

REPowerEU chapters in recovery and resilience plans

2022/0164(COD) - 28/02/2023 - Final act

PURPOSE: to include REPowerEU chapters in the Recovery and Resilience Facility to strengthen the EU's strategic autonomy by diversifying its energy supplies and ending its dependence on Russian fossil fuel imports.

LEGISLATIVE ACT: Regulation (EU) 2023/435 of the European Parliament and of the Council of 27 February 2023 amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulations (EU) No 1303/2013, (EU) 2021/1060 and (EU) 2021/1755, and Directive 2003/87/EC.

CONTENT: this Regulation amending Regulation (EU) 2021/241 aims to include REPowerEU chapters in the Recovery and Resilience Facility.

REPowerEU chapter to be included in recovery and resilience plans

In practical terms, Member States will be able to add a new REPowerEU chapter to their national recovery and resilience plans (RRPs) under NextGenerationEU, in order to finance key investments and reforms that will help achieve the REPowerEU objectives.

Among the key objectives of REPowerEU are **increasing the resilience, security and sustainability of the EU's energy system** through the needed decrease of dependence on fossil fuels and diversification of energy supplies at EU level, including by increasing the uptake of renewables, energy efficiency and energy storage capacity.

The REPowerEU chapters of Member States' Recovery and Resilience Plans (RRPs) should describe the new reforms and investments, as of **1 February 2022**, and/or the reinforced part of the reforms and investments included in the already adopted RRPs, with the corresponding intermediate values and targets.

Reforms and investments

The reforms and investments should in particular 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;
- boosting the energy efficiency of buildings and critical energy infrastructure;
- addressing energy poverty;
- incentivising reduction of energy demand;
- removing internal and cross-border bottlenecks in energy transmission and distribution, supporting electricity storage and accelerating the integration of renewable energy sources, and supporting zero-emission transport and its infrastructure, including railways;

- supporting the above objectives through accelerated re-skilling of the workforce in green and related digital skills as well as through support to value chains in critical raw materials and technologies related to the green transition.

The recovery and resilience plan contains measures that effectively contribute to the green transition, including biodiversity, or to addressing the challenges resulting therefrom, that account for an amount which represents at least **37 %** of the recovery and resilience plan's total allocation.

The principle of '**do no significant harm**' should apply to the REPowerEU chapters. Temporary exemptions should be granted to measures that address immediate EU energy security concerns, minimise potential environmental damage and do not jeopardise the EU's climate objectives.

Financing

Additional grants of EUR 20 billion will be made available to finance the investments and reforms. The financing sources will be the Innovation Fund (60%) and frontloading ETS allowances (40%).

The allocation key is a formula which takes into account cohesion policy, member states' dependence on fossil fuels and the increase of investment prices.

Member States with unspent **cohesion funds** from the previous multiannual financial framework (2014-2020) will have the possibility to use them to support SMEs and vulnerable households particularly affected by rising energy prices. Member States will be able to make voluntary transfers from the Brexit adjustment reserve.

The Commission will be able to make up to two **pre-financing** payments totalling up to 20% of the additional funding requested by the Member State concerned to finance the REPowerEU chapter of the plan.

Transparency

Each Member State should create an easy-to-use public portal containing data on the **100 final recipients** receiving the highest amount of funding for the implementation of measures under the Facility. Member States should update those data twice a year.

ENTRY INTO FORCE: 1.3.2023.