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EU** 

RECOVERY AND RESILIENCE FACILITY

REPowerEU and the RRF

17 May 2022

The REPowerEU plan - objectives



1st Pillar:
Diversify gas supplies
away from Russia



2nd pillar:
Reduce further the
Union's dependence on
fossil fuels

- **Phase-out the EU's dependence on fossil fuels from Russia well before 2030** and increase resilience of the EU-wide energy system based on 2 pillars:

1) Gas supply measures:

- Higher LNG imports and pipeline imports from non-Russian suppliers;
- Increase levels of sustainable biomethane and renewable or fossil-free hydrogen;

2) Measures to **reduce fossil fuel dependence** at the level of households, industry, and power systems:

- Boosting energy efficiency gains;
- Increasing the share of renewable energy sources;
- Addressing infrastructure bottlenecks;

Why the RRF as a delivery tool?



- **The RRF is fit for purpose:** agile instrument to address challenges in a wide range of policy areas over short/medium-term horizon;
- **Reforms:** RRF combines investments and reforms to maximise the impact;



- **Performance-based nature:** an established system of milestones and targets creates a strong ownership;
- **Quick disbursements with scrutiny:** payments delivered fast while maintaining a high level of scrutiny under the monitoring framework;



- Significant amount of **loans are still available;**
- **Dialogue with Member States:** well-established channels of communication with RRP coordination teams in Member States;

How will the RRF help deliver on REPower EU objectives?



Commission proposal on REPowerEU chapters in RRFs

- Introduces the obligation to provide a REPowerEU chapter when submitting a RRF;
- Plan modifications: existing RRF as a starting point + the REPowerEU chapter as an addendum



Guidance on RRFs in the context of REPowerEU

- 1 Explanation of the legal grounds for modification of adopted RRFs;
- 2
 - Instruction on the preparation and the contents of the REPowerEU chapter;
 - Specification of the information to be submitted on the reasons, objectives and the nature of the changes to RRFs;

Content of the REPowerEU Chapter

All **measures** addressing the **REPowerEU objectives**, namely:



- **improving energy infrastructure** and facilities to meet **immediate security of supply needs** for oil and gas, notably to enable diversification of supply in the interest of the Union as a whole;



- boosting **energy efficiency** in buildings, **decarbonising industry**, increasing production and uptake of **sustainable biomethane** and **renewable or fossil-free hydrogen** and increasing the share of **renewable energy**,



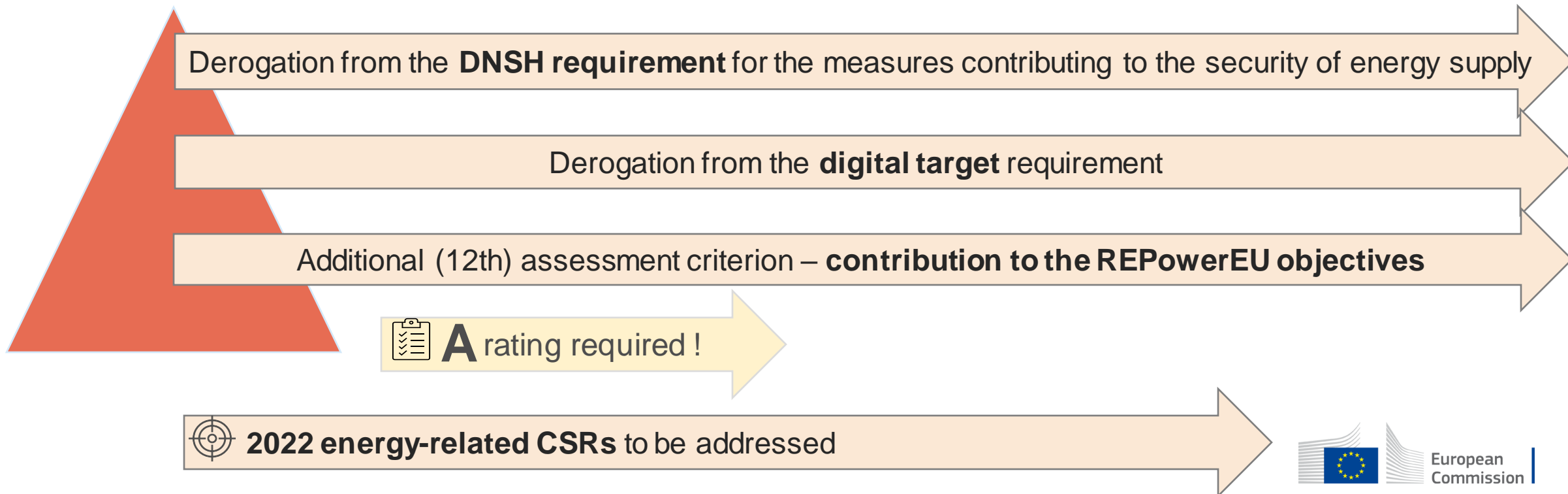
- addressing internal and cross-border energy **transmission bottlenecks** and supporting **zero emission transport** and its **infrastructure**, including railways,



- supporting the objectives in points (a), (b) and (c) 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.

Special assessment of the REPowerEU chapter

- All modified plans subject to a new assessment, according to the criteria set out by the RRF Regulation. **Addressing the EU challenges as a whole is key for the assessment.**
- Special assessment regime for the REPowerEU chapter, justified by the **urgency** of the energy-related challenges:



Monitoring of the measures in the REPowerEU chapter



Measures financed under the RRF – the **RRF** monitoring framework;

Measures financed outside of the RRF – monitoring under the **European Semester**;

REPowerEU: RRF and 2022 European Semester

Part of
the
Spring
Package



23 May 2022

Country Reports

- Identify outstanding challenges that are not addressed by the RRFs and linked to REPowerEU;
- Analyse reform and investment needs to reduce energy dependence and accelerate decarbonisation;
- Impact of Russian invasion of Ukraine on Union's economies will be factored in;

Country-Specific Recommendations

- Focusing only on new and outstanding challenges, not adequately covered by the RRFs;
- Basis for designing reforms and investments tailored to the specific needs of each Member State and will take into account challenges aggravated by the Russian invasion of Ukraine;



2022 energy-related CSRs to be addressed in the REPowerEU chapters