

REPowerEU chapters in recovery and resilience plans

2022/0164(COD) - 10/11/2022 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted by 471 votes to 90, with 53 abstentions, **amendments** to the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulation (EU) 2021/1060, Regulation (EU) 2021/2115, Directive 2003/87/EC and Decision (EU) 2015/1814.

The matter was referred back to the committee responsible for inter-institutional negotiations.

The main amendments adopted in plenary are as follows:

REPowerEU chapters to be integrated into recovery and resilience plans

The recovery and resilience plan submitted to the Commission after the entry into force of the proposed amending regulation should include a REPowerEU chapter. Members believe that REPowerEU chapters should be submitted as soon as possible after the entry into force of the amending regulation. Where relevant, measures in the REPowerEU chapter should prioritise the needs of **people in energy poverty** and the **reduction of vulnerabilities** in the coming winter seasons.

The REPowerEU chapter should outline reforms and investments from 1 February 2022 onwards with (i) milestones and targets, (ii) an explanation of the contribution to tackling fuel poverty and reducing dependence on fossil fuels, particularly from Russia, and (iii) quantification of energy savings.

Reforms and investments should aim at:

- improving energy infrastructure and facilities to meet immediate security of supply needs for gas, including LNG, notably to enable diversification of supply in the interest of the Union, while ensuring that the relevant infrastructures are hydrogen ready;
- enhancing energy efficiency and energy savings in buildings, including via investment schemes targeting vulnerable households, SMEs and micro-enterprises;
- decarbonising industry, increasing energy storage capacity, increasing production and uptake of sustainable biomethane, renewable energy, renewable fuels of non-biological origin (RFNBOs), and renewable or fossil-free hydrogen and speeding up permitting processes for plants producing renewable energy;
- combating energy poverty, in particular through measures for vulnerable and low-income households;
- encouraging energy demand reduction, in particular by developing existing energy saving solutions;
- boosting low-carbon energy sources in the EU.

The new rules should apply to measures taken from **1 February 2022**.

Pre-financing

To ensure that the financial support is frontloaded, a Member State may request an amount of 20% of the additional funding required to finance its REPowerEU chapter to be paid in the form of a pre-financing. Where a Member State expresses its intention to request loan support, the Commission should inform the European Parliament and the Council simultaneously and as soon as possible.

Measures with cross-border effect

Members proposed that at least **35% of the grants and at least 35% of the loans** to be used under the REPowerEU chapter should be allocated to measures with a cross-border or multi-country dimension or effect, even if implemented by a single Member State, unless the Commission grants a derogation in specific circumstances.

Funding

Members want the additional **EUR 20 billion** in subsidies proposed by the Commission to come from frontloaded auctioning of national emission allowances under the EU Emissions Trading Scheme.

They also want the Commission to identify additional resources to complement the financing of REPowerEU actions, for example by allowing flexibility related to unspent funds. These additional subsidies would be distributed to Member States taking into account the level of energy dependence, in particular on third countries such as Russia, the increase in energy-related costs passed on to households in the price of essential goods and services, and the share of fossil fuels in gross inland energy consumption.

Additional flexibility

In order to provide Member States and regions with the flexibility to face new challenges, Members proposed amending Regulation (EU) 2021/1060 of the European Parliament and of the Council to include, in addition to the existing transfer possibility of up to 5%, provided that this possibility has been fully exploited, the possibility of transferring up to 7.5% of the resources under the shared management programmes to contribute to the REPowerEU objectives.

Supra-national energy security needs assessment

The Commission should assess the needs to secure energy supply in the Union as a whole, prior to the approval of any recovery and resilience plan containing the REPowerEU chapter. That assessment should aim to provide a supra-national perspective of the Union energy-security needs to facilitate the most efficient use of resources to reach the REPowerEU objectives.

Lastly, the principle of ‘**do no significant harm**’ should continue to apply to the reforms and investments supported by the Facility, with one targeted and narrow exemption related to reforms and investments that are to be in operation by 31 December 2024 to safeguard the EU’ immediate energy security concerns, provided that a set of cumulative conditions apply.