



## Questions and Answers on the REPowerEU Communication\*

Brussels, 18 May 2022

### 1. Why is the Commission proposing the REPowerEU Plan?

Russia's unprovoked and unjustified military aggression against Ukraine has massively disrupted the world's energy system. It has caused hardship as a result of high energy prices and it has heightened energy security concerns, bringing to the fore the EU's over-dependence on gas, oil and coal imports from Russia. The high amounts paid by Europe for Russian fossil fuels - almost €100 billion per year - are helping Russia sustain its war against Ukraine.

Therefore, on 8 March 2022, the Commission called for a rapid phase out of Russian fossil fuels and an acceleration of the European Green Deal in its [Communication "REPowerEU: Joint European action for more affordable, secure and sustainable energy"](#). Shortly after, leaders agreed at the European Council of 24 and 25 March 2022 that the European Union will fully phase out its dependency on Russian gas, oil and coal imports as soon as possible and asked the European Commission to develop a comprehensive and ambitious plan by the end of May 2022. This request is fulfilled with the presentation of the REPowerEU plan.

### 2. What is in the REPowerEU Plan?

The [REPowerEU plan](#) is about rapidly reducing our dependence on Russian fossil fuels by fast forwarding the green transition and joining forces to achieve a more resilient energy system and a true Energy Union. Building on the Fit for 55 package of proposals and completing the actions on energy security of supply and storage, the main strands of action under the plan are saving energy by promoting energy efficiency and enhancing preparedness; diversifying energy supplies; quickly substituting fossil fuels by accelerating Europe's clean energy transition and smartly combining investments and reforms.

REPowerEU builds on the [Fit for 55 proposals](#) tabled last year and calls for their speedy adoption. It does not modify the headline ambition of achieving at least -55% net greenhouse gas emissions by 2030 and climate neutrality by 2050, but it does propose a [legal amendment](#) to raise the targets therein for energy efficiency and renewable energy to 13% and 45% respectively.

### 3. How quickly can Europe end its dependence on Russian fossil fuels?

The EU can phase out its dependence on Russian fossil fuels well before the end of the decade, and achieve significant progress already this year, by accelerating the green transition and ensuring a truly interconnected and resilient EU energy network that will provide energy security for all. The recent gas supply interruptions to Bulgaria and Poland have demonstrated the urgency to act in this respect.

While some Member States have already announced their intention to end fossil fuel imports from Russia, no Member State can tackle this challenge on its own. By carrying out joint needs assessments and planning, joint purchases and greater coordination, we will ensure that the phasing out of our dependency on Russian fossil fuels is both achievable and affordable for all Member States.

As regards Russian **coal**, the EU prohibited its import as part of the 5<sup>th</sup> package of [sanctions](#) adopted on 8 April. As of 10 August 2022, the exemption for existing contracts [\[1\]](#) will expire, effectively ending our dependence on this energy source from Russia.

As regards **oil and petroleum products**, most EU imports from Russia would be phased out by the end of this year as part of the oil sanction regime proposed by the Commission and now being discussed by Member States. However, the situation is more complex as regards landlocked Member States that do not have immediate viable alternatives to Russian supply. For these Member States, more time may be necessary to tackle infrastructure bottlenecks and upgrade refineries that are

required for replacing Russian oil with alternative sources. REPowerEU aims to support Member States in the most challenging position.

For **natural gas**, the REPowerEU plan would phase out our dependence on Russia well before the end of the decade. Nearly two-thirds of that reduction can be achieved by the end of this year with the implementation of the measures presented today. The Commission will also consider legislative measures to require diversification of gas supply over time by Member States.

#### 4. How will REPowerEU support renewable energy deployment?

Accelerating renewable energy deployment is one of the main pillars of REPowerEU. The plan includes a proposal to raise the 2030 target for the share of renewables in final energy consumption from 40% to 45% in an [amendment to the Renewable Energy Directive](#). Additional renewable energy generation will displace the consumption of natural gas in many sectors, from residential and commercial buildings to industry and other sectors that are difficult to electrify - through solar heat or the generation of renewable hydrogen. In addition, two elements of REPowerEU are specifically targeted to promoting the deployment of renewable energy.

First, the package on permitting of renewable energy projects consists of a targeted [amendment](#) of the Renewable Energy Directive to speed up permitting procedures while minimising potential risks to the environment by identifying 'go to' areas that are particularly suitable for renewables. A [Recommendation and Guidance](#) is also provided to Member States on solutions that they can implement as of today. The Guidance also shows ways to increase the market-based deployment of renewables through corporate Power Purchase Agreements.

Second, the [EU solar energy strategy](#) provides a comprehensive overview of the opportunities and challenges to drastically accelerate the deployment of solar power across the EU. It puts forward a target of over 320 GW of newly installed solar photovoltaic capacity by 2025, over twice today's level, and almost 600 GW by 2030.

To achieve that, the Strategy presents three concrete initiatives: A **European Solar Rooftop Initiative** anchored around a legally binding EU solar rooftop obligation to ensure accelerated installation of solar panels on buildings; an **EU large-scale skills partnership** to develop the necessary skilled workforce to produce, install and maintain these panels; and an **EU Solar Industry Alliance** to support the EU industry in expanding the domestic production of PV panels. These initiatives can encourage citizens to engage in the energy transition, either as individual prosumers or via energy communities to self-produce, consume and sell or share renewable energy.

Regarding **heat pumps**, the EU aims to double the current deployment rate, resulting in a cumulative 10 million units over the next 5 years. Member States can accelerate the cost-effective deployment and integration of large-scale heat pumps, geothermal and solar thermal energy by developing and modernising district heating systems, which can replace fossil fuels in individual heating, and clean communal heating, especially in densely populated areas and cities; and exploiting industrial heat whenever available. This accelerated deployment should be matched by a fast ramp up of the production of heat pumps, including through facilitated access to finance.

Furthermore, the Commission proposes additional funds for Member States to include further reforms and investments to support renewable energy deployment in their Recovery & Resilience plans (RRPs), as part of a dedicated REPowerEU chapter.

#### 5. How will REPowerEU support energy savings?

Energy savings are the cheapest, safest and cleanest way to reduce our reliance on fossil fuel imports and cut households' and companies' high energy bills in the short and long term by reducing our energy consumption. Together with the REPowerEU plan, the Commission therefore presents an [EU Save Energy Communication](#), to promote immediate energy savings by citizens and businesses through behavioural choices and to strengthen mid- to long-term energy efficiency measures.

Member States and local and regional authorities have a leading role to play in encouraging citizens and companies to reduce energy use and putting in place the incentives to ensure that energy efficiency investments are carried out as quickly as possible. Member States should make full use of supporting measures such as reduced VAT rates for high efficiency heating systems and for insulation in buildings, as well as other energy pricing measures which encourage switching to heat pumps and the purchase of more efficient appliances.

The implementation of the Fit for 55 package would lower total European gas consumption by 30%

(equivalent to 100 bcm) by 2030. More than one third of this would come from meeting the EU energy efficiency target put forward in the Energy Efficiency Directive (EED) recast proposal. To fully meet the REPowerEU objectives, the Commission proposes to increase from 9% to 13% the binding target in the Directive. In addition, the Commission invites the co-legislators in the European Parliament and the Council to consider other improvements to the Fit for 55 package currently under negotiation to boost energy efficiency.

Furthermore, the Commission proposes additional funds for Member States to include further reforms and investments to boost energy efficiency in buildings and industry in their Recovery & Resilience plans, as part of a dedicated REPowerEU chapter.

## **6. Will the REPowerEU Plan require energy rationing for citizens or companies?**

The REPowerEU Plan points out what short-term measures can immediately be taken by individuals and businesses to moderate our consumption without significantly impacting our lives. Reducing heating or raising cooling temperatures, driving less and more economically, or using household appliances more efficiently result in substantial energy savings. The International Energy Agency estimates that these measures could achieve a 5% reduction in the demand for gas (around 13 bcm) and in that for oil (around 16 mtoe) in the short term. Implementing these actions will also enable to refill gas storage for next winter more rapidly and reduce the risk of a serious crisis as a result of a supply disruption.

To reinforce preparedness in case of a supply disruption, the Commission calls on Member States to update contingency plans, increase the reverse flow capacities from west to east by the next winter, and conclude solidarity arrangements between neighbouring countries. Additionally, a coordinated EU demand reduction plan will be set up to identify common criteria for curtailment and the Commission will issue guidance on the prioritisation criteria of non-protected customers.

## **7. How will REPowerEU reduce fossil fuel use by European industry?**

Replacing coal, oil and natural gas in industrial processes will reduce greenhouse gas emissions, strengthen industrial competitiveness, and support international technology leadership.

Production of non-metallic minerals, cement, glass and ceramics, production of chemicals and refineries provide the biggest opportunities for reducing fossil gas demand – almost 22 bcm. Furthermore, energy efficiency, fuel substitution, electrification, and an enhanced uptake of renewable or fossil-free hydrogen, sustainable biogas and biomethane by industry could save up to 35 bcm of natural gas by 2030, on top of what is foreseen under the Fit for 55 proposals.

There is also great potential for electrification of industry. Current technologies already enable industrial companies to reduce their reliance on fossil fuels. The Commission is publishing guidance to Member States on renewable energy and power purchase agreements (PPAs) to support such electrification as well as hydrogen uptake. It will also roll out carbon contracts for difference under the Innovation Fund to support a full switch of the existing hydrogen production in industrial processes from natural gas to renewables and the transition to hydrogen-based production processes in new industrial sectors such as steel-making.

To enhance industry's contribution to REPowerEU and reinforce its competitiveness, the Commission will intensify work on the supply of critical raw materials and prepare a legislative proposal. Moreover, to cut fossil fuel use, EU industry needs to implement the cost effective energy efficiency recommendations identified in energy audits. These are obligatory every four years for all companies that are not SMEs. The most immediate savings can be delivered through better insulating high temperature equipment. All of these measures will have extremely short payback times and should be given high priority.

Finally, the Commission proposal for REPowerEU chapters in recovery and resilience plans foresees additional funds for Member States to propose additional reforms and investments to accelerate industrial decarbonisation in their Recovery & Resilience plans, as part of a dedicated REPowerEU chapter.

## **8. How will REPowerEU support the development of hydrogen production and use?**

The REPowerEU Plan prepares the ground for achieving both the increased target of 10 million tonnes of domestic renewable hydrogen production and the new target of 10 million tonnes of renewable hydrogen imports by 2030.

The Commission committed to finalising the regulatory framework for hydrogen and is publishing for public feedback two new draft legal acts to define and boost the production and market development of renewable hydrogen within Europe. Work should also accelerate with industry on technical hydrogen standards and expedition of authorisation procedures for hydrogen infrastructure.

**Hydrogen production will be boosted** by accelerating project pipeline through swift adoption of state aid decisions on IPCEIs, for which a complete assessment will be finalised by the summer, and by topping up of Horizon Europe investments in the Hydrogen Joint Undertaking (€200 million) to double the number of Hydrogen Valleys. It will implement the Electrolyser Declaration to address value chain bottlenecks.

**Hydrogen imports will be facilitated** by a new dedicated work stream under the EU Energy Platform which should operationalise the European Global Hydrogen Facility and support Green hydrogen partnerships, which will kick-start the global renewable hydrogen market. The Commission will also support the development of three major hydrogen import corridors via the Mediterranean, the North Sea area and, as soon as conditions allow, with Ukraine. To **boost hydrogen demand** the Commission calls on co-legislators to increase hydrogen sub-targets under the renewable energy directive and will roll-out carbon contracts for difference under the Innovation Fund.

In parallel, Commission proposes the next steps in the development of dedicated hydrogen infrastructure and towards a European Hydrogen Backbone, including electrolyzers for producing hydrogen, EU-internal pipelines and storage. In addition, shipping transport capacity for hydrogen also needs to be developed. Financial support will be provided by unlocking new financing options for renewable hydrogen projects under the TEN-E regulation and mobilising EU funding under the Connecting Europe Facility, Cohesion Policy, the Common Agricultural Policy, and the Recovery and Resilience Fund.

The production of renewable and fossil-free hydrogen is listed among the REPowerEU objectives of the Commission proposal to amend the RRF Regulation. This allows Member States to add further reforms and investments in their plans that can effectively increase the uptake of renewable or fossil-free hydrogen in their economies.

## **9. How will REPowerEU support the development of biomethane?**

The Commission is proposing an action plan to achieve 35 bcm of annual bio-methane production by 2030. This biomethane can be used in industrial, power and heating applications, directly and easily replacing natural gas. It proposes to address the main barriers to increased sustainable biomethane production and use and to facilitate its integration into the EU internal gas market. Under the action plan, the Commission establishes a biogas and bio-methane industrial partnership; works with Member States on national strategies on biogas and bio-methane production; promotes co-operation with neighbouring and accession countries; works with national authorities and gas network companies to reduce costs; promotes new infrastructure; addresses gaps in research, development, innovation and demonstration; facilitates access to funding, and encourages the development of biogas energy communities.

Furthermore, the Commission Proposal for REPowerEU chapters in recovery and resilience plans foresees a possibility for Member States to deliver a part of the European Agricultural Fund for Rural Development, via the Recovery and Resilience Facility. This enables Member States to propose concrete reforms and investments for the benefit of farmers that can contribute to an increased production of sustainable biomethane.

## **10. How does the EU intend to diversify its energy supplies and make joint purchases?**

On gas, the key vehicle for the diversification of supplies will be the **EU Energy Platform**. This is a voluntary mechanism to pool demand, coordinate use of the import, storage and transmission infrastructure, and negotiate with international partners to facilitate common gas, LNG and hydrogen purchases.

The Platform will enable the EU and its Member States to react to energy security threats quickly and in a coordinated and transparent manner. The EU cannot currently purchase energy directly from third partners but it can facilitate and coordinate Member States' actions and strengthen the EU's collective negotiation position on the global energy markets. The Platform will also work through Regional Task Forces, the first of which was set up in Bulgaria on 5 May. It will be open to Ukraine, Moldova, Georgia and the Western Balkans. This is a clear signal of political support and it will bring these countries closer to the EU energy market.

As a next step, the Commission will consider developing a voluntary operational 'joint purchasing mechanism', which could take the form of a joint venture, and would be responsible for negotiating and contracting on behalf of participating Member States of the aggregated gas demand. The Commission will also consider legislative measures to require diversification of gas supply over time by Member States and set up a dedicated IT tool which will improve transparency in gas infrastructure bookings, for example via information on remaining availability of LNG terminals and existing bottlenecks. A dedicated work stream will be set up for joint purchasing of hydrogen.

The EU will support all efforts to strengthen a rules-based LNG market and to increase their liquidity while reducing price volatility. In this context the EU will aim to support methane capture and trading schemes, which will contribute to energy security and global climate action. The EU will also pursue further agreements with partners in support of diversification and implement fully the Joint Statements with the US and Canada.

## **11. What are the infrastructure investment needs to deliver on the REPowerEU Plan?**

The Commission's analysis indicates that REPowerEU entails additional investment of 210 billion euro between now and 2027, on top of what is needed to realise the objectives of the Fit for 55 proposals. Such investment will pay off. Implementation of the Fit for 55 framework and the REPowerEU plan will save the EU €80 billion in gas import expenditures, €12 billion in oil import expenditures and €1.7 billion in coal import expenditures per year by 2030.

To fully mitigate the security of supply risks arising from a total disruption of Russian gas imports, REPowerEU identifies limited needs for gas infrastructure investments beyond the 20 gas projects included in the current 5<sup>th</sup> Union list of Projects of Common Interest (5<sup>th</sup> PCI list). The trans-European energy networks (TEN-E) policy has enabled already the completion of key gas infrastructure projects that have diversified supply sources and routes, making the European gas grid more robust and resilient. Once the ongoing PCIs are implemented, all Member States will have access to at least three gas sources or to the global liquefied natural gas (LNG) market. In 2022 alone, gas PCIs with a total additional gas transmission capacity of 20 bcm/year have been or will be commissioned.

For those projects in the current 5th PCI list, the Commission will launch a new CEF Energy call for proposals with a total estimated budget of around €800 million. In addition to the gas PCI projects, gas infrastructure investments estimated at €10bn by 2030 will be required to allow for sufficient LNG and pipeline gas imports. Mature gas projects for grids, storage or LNG located in one Member State but having European importance can be included in the RRF REPowerEU chapter to use RRF financing.

LNG terminals in Cyprus (2 bcm/year) and Alexandroupolis Greece (5 bcm/year) are due to be operational in 2023. Moreover, several gas PCIs are expected to be completed in the coming years which include several storage projects in South Eastern Europe (Greece, Romania, Bulgaria) as well the LNG terminal in Gdansk, Poland (at least 6 bcm/year). Besides, the support of the expansion of the Southern Gas Corridor to 20 bcm per year will play a major role to secure gas supply for South Eastern Europe (Greece and Italy at the beginning) and the Western Balkans.

On oil, very limited investment will be needed to ensure security of supply in Member States almost fully dependant on pipeline oil from Russia. This total investment is expected to be around €1.5 - 2bn.

An additional €29 billion of additional investments are needed in the power grid at distribution and transmission level by 2030, to make it fit for increased use and production of electricity. All relevant cross-border transmission projects are included in the [5th PCI list](#). The accelerated implementation of electricity PCIs is crucial for an interconnected system with an increased share of renewable energy sources.

## **12. How will REPowerEU help Ukraine?**

The EU stands in full solidarity with Ukraine, as well as with Moldova and other partners that face the impact of Russia's aggression. Support for the short term (relief) and similarly the long-term (reconstruction) will continue and be enhanced. To that effect a relief and reconstruction communication is being proposed for the EUCO to discuss.

### **Short term**

- Energy equipment and infrastructure in Ukraine damaged by the war needs to be repaired. The

EU, since the beginning of the war is channeling specialised energy equipment from Member States to Ukraine via the EU Civil Protection Mechanism. Items Member States cannot deliver will be procured via the Energy Support Fund for Ukraine established by the Energy Community at the request of the Commission. The fund is open to contributions by EU Member States, third country governments and International Financial Institutions.

- To ensure necessary and reliable gas supplies in the coming years, the EU has to increase its gas imports from non-Russian sources. This may also be the case for some neighbouring countries in the East and the Western Balkans. To facilitate this, The EU Energy Platform will be open to Ukraine, Moldova and Georgia, as well as the Western Balkan countries and other Eastern Partners.
- We are already working towards a **Partnership with Ukraine on renewable gases**, including hydrogen and biomethane, that we aim to sign in 2022. We want to be ready to implement it on the ground as soon as the conditions allow.
- To ensure nuclear safety, the EU will mobilise the European Instrument for International Nuclear Safety Cooperation to support Ukraine in restoring its nuclear safety capacity in line with the international legal framework. This support is coordinated with the European Nuclear Safety Regulators Group and the International Atomic Energy Agency.

#### **Long term:**

- A major global financial effort will be required to rebuild the country and provide new opportunities to its citizens. This is why it is important to design the main building blocks of this international effort already now, even while Russia's aggression continues. In its conclusions of March 2022, the European Council agreed to develop a Ukraine Solidarity Fund, inviting international partners to participate. The European Council called on the Commission to continue to develop technical assistance in order to help Ukraine to implement necessary reforms.
- A reconstruction of this scale on the European continent requires strong leadership from the European Union, working proactively with international partners. Ukraine is closely tied with the European Union through the Association Agreement and its Deep and Comprehensive Free Trade Area. On 28 February 2022, Ukraine applied for EU membership, and it has expressed a strong will to link reconstruction with reforms, including with regard to a clean energy transition, on its European path.
- The EU is focused on ensuring uninterrupted energy supplies and nuclear safety in Ukraine. The successful emergency electricity grid synchronisation with Ukraine and Moldova on 16 March is a major step towards ensuring security of supply. The next political priority is to allow for electricity trade with Continental Europe based on gradual increases of cross-border capacity. This is an important step towards the full integration of Ukraine's energy market with the EU, for which the EU is providing technical support to ensure the implementation of market reforms.
- For future and comprehensive energy cooperation, the EU will also work with Ukraine to prepare the **REPowerUkraine initiative**. With it, we want to support Ukraine to 'rebuild better' its energy system, with the aim to decarbonise Ukraine's energy sector. This will allow not only to strengthen and ensure Ukraine's energy independence but also channel investments for Ukraine to become a significant exporter of renewable energy. The focus should be on energy efficiency, renewables, renewable hydrogen, biomethane and future-proof infrastructure. The EU will support this process both financially and technically.

### **13. Will the REPowerEU Plan drive up energy prices and take resources away from other countries around the world?**

Global energy prices have been rising since summer 2021 and have been significantly exacerbated by Russia's war of aggression against Ukraine which creates insecurity and volatility in global markets.

The REPowerEU Plan will fast-track Europe's clean energy transition, which will ultimately reduce energy prices and global demand for fossil fuels. The energy savings and energy efficiency aspects of REPowerEU will in particular help to moderate the EU's energy demand, which in turn will ease the pressure on energy markets and help bring down prices globally. In the coming years the share of EU demand on fossil fuel markets will further decrease.

The EU will help to accelerate the global green and just energy transition to ensure sustainable, secure and affordable energy for the world. The focus of our energy cooperation with partner

countries will therefore also systematically include the increase of energy efficiency and energy savings and accelerating the integration of renewable energy into the respective energy systems. One concrete example is the Just Energy Transition Partnership with South Africa. The Commission is working on similar Just Energy Transition Partnerships with Vietnam, India, and Indonesia, and will continue its international climate diplomacy in support of these partnerships. Other concrete actions are programmed under the Africa-EU Green Energy Initiative that aims to support partner countries' efforts for the deployment of at least 50 GW of renewable electricity generation capacity, and for providing at least 100 million people with electricity access. Overall, under the EU-Africa Global Gateway Investment Package, the EU will mobilise €2.4 billion grants for Sub-Saharan Africa and over €1 billion for North Africa to support renewable energy, energy efficiency, the just transition and the greening of local value chains.

To avoid the risk that investments in renewable energy may be diverted from the energy transition in partner countries to the production of renewable hydrogen as export commodity, strict standards will ensure that renewable hydrogen imports to the EU can only be produced from additional renewable energy sources. This is particularly relevant for instance in sub-Saharan Africa where countries have also the additional challenge to address energy access.

#### **14. How will RePowerEU help to save energy from transport and make the sector more energy efficient?**

To make the EU's transport sector more energy efficient, we need to accelerate the implementation of existing legislation and combine it with new regulatory measures. The positive effect of these cross-cutting measures will be felt by Europeans and companies alike, amplifying the impacts of many short-term measures in the transport sector already in operation today which should be accelerated at local and regional levels.

The relevant proposals under the [Fit for 55 package](#) (RefuelEU Aviation, FuelEU Maritime or the Alternative Fuels Infrastructure Regulation) will help with the uptake of renewable and low-carbon transport fuels including hydrogen. An agreement on the proposed Single European Sky Regulation could yield immediate savings from addressing inefficiencies in air traffic management. Furthermore, a quick agreement to the measures proposed under the [Efficient and Green Mobility](#) package in December 2021 will help with additional energy savings and fuel substitution. Boosting the uptake of renewable and low-carbon transport fuels will depend on our ability to accelerate the production and use of those fuels in the transport sector. The new [Renewable and Low-Carbon Fuels Value Chain Industrial Alliance](#) will be instrumental in this respect, particularly for the aviation and maritime sector.

Freight transported by all modes of transport currently contributes over 30% of transport's overall CO<sub>2</sub> emissions. Making the transport of goods more efficient can be in short-to-medium term a win-win solution, reducing both cost and emissions. The Commission intends to put operational and system efficiency as the guiding objective for preparing new actions on greening freight, incentivising the uptake of zero-emission heavy-duty vehicles and boosting the energy saving potential of longer and heavier trucks to drive cross-border e.g. through the upcoming revision of the Weights and Dimensions Directive and the CO<sub>2</sub> standards for heavy-duty vehicles.

The planned revision of the recovery and resilience plans shall add additional financing for transport measures like the electrification of transport infrastructure, including railways, and the deployment of alternative refueling and recharging infrastructures, the support to purchase zero-emission public transport vehicles, which have a significant and direct effect in terms of reduction of demand for fossil fuels, as well as measures for the digitalisation of transport that are in part dedicated to greenhouse gas emission reductions. The Commission will consider a legislative initiative to increase the share of zero emission vehicles in public and corporate car fleets above a certain size.

#### **15. How much will it cost to deliver the REPowerEU Plan and will extra EU funds be made available?**

According to the Commission's analyses, the REPowerEU plan will require an additional investment of €210 billion between now and 2027, on top of what is already needed to realise the objectives of the Fit for 55 proposals. Such investment will pay off. The implementation of the Fit for 55 framework and the REPowerEU plan will save the EU €80 billion in gas import expenditures, €12 billion in oil import expenditures and €1.7 billion in coal import expenditures per year by 2030.

The REPowerEU objectives can be financed through a mix of national and EU funding sources as well as private funding. At EU level, the **RRF** is at the heart of the REPowerEU Plan implementation.

Already, €225 billion in loans is available to help finance REPowerEU objectives and may be requested up until 31 August 2023. In addition, the RRF financial envelope will be increased by €20 billion, financed from the auctioning of Emission Trading System allowances currently held in the Market Stability Reserve, in a limited amount. This amount will be made available to Member States in the form of non-repayable financial support (grants) under direct management, to support exclusively reforms and investments included in the new REPowerEU chapters of Member States' recovery and resilience plans.

The Commission will also offer higher flexibility for Member States to transfer resources to the RRF from other funds. Member States can increase the voluntary transfer to the RRF to up to 12.5% of the national allocation under the **cohesion policy funds**. This option would build on the already available 5% transfer possibility for Member States, adding a transfer possibility to be spent on REPowerEU objectives only. A new voluntary transfer to the RRF is also authorised of up to 12.5% of the national allocation under the **European Agricultural Fund for Rural Development** to support measures included in the REPowerEU chapter.

Member States can consider taxation measures to incentivise energy savings and reduce fossil fuels consumption. The Commission will also work closely with the **European Investment Bank**, other implementing partners of the **InvestEU Programme** and Member States to accelerate lending, blending and advisory products for renewables, energy efficiency and electricity networks. Under the **Connecting Europe Facility –Energy (CEF-E)**, the Commission will launch a new call for proposals for Projects of Common Interest with a total estimated budget of around €800 million and the **Innovation fund** will double 2022 funding for the large-scale call to around €3 billion.

## 16. What is the Member States' role in implementing the REPowerEU Plan?

Member States will play a crucial role in implementing the REPowerEU plan through accelerating the reforms and investments already adopted in their RRP and where needed, through new measures to identify and include in updated plans. In particular, the [proposal for a new REPowerEU chapter](#) in Member States' RRP, puts the RRF at the heart of the REPowerEU Plan.

The Commission proposal aims to make the corresponding [RRF legal framework](#) better suited to address the REPowerEU objectives. It foresees that each new or revised RRP must contain a new REPowerEU chapter with dedicated reforms and investments supporting the following REPowerEU objectives:

- improving energy infrastructure and facilities to meet immediate security of supply needs for oil and gas, notably to enable the diversification of supply in the interest of the Union as a whole;
- boosting energy efficiency in buildings, decarbonising industry, increasing the production and uptake of sustainable biomethane and renewable or fossil-free hydrogen and increasing the share of renewable energy;
- addressing internal and cross-border energy transmission bottlenecks and supporting zero-emission transport and its infrastructure, including railways; or
- supporting the objectives above through an accelerated requalification of the workforce towards green skills, as well as support of the value chains in key materials and technologies linked to the green transition.

To ensure coherence, Member States are asked to also reference if any measures included in their already adopted plans contribute to REPowerEU objectives, as well as outline measures financed with national or other EU funds that would contribute to these objectives. The Member States are also asked to explain how the combination of all these measures is coherent, effective and expected to contribute to the REPowerEU objectives. The country-specific recommendations to be proposed by the Commission in the context of the 2022 European Semester cycle will identify for each Member State which action should be taken in light of the current energy challenges.

Member States will also need to update in the coming year their national objectives, policies and measures in their National Energy and Climate Plans, which are due in 2024. The NECPs should reflect the need to accelerate our Green Deal ambitions and to strengthen the Union's security of supply, reducing energy dependency on Russia while reducing overall the use of fossil fuels. The Commission will publish guidance to Member States for their NECP updates later this year.

**For more information**



[Press release](#) on REPowerEU

[\[1\]](#) : Contracts concluded before 9 April 2022.

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