



European Commission

Financing REPowerEU



MAY 2022

The **REPowerEU** Plan will rapidly reduce our dependence on Russian fossil fuels by fast-forwarding the clean energy transition and adapting our industry and infrastructure to different energy sources and suppliers. **Additional investments of €210 billion** are needed between now and 2027 to phase out Russian fossil fuel imports, which are currently costing European taxpayers nearly 100 billion euros per year.

These investments include:

€29 billion in the power grid by 2030 to enable greater electricity use



€37 billion to increase biomethane production by 2030

€ 10 billion investments to import sufficient LNG and pipeline gas by 2030



€210 billion by 2027



€1.5-2 billion for security of oil supply



€56 billion for energy efficiency and heat pumps by 2030

€41 billion for adapting industry to use less fossil fuels by 2030

€113 billion for renewables (**€86bn**) and key hydrogen infrastructure (**€27bn**) by 2030



FINANCING REPOWEREU WITH THE RRF

The Recovery and Resilience Facility (RRF) is at the heart of the REPowerEU Plan implementation, providing additional EU funding. Member States should add a REPowerEU chapter to their Recovery and Resilience Plans (RRP) to channel investments to REPowerEU priorities and make the necessary reforms. In the 2022 European Semester cycle, there will be country-specific REPowerEU recommendations for each Member State. Member States can use the remaining RRF loans (currently €225 billion) and new RRF grants funded by the auctioning of Emission Trading System allowances, currently held in the Market Stability Reserve, worth €20 billion, for:

- boosting energy efficiency in buildings, and 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 the electrification of transport infrastructure, including railways;

- accelerated requalification of the workforce towards green skills;
- boosting value chains for the production of key materials and technologies linked to the green transition;
- improving energy infrastructure and oil and gas facilities for immediate security of supply.



OTHER SOURCES OF REPOWEREU FINANCE:



- Cohesion Policy funds:** Increase in voluntary transfer to the RRF of up to 12.5% of Member States' national allocation under these funds. Build on the already available 5% transfer possibility and add a 7.5% transfer possibility (**additional €26.9 billion**) to be spent exclusively on REPowerEU objectives. Under the current MFF, cohesion policy will support decarbonisation and green transition projects with up to **€100 billion**
- European Agricultural Fund for Rural Development:** New voluntary transfer to the RRF of up to 12.5% of Member States' national financial allocation under the fund (**additional €7.5 billion**)
- Connecting Europe Facility:** New call for proposals for Projects of Common Interest with **€800 million** complementing funds supporting infrastructure Projects of Common Interest

- Innovation Fund:** double 2022 funding to **€3 billion**
- National & EU funding** in support of REPowerEU objectives
- National fiscal measures**
- Private investment** (mobilised via InvestEU Programme)
- The European Investment Bank**

