



# REPowerEU Plan outline and political and stakeholder reactions

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## REPowerEU Plan

The European Commission's [REPowerEU Plan](#), published on 18 May, 2022, aims to rapidly phase out the European Union's dependence on Russian fossil fuels and accelerate the bloc's green transition. The strategy, which promises to mobilise some €300bn in EU funds, follows growing calls from member states to help Ukraine by reducing oil and gas imports from Russia. However, reducing Europe's estimated €100bn annual imports of Russian fossil fuels has proved controversial, especially in countries like Germany and Hungary which rely heavily on them and fear it will damage their economies and increase the cost of living.

"Our proposals are addressing Europe's energy security, our defence and support to Ukraine. We must now reduce as rapidly as possible our reliance on Russia in energy. We can." European Commission President Ursula von der Leyen said on [Twitter](#) on the day of the launch.

The REPowerEU plan combines a range of measures, investments, and reforms to save energy, diversify energy supplies, and speed up Europe's use of renewables in homes, industry, and power generation. While the plan, which was discussed in a plenary session of the European Parliament on May 19, does not alter the headline ambition of the EU's Fit for 55 strategy to reach net zero by 2050, it does propose a [legal amendment](#) to raise targets for energy efficiency and renewable energy to 13 percent and 45 percent respectively.

This Dods EU Political Intelligence report provides an outline of the REPowerEU Plan and a compilation of initial political and stakeholder reactions to the proposed measures.

### Outline of REPowerEU Plan

The key proposals in the plan include:

- **Energy Saving:**
  - The Commission has published an [EU Save Energy Communication](#) laying out its suggestions and proposals on how to reduce energy consumption.
  - These include efforts such as encouraging behavioural changes and introducing structural changes in the medium- to long-term, such as increasing the [Energy Efficiency Directive's](#) proposed binding target to 13 percent from 9 percent and updating the [Energy Performance of Buildings Directive](#).
- **Diversifying energy imports:**
  - A new EU Energy Platform to enable common purchase of gas, LNG and hydrogen to aggregate demand, optimise the use of gas infrastructure and engage in joint international outreach. An [EU External Energy Engagement Strategy](#) has also been released.
- **Substituting fossil fuels and accelerating Europe's clean energy transition:**
  - Increase the target in the [Renewable Energy Directive](#) to 45 percent by 2030, up from 40 percent in the 2021 proposal.
  - An [EU Solar Strategy](#) and EU Solar Rooftop Initiative, which aims to install over 320GW of solar photovoltaic capacity by 2025 and almost 600GW by 2030; set up

an EU Solar Industry Alliance; presents a [recommendation to speed up granting of related permits](#).

- Double the deployment rate of individual heat pumps, leading to 10 million units within the next five years, and further develop district heating systems.
- Produce 10 million tonnes of domestic renewable hydrogen and import 10 million tonnes of renewable hydrogen by 2030. The Commission will also publish two Delegated Acts on the definition and production of renewable Hydrogen.
- Scale up biomethane production to 35bcm by 2030.
- Roll-out Carbon Contracts for Difference and special REPowerEU funding opportunities through the Innovation Fund.
- Publish Guidance to member states on [renewable energy and power purchase agreements \(PPAs\)](#).
- Adopt a legislative package on greening freight transport by 2023.
- **Smart investment:**
  - REPowerEU will require an additional investment of €210bn between now and 2027, beyond what is already required to achieve the Fit for 55 ambitions.
  - The Commission estimates that the plan will save the EU €80bn in gas import expenditures, €12bn in oil import expenditures and €1.7bn in coal import expenditures per year by 2030.
  - The Commission predicts that to import sufficient LNG and pipeline gas from other suppliers, investments estimated at €10bn by 2030 will be required for an adequate level of gas infrastructure, €1.5-2bn to ensure the security of oil supply, and €29bn to improve and upgrade the electricity grid.
  - The Commission proposes targeted amendments to the [Recovery and Resilience Facility Regulation \(Guidance on recovery and resilience plans in the context of REPowerEU\)](#) to provide the necessary financing for the REPowerEU Plan. The amendment would lead to an allocation of additional funding from the auctioning of allowances of the Emissions Trading System in a limited amount.
  - The Commission further proposes higher flexibility to transfer resources allocated to member states both under the Common Provisions Regulation (EU) 2021/1060) and the Regulation on CAP strategic plans (EU) 2021/2115).
  - These grants will complement the remaining €225bn of loans under the RRF, resulting in a total amount close to €300bn.
  - Further financing sources will include the Innovation Fund, Cohesion Policy, the InvestEU Programme, CEF-E, and national spending in line with state aid rules.

## **Reactions to REPowerEU Plan**

### **The Council**

The REPowerEU plan is the culmination of various efforts to reduce the EU's dependence on Russian oil and gas imports in the wake of the invasion of Ukraine. In early March, soon after the start of Russia's military assault, the European Council adopted the [Versailles Declaration](#), which

called for a range of measures, including diversification of energy supplies, faster development of renewables, improved interconnection of gas and electricity networks, reinforced contingency planning for security of supply, and improved energy efficiency. EU leaders then [agreed](#) at a 24/25 March Council meeting to phase out Russian gas, oil and coal imports as soon as possible and called for action to address high energy prices.

However, following through on these commitments has proven complicated with a Commission plan to ban imports of Russian oil failing to garner support of all member states following opposition from Hungary. Other issues have proven easier for member states to make progress on including a 2 May [agreement](#) to continue collaboration with international partners and establish a [European gas purchasing platform](#) to secure energy supplies at affordable prices.

### European Parliament

Members of the European Parliament have taken a strong position in relation to Russian fossil fuel imports. In a [resolution](#) on 7 April, 2022, the European Parliament called for an immediate, full embargo on Russian imports of oil, coal, nuclear fuel and gas, and the abandonment of the Nord Stream 1 and 2 pipelines. It advocated an EU plan on security of energy supply in the short term and highlighted the importance of diversifying energy resources, technologies and supply routes, including collaboration with non-Russian trading partners. The MEPs also supported further investment in energy efficiency, renewable energy, and gas and electricity storage.

Kadri Simson, Commissioner for Energy, told the Parliament plenary session on 19 May that Russia had cut off the gas supply to Poland and Bulgaria three weeks ago, proving that it was not a reliable energy partner. She said the REPowerEU Plan showed how it would be possible to compensate for Russian gas imports with a combination of demand reduction, increased domestic production of hydrogen, biogas and other renewables, and other limited additions of infrastructure, adding that gas storage would be key. Accelerating permitting would be important for speeding up the use of renewable energy, she said, and suggested go-to-areas where such procedures could be conducted in less than one year. Simson stressed the importance of energy efficiency, saying there was no cheaper and more secure energy than the energy we do not use.

European Peoples Party (EPP) MEP Cristian Busoi, the head of the Parliament's Industry Research and Energy Committee (ITRE), said in a [statement](#) after that release of the REPowerEU Plan that Europe needed to act together to cut its energy dependence on Russia. "At the same time, we must ensure that we do not create a chasm with citizens for whom rising energy prices have a considerable impact on their standard of living. We will also have to stand up for businesses that already have to cope with disrupted supply chains and make sure that the proposals published today deliver opportunities for them," he said. Busoi also told the Parliament plenary session that the proposals were an opportunity for economic development through widespread investments in hydrogen, energy efficiency and renewables. He added that it would help ensure Europe's energy independence and allow the EU to achieve its climate goals.

In advance of the publication of the REPowerEU Plan, the centre-right EPP had [called](#) for the EU to focus on the development of "long-term partnerships with non-EU countries to ensure sustainable, secure and affordable energy". German MEP Christian Ehler, its energy spokesman, also stressed the need to ensure that the energy transition is fair, noting that, "Our businesses are bearing the brunt of high energy prices, disrupted supply chains, and the transition towards climate neutrality. Taken individually, these challenges would have been formidable but manageable. Taken together, their cumulative effect may endanger our businesses and the jobs

they provide". The EPP also called for a central role for solar power, which they said should include making rooftop solar mandatory for all new buildings.

The Socialists and Democrats in the European Parliament [welcomed](#) the Commission's REPowerEU Plan and called for a new recovery plan to finance the energy transition, similar to the Recovery and Resilience Facility (RRF). Mohammed Chahim MEP, S&D vice-president responsible for the energy aspects of the Green Deal, said that "With REPowerEU, we take a much-needed step forward in reducing our energy dependence on Russia. With REPowerEU we can already reduce our fossil fuel imports from Russia by 1/3 this year and stop them completely by 2027." However, the Group's coordinator in ITRE, MEP Dan Nica, criticized the lack of a "clear timeline with dates written in black and white for this to happen" while emphasizing the that "paying the price of our energy independence cannot be a burden on the shoulders of our citizens with low incomes or on the small and medium-enterprises."

Bulgarian MEP Tsvetelina Penkova, from the Progressive Alliance of Socialists and Democrats (S&D), told the Parliament plenary that affordable prices must be the priority, and that required developing Europe's own resources and diversifying. She added that member states should work towards greater connectivity, and a sustainable transition would require the use of renewable energy and nuclear power.

The central Renew Europe Group [offered](#) its support for the Commission proposals and stressed the importance of ensuring "the EU's energy independence from all Russian energy imports" no later than 2027. They particularly supported the initiative to speed up renewables permits and grid infrastructure improvements and pointed to the need to step up efforts to achieve the energy efficiency goals. Renew also called for the use of the Social Climate Fund "to support vulnerable households, transport users and micro-enterprises to cope with the consequences of increasing energy costs and fuel prices". Speaking in the plenary session, Renew MEP Iskra Mihaylova said the interruption of gas supply to Bulgaria and Poland was just one side of Russian aggression, and it was up to the European Parliament to demonstrate that an array of tools could be used to respond. He said Europe needed more storage, renewables, hydrogen, investment in energy efficiency and solutions.

The Greens largely [supported](#) the Commission announcement and especially the "legal and binding measures for more renewable energy and energy efficiency, as well as the proposed legal obligation to install solar energy on all new public and commercial buildings". However, Dutch Green MEP Bas Eickhout said, "The Commission is leaving the door open for member states to continue funding fossil fuel infrastructure. Investments that are urgently needed for energy efficiency and renewables can still flow into new pipelines and terminals; this might continue our fossil energy dependency." He also argued against relying on the sale of additional Emissions Trading System (ETS) certificates, "which will only increase emissions from industry". On the cost-of-living crisis, he called on the Commission to take initiatives to "ensure that the low-income households are spared from rising energy prices through measures such as taxing windfall profits on energy companies that are profiting from high energy prices and through assistance funding programmes".

Speaking in the Parliament plenary the day after the announcement, Green MEP Ville Niinistö expressed his delight for the plans to shift away from fossil fuels to renewable energy. He said while the initiatives regarding permitting and the Solar Rooftop Initiative were bold steps, although the Greens/EFA would like to see even more ambitious targets.



## Stakeholders

CEFIC, the European Chemical Industry Council, [said](#) it supported the dual strategy to increase the renewable energy generation in the EU while at the same time building international energy partnerships. It pointed to use of clean hydrogen and the electrification of industrial processes as important steps forward. It called on the Commission to “consider how to make the electrification and carbon-free electricity generation affordable for end users in the upcoming impact assessment on electricity market design”.

The European Steel Association, EUROFER, [warned](#) that without energy intensive industries on board, no transition plan could succeed. “EU industry will be the main driver for clean energy markets”, it said, and called for “short-term relief measures for companies affected by high energy prices, swift realisation of hydrogen infrastructure and priority access to hydrogen supplies for the sector” and the prevention of disruptions of gas supply as long as alternative infrastructure is not available.

The European Alliance to Save Energy [offered](#) their support for the Commission plan, arguing that the current situation should “translate into a much more ambitious ‘Fit For 55’ package, with a massive increase of our efforts to save energy and generate energy from renewable sources by the end of the decade”. It welcomed the proposal to “raise the EU’s 2030 targets for energy efficiency and renewable energy to 13% and 45% respectively”, noting that “energy efficiency is an essential element of our energy security and decarbonization strategy”.

Bioenergy Europe welcomed the proposals but stressed that it “lacks the needed vision to recognise sustainable bioenergy as one of the key solutions to increase EU energy security”. It warned, “with the Commission failing to consider bioenergy properly, we are missing a huge opportunity to ensure energy security and supply European citizens with renewable heat at an affordable cost in the next season”.

WindEurope [welcomed](#) the commitment to increase the use of wind power and offered detailed advice on the steps required to achieve this, including improving the permit-granting process for renewable projects, and reducing spatial constraints on new projects as well as steps on grid connection.

currENT, an industry association representing grid technology companies operating in Europe, [welcomed](#) the increased renewable energy targets, but warned that getting the most out of transmission and distribution networks and planning for a pan-European offshore renewables grid would be key. It pointed to the importance of paying more attention to the grid capacity required to deliver on this ambition. The association also called on member states to encourage innovation in their national regulatory frameworks and shift “away from the existing bias towards high-CAPEX solutions” to ensure “the uptake of technology solutions and encouraging investments that can both lead to an overall reduction in the total cost for citizens and enable the transition to renewable energy to happen much more quickly”.

BEUC, the European Consumer Organisation, [welcomed](#) the proposals, noting that “more energy efficiency and renewables are the only way to go to tackle the climate crisis and reduce our dependence on expensive Russian gas”. It warned, however, that on a practical level, local authorities will need to be encouraged to speed up “or scrap altogether permitting for home renewables and efficiency projects”. Pointing out that the energy transition will not be in place by next winter, BEUC said, “national energy regulators must ensure that gas supply to households is prioritised, as lack of energy may bring serious harm to people’s health”.

The German Business Association, BDI, [argued](#) that German industry supported the goal of phasing out Russian fossil fuels, before calling for an increased focus on hydrogen power. It also said the Fit-for-55 legislative proposals should be re-examined in the light of REPowerEU, arguing that industry needs reliable, investment-friendly framework conditions and legal certainty more than ever.

Environmental group Greenpeace [criticised](#) the Commission's proposed actions, arguing that it "will continue to bankroll conflict, human rights abuses and environmental destruction, while leaving people in Europe with high energy bills". It said the plan was overly focused on the diversification of "Europe's imports of oil, gas and uranium from suppliers other than Russia, rather than ending Europe's dependence on these fuels". It said phasing out fossil fuels and expanding energy savings and renewables, "would end the EU's dependence on imports, while bringing energy bills down for ordinary people, instead of padding corporate profits."

Friends of the Earth Europe [argued](#) that the Commission proposals risked "locking-in climate-wrecking fossil fuels and offers inadequate comfort to people who already cannot afford rising energy bills". While it welcomed the plans to quicken the deployment of renewables and "nudge energy efficiency and renewable targets slightly higher", it said the Commission was simultaneously enabling "almost 50 fossil fuel infrastructure projects and expansions". On the cost-of-living crisis, it called for a focus on subsidised renovations and renewables as opposed to on individual behaviour.

ECOS, the Environmental Coalition on Standards, [offered](#) its support for the increased energy efficiency goals, but warned that the focus should not be on government targets rather than encouraging changes to individual behaviour. It stressed the importance of ecodesign "as a vital tool in achieving the transition towards a clean and efficient energy system" and stressed that "decarbonising heating will be an essential stepping stone in weaning the EU off fossil fuels, and ecodesign will phase out fossil fuel boilers from the market by 2029".

Before the publication of the REPowerEU Plan, G10, the 10 largest NGOs working on climate and environmental policy in Brussels, sent an [open letter](#) to Commission Executive Vice-President Frans Timmermans, expressing their concern that the plan would undermine the environmental objectives of the EU and stressing that the solution must be to accelerate renewables and sticking to the Green Deal.

The International Association of Oil and Gas Producers [welcomed](#) the strategy and especially the "recognition of domestic gas production's role in the REPowerEU Plan". It called on Europe to leverage its available gas reserves arguing that "if Europe is serious about strengthening all facets of its energy resilience, the development of natural gas reserves must be valued and pursued alongside that of gas infrastructure and renewables." It also called for the acceleration of the "deployment of Carbon Capture Use & Storage (CCUS) and all hydrogen solutions which deliver geopolitical, economic and environmental benefits."

FORATOM, the trade association for the nuclear energy industry, [pointed](#) to the need for nuclear power, noting that "stopping the phase out of nuclear power plants can help to reduce the EU's dependence on Russian gas." It also welcomed the Commission proposal for hydrogen produced from nuclear to act as a substitute for natural gas. However, the association was critical of the Commission's concentration on imported hydrogen, arguing that "if the EU really is committed to a long-term, stable and affordable supply of low-carbon energy, more needs to be done to support the development of new nuclear projects, including small modular reactors."



EASE, the European Association for Storage of Energy, [welcomed](#) the recognition that energy storage plays a key role in ensuring security of supply and supporting renewables integration, reducing the need for polluting gas power plants, as well as the inclusion of provisions that aim to boost energy storage deployment. However, EASE criticised “the absence of an energy storage strategy that would outline clear targets” since that would “have sent strong investment signals and accelerated technology deployment.”

EBA, the European Biogas Association, called the REPowerEU Plan a “stepping stone to the achievement of climate-targets, the circular bio-economy and security of supply across Europe.” Harmen Dekker, EBA CEO, said that “the industrial alliance proposed by the REPowerEU is an essential instrument to steer cooperation between policymakers, investors and the biomethane value chain to drive technological innovation, address bottlenecks, such as cross border trading, and ultimately speed up the expansion of the sector.”

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