

REPowerEU Plan, a new strategy for a high-speed green transition



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On 18 May 2022, the European Commission launched REPowerEU, a plan to drastically reduce gas, oil and coal imports from Russia by accelerating a clean transition and achieving a sustainable energy system within the EU. This urgency comes as a reaction to Russia's military invasion of Ukraine and is also seen as a mean to expedite Europe's green transition against the climate crisis.

REPowerEU is closely linked to the EU programme Fit for 55, a package of proposals to shape EU climate, energy, land use, transport and fiscal policies to reduce net greenhouse gas emissions by at least 55% from 1990 levels by 2030.

The REPowerEU plan provides the following set of actions to speed up those goals:

- a. Save energy;
- b. Diversify energy sources;
- c. Substitute fossil fuels by accelerating Europe's clean energy transition;
- d. Smart investments and reforms at National and European levels.

Furthermore, REPowerEU will be closely linked to the Recovery and Resilience Facility (RRF), as the Commission proposes that the Member States should prepare amendments to their respective Recovery and Resilience Plans (RRPs) to include a chapter dedicated to the objectives set out in REPowerEU. [CS'](#)

1. Saving Energy

As energy savings are the cheapest option for addressing the energy crisis, the Commission proposes an increase (from 9% to 13%) of the binding Energy Efficiency Target as set out in the Fit for 55 programme.

On the same day that REPowerEU was launched, the Commission published an EU Save Energy Communication to promote behavioural changes – a nine-point plan “Playing my Part” that was developed in cooperation with the International Energy Agency (IEA) – that could cut gas and oil demand by 5%, and encouraging Member States to adopt fiscal measures to promote energy saving, such as reduced VAT rates on energy-efficient heating systems. [CS'](#)

2. Diversifying Energy Sources

The Commission and Member States set up an EU Energy Platform to develop common purchasing mechanisms for gas, LNG and hydrogen. This platform will allow the optimisation and transparent use of gas import, storage and transmission infrastructure. Following the implementation of this mechanism, the Commission will seek possibilities to develop ‘joint purchasing mechanisms’, on behalf of participating Member States to deal with aggregate gas demand and competitive release to the market.

The EU Energy Platform will also be open to the Energy Community Contracting Parties (Western Balkans, Ukraine, Moldova, Georgia), developing cooperation frameworks with EU neighbours, ensuring Ukraine’s and Moldova’s interconnection with the EU’s power grid. Furthermore, Member States close to that region will be able to purchase excess electricity from Ukraine.

Some Member States are dependent on nuclear fuel from Russia and, therefore, alternative sources of uranium are being studied and developed in Europe and with the EU's global partners. More than that, the Commission will consider legislative measures to require diversification of gas supply by Member States. The EU Energy Platform will also promote joint purchasing of renewable hydrogen. ^{CS'}

3. **Substituting fossil fuels by accelerating Europe's clean energy transition**

In order to gain quick energy independence from Russia, and in order to boost the EU's green transition strategy, the Commission highlights that one of the pillars of the REPowerEU plan relies on massive upscaling and acceleration in the use of renewable energy. The Commission proposes increasing the headline 2030 target for renewables from 40% to 45% under the Fit for 55 package. The following initiatives are in the pipeline:

- a. The EU Solar Strategy to double solar photovoltaic capacity by 2025, and install 600 gigawatts by 2030.
- b. The European Solar Rooftop Initiative with a legally binding EU solar rooftop obligation to install solar panels on all new public and commercial buildings after 2025, and residential buildings after 2029.
- c. Doubling of the rate of deployment of heat pumps, resulting in a cumulative 10 million units over the next 5 years, and measures to integrate geothermal and solar thermal energy in heating systems.
- d. A targeted amendment to the Renewable Energy Directive, to recognise renewable energy as a public interest and include 'go-to' areas for renewables (suitable locations for the installation of plants for the production of energy from renewable sources designated by the Member States), with simplified permitting processes.

- e. A target of 10 million tonnes per annum of domestic renewable hydrogen production and 10 million tonnes per annum of imports by 2030, to replace natural gas, coal, and oil in hard-to-decarbonise industries and transport sectors.
- f. The Biomethane Action Plan that includes a biomethane industrial alliance and financial incentives to increase production to 35 billion cubic meters by 2030.

In order to support the use of renewables in industrial sectors, the Commission proposes that the Innovation Fund should support projects directed to the full switch to renewables and the transition to hydrogen-based production processes in new industrial sectors, such as steel production.

More than that, the Commission has published a Recommendation on speeding up permit-granting procedures for renewable energy projects and facilitating Power Purchase Agreements (PPA) that addresses obstacles such as slow and complex permitting processes. The Commission will also, in cooperation with the European Investment Bank (EIB), develop a technical advisory facility under the InvestEU Advisory Hub to support PPA-financed renewable energy projects.

In other areas, such as transport, the Commission will consider as legislative initiative to increase the share of zero-emission vehicles in public and corporate car fleets above a certain size, and will adopt a legislative package in 2023 on greening freight transport. The EU Save Energy Communication includes many recommendations to cities, regions and national authorities regarding the substitution of fossil fuels in the transport sector.

Achieving all these goals requires expertise. In order to acquire that, the Commission encourages stakeholders in renewable energy production and permitting authorities to establish a large-scale skills partnership under the Pact for Skills, a platform that supports large-scale skills partnerships in different industrial ecosystems, including Energy Intensive Industries, Construction and Renewable Energy. Moreover, the Commission will support the programme ERASMUS+ and the Joint Undertaking on Clean Hydrogen, with the launch of a large project to develop skills for the hydrogen economy. ^{CS'}

4.

Smart Investment

According to the Commission analysis, cutting Russian fossil fuel imports can save us almost EUR 100 billion per year. To develop REPowerEU, EUR 225 billion are already available in loans under the RRF.

Most of these investments need to be developed by the Member States, who will need to implement reforms and make suitable investments to achieve the goals under the REPowerEU plan. In this sense, the RRFs are a suitable mechanism to implement and invest in a joint EU framework, based on needs that must be identified by the Member States and their communities.

The Commission will provide country-specific recommendations that will guide the amendments on the RRF chapters in line with the REPowerEU plan's objectives.

Nevertheless, the RRFs must ensure complementary interaction between the measures funded under the RRF and actions supported via other national or EU funds, such as the Innovation Fund or the InvestEU Programme.

This coordination will allow the creation of synergies between entities such as the European Regional Development Fund (ERDF), the European Social Fund+ (ESF+) and the Connecting Europe Facility (CEF).

Ultimately, the REPowerEU plan is the right tool to boost Europe's green transition, a plan that was already being developed before Russia's military escalation in Ukraine. However, since Russia's invasion, the plan will make it possible to speed up and maximise a sustainable energy strategy in Europe that will enable the block to achieve climate neutrality.

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