barrier to delivery on clean energy infrastructure. In addition, it could deploy a wholly different approach to country reports, To ensure rich, high-quality insights, which are essential for full implementation of legislation, the Commission could develop a framework in which relevant country experts and representatives from various European bodies (including the European Commission, the Agency for the Cooperation of Energy Regulators (ACER), the Joint Research Centre (JRC) and the European Environment Agency (EEA) undertake brief but impactful field trips to each Member state, collating bespoke recommendations and improving the quality of country reports.

3. **Enforcement**: There are currently infringement proceedings ongoing against 26 EU member states for failures in transposing REDIII. The European Commission will need to prioritise new methods to ensure compliance with implementation. Greater support and clarity for member states on what and how to implement EU directives should go together.

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[9] European Semester country reports, country-specific recommendations (CSRs), Medium-Term Fiscal-Structural Plans (MTFSPs) and future National and Regional Partnership Plans (NRPPs).

[10] E3G, 'From driving austerity to shaping the EU's clean transition' 2026 **https://www.e3g.org/news/from-driving-austerity-to-shaping-the-eu-s-clean-transition/**

[11] European Climate Neutrality Observatory, **Progress Tracker**

ABOUT E3G

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