

Compromise amendments on RRF REPowerEU proposal (2022/0164 (COD))

CA 2b (S&D, RE) – on the following parts: Recital 6, Recital 13, Art.21c, Annex I and Annex Ia

07/10/2022

- (6) The REPowerEU chapter should include new reforms and investments contributing to the REPowerEU aims **and tackling the crisis effect determined by the Russian military aggression against Ukraine**. Furthermore, that chapter should contain an outline of other measures, financed from sources other than the Recovery and Resilience Facility, contributing to the energy-related objectives outlined in recital (3). The outline should cover measures whose implementation should take place between 1 February 2022 to 31 December 2026, the period during which the objectives set by this Regulation are to be achieved. **It is imperative to swiftly increase investments in energy efficiency measures, such as the uptake of sustainable and efficient heating and cooling solutions, that present a sustainable and effective way to address some of the most pressing challenges of energy supply and energy cost, as well as to support energy-poor and vulnerable consumers.** As regards natural gas infrastructure, the investments and reforms of the REPowerEU chapters to diversify supply away from Russia should build on the needs currently identified through the assessment conducted and agreed by the European Network of Transmission System Operators for Gas (ENTSOG), established in the spirit of solidarity as regards security of supply and take into account the reinforced preparedness measures, **including gas storage (EPP46)**, taken to adapt to new geopolitical threats **as well as make a long term input into the green transition by being hydrogen-ready.**(S&D44) **Furthermore, additional support could be ensured by complimentary recommendations for possible cross-border and trans national projects granting added European value. (RE 42) A non-exhaustive indicative list with identified projects for natural gas infrastructures is included in Annex I a.** Finally, the REPowerEU chapters should provide an explanation and a quantification of the effects of the combination of the reforms and investments financed by the Recovery and Resilience Facility and the other measures financed by other sources than the Recovery and Resilience Facility.
- (13) The application of the ‘do no significant harm’ principle is essential to ensure that the investments and reforms undertaken as part of the recovery from the pandemic are implemented in a sustainable manner. It should continue to apply to the reforms and investments supported by the Facility, with ~~one targeted~~ **the** exemption to safeguard the EU’ immediate energy security concerns. Considering the objective of diversifying energy supplies away from Russian suppliers, **and to make the energy system more sustainable and secure**, the reforms and investments set out in those REPowerEU chapters which aim to improve **and ensure** (S&D57)energy infrastructure **to be hydrogen-ready (S&D 57)**, and facilities to meet immediate security of supply needs for oil and gas, **as well as reforms, investments and measures which aim to boost the uptake of renewables and energy efficiency and to increase energy storage capacity**, should not be required to comply with the principle of ‘do no significant harm’ and should therefore be exempted from such assessment **and Members States should explain how measures are expected contribute to the REPowerEU objectives and to**

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which extent measures may harm the EU's environmental objectives. Besides contributing to achieve climate neutrality, renewables, storage and energy efficiency measures are essential to promote a more autonomous energy system and, in turn, to increase the EU energy security.

Article 21c

The REPowerEU chapter in the recovery and resilience plans

- (1) The recovery and resilience plan submitted to the Commission after [the entry into force of this amending Regulation] shall contain a REPowerEU chapter. The REPowerEU chapter shall outline reforms and investments, with their corresponding milestones and targets, other than measures referred in paragraph 2 (a), aiming to contribute to the REPowerEU objectives, by:
- (a) improving energy infrastructure and facilities to meet immediate security of supply needs for oil and gas, notably *to reduce Union's dependency to fossil fuels and overall energy imports as well as to reduce vulnerabilities during the nearest winter seasons of 2022 and 2023, to enable diversification of supply and swift rollout of renewable energy* in the interest of the Union as a whole, *including by upgrading the energy grid to enable the upscale of renewable energy and by ensuring that the relevant infrastructures are hydrogen ready;* (Greens 80, EPP 82, RE 79, S&D81)
 - (b) boosting energy efficiency in buildings *and energy savings and on-site electricity generation*, decarbonising industry, *increasing storage capacity, renewable or fossil-free hydrogen and increasing the share of renewable energy in all sectors identified in the Renewable Energy Directive, with adequate priority for the needs of energy-poor and vulnerable consumers;* (Rapp 16, EPP 84, GREENS 88 and 91, ECR 92)
 - (ba) *increasing production and uptake of sustainable biomethane to achieve the objective of 35 bcm production by 2030;* (Rapp 17, GREENS 91)
 - (c) addressing internal and cross-border energy *interconnectors and* transmission bottlenecks, *where appropriate, as identified in Annex Ia* and supporting zero emission transport and its infrastructure, including railways,
 - (ca) *supporting frontloading measures to fully implement the current energy efficiency framework through capacity building and financial support, including by upscaling existing energy savings tools;*
 - (cb) *incentivising energy efficiency measures through allocating targeted support to the Energy Efficiency First principle for all investment decisions including in design, implementation and monitoring, notably buildings, including in heating and cooling sectors with the aim of structural changes towards just and affordable energy transition;* (GREENS 88)
 - (d) supporting the objectives *this paragraph* through an accelerated requalification of the workforce towards ~~green skills~~ *the energy transition;*

- (da) supporting of the value chains in key materials and technologies linked to the *energy green* transition, ***broadening the use of sustainable construction materials and products and reducing dependency on primary critical raw materials.*** (EPP 85 and 95, RENEW 87, Rapp 21)
- (2) The REPowerEU chapter shall also contain:
- (a) Where applicable, a description of reforms and investments in the already adopted Council implementing decisions that are expected to contribute to the REPowerEU objectives;
- (b) an outline of other measures contributing to the REPowerEU objectives with a corresponding calendar, to be implemented from 1 February 2022 until 31 December 2026 without financial support under the Facility;
- (c) an explanation on how the combination of the measures referred to in paragraph 1 and points (a) and (b) of this paragraph is coherent, effective and expected to contribute to the REPowerEU objectives, ***including the Union’s 2030 energy efficiency and renewable energy targets, the gas storage target and the contribution for electricity storage as well as a quantification of the energy savings in the different sectors such as buildings, industry and transport;*** (Rapp 22 and EPP 99)
- (ca) ***an explanation on how the measures referred to in paragraph 1 shall contribute to address energy poverty and to support vulnerable consumers.*** (Rapp 23 and GREENS 100)
- (3) The estimated costs of the reforms and investments of the REPowerEU chapter under paragraph 1 shall not be taken into account for the calculation of the plan’s total allocation under Article 18(4), point (f) and Article 19(3), point (f).
- (4) By way of derogation from Articles 5(2), 17(4), 18(4) point (d) and 19(3) points (d), the principle of “do no significant harm” within the meaning of Article 17 of Regulation (EU) 2020/852 shall not apply to the reforms and investments expected to contribute to the REPowerEU objectives under paragraph 1, ~~point (a)~~ of this Article. ***The REPowerEU chapter shall contain an explanation as to why the measures expected to contribute to the REPowerEU objectives under paragraph 1 of this Article principle are the most adequate to reach the REPowerEU objectives and, where relevant, how and to which extent the measures may harm the EU’s environmental objectives.***
- (5) The provisions of this Regulation shall be applicable mutatis mutandis to the reforms and investments of the REPowerEU chapter, unless provided otherwise.

ANNEX I

Annex V of Regulation 2021/241 is amended as follows:

– In section 2, the following point is added:

‘2.12. The measures referred to in Article 21c (1) and (2) are expected to effectively contribute towards the Union’s security of supply for the Union as a whole, notably

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through a diversification of energy supply or **significant** reduction of dependence on fossil fuels before 2030, **increasing storage capacities or towards the Union's 2030 objectives of energy efficiency and renewable energy. In particular, the targets for energy storage will enable the EU to become independent from gas power plants, which are currently used in case of renewable energy shortfall.**' (Rapp 27 and 108 and GREENS 109)

When assessing the measures referred to in Article 21c (1) under this criterion, the Commission shall take into account the following elements:

Scope

— the implementation of the envisaged measures is expected to significantly contribute to the improvement of energy infrastructure and facilities to meet immediate **and temporary** security of supply needs for oil and gas, notably **to reduce Union's dependency to fossil fuels and overall energy imports as well as to reduce vulnerabilities, to enable diversification of supply and swift renewable energy rollout** in the interest of the Union as a whole, **including by upgrading the energy grid to enable the upscale of renewable energy and by ensuring that the relevant infrastructures are hydrogen ready;**

or

— the implementation of the envisaged measures is expected to significantly contribute to boosting energy efficiency in buildings **and energy savings and on-site electricity generation**, decarbonising industry, **increasing storage capacity** or fossil-free hydrogen and increasing the share of renewable energy **in all sectors identified in the Renewable Energy Directive, with adequate priority for the needs of energy-poor and vulnerable consumers,**

or

- **the implementation of the envisaged measures is expected to increase production and uptake of sustainable biomethane to achieve the objective of 35 bcm production by 2030;**

or

— the implementation of the envisaged measures is expected to address energy infrastructure bottlenecks, **such as as outlined below in this Annex**, in particular by constructing cross-border links **and interconnectors** with other Member States, or supports zero-emission transport and its infrastructure, including railways,

or

the implementation of the envisaged measures is expected to fully implement the current energy efficiency framework through capacity building and financial support, including by upscaling existing energy savings tools that are already in place;

or

the implementation of the envisaged measures is expected to incentivise energy efficiency measures through allocating targeted support to the Energy Efficiency First principle for all investment decisions including in design, implementation and monitoring, notably in buildings, including in heating and cooling sectors with the aim of structural changes towards just and affordable energy transition;

or

— the implementation of the envisaged measures is expected to significantly contribute to supporting a requalification of the workforce towards ~~green skills~~ **the energy transition**

or

the implementation of th envisaged measures is expected to significantly support value chains in key materials and technologies linked to the ~~energy green~~ transition, , ***broadening the use of sustainable construction materials and products*** and ***reducing dependency on primary critical raw materials***

and

— whether the measures and explanation, provided under Article 21c (1) are complementary to each other and significantly contribute, together with measures under Article 21c(2), points (a) and (b), to achieve the Union’s **energy security**, diversification of energy supply or reduction of dependence on fossil fuels before 2030.’

- whether the measures prioritise support for energy-poor and vulnerable households. (Greens 120)

Rating

A – to a large extent

B – to a medium extent

C – to a small extent

- (a) In section 3 the part which starts with the words “As a result of the assessment process, and taking into account the ratings” is replaced by the following:

‘As a result of the assessment process, and taking into account the ratings:

- (a) The recovery and resilience plan complies satisfactorily with the assessment criteria:

If the final ratings for the criteria under point 2 include scores with:

— an A for criteria 2.2, 2.3, 2.5, 2.6 and 2.12;

and for the other criteria:

— all As,

or

— no majority of Bs over As and no Cs.

- (b) The recovery and resilience plan does not comply satisfactorily with the assessment criteria:

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If the final ratings for the criteria under point 2 include scores with:

— not an A in criteria 2.2, 2.3, 2.5, 2.6 and 2.12;

and for the other criteria:

— a majority of Bs over As,

or

— at least one C.’

ANNEX I a

New Annex on REpowerEU to Regulation 2021/241:

As regards the scope of projects addressing energy infrastructure bottlenecks, and in particular gas infrastructure bottlenecks, Member States may take into account the following non-exhaustive indicative list of projects:

Baltic sea region:

- floating storage regasification unit (FSRU) involving Finland, Estonia and Latvia

- a second LNG terminal in Poland

Western Europe:

- deodorisation unit enabling gas flows from West to East between France and Germany

- gas infrastructure reinforcements to increase export capacity from Belgium to Germany

- an additional LNG terminal in Germany

- hydrogen ready cross-border infrastructure project on the Iberian Peninsula South and Eastern Europe:

- expansion of the capacity of the LNG terminal in Krk with combined with the enhancement of the Croatian transmission grid towards Slovenia and Hungary

- upgrade of TAP with additional infrastructure capacity in the Italian transmission grid (Adriatica Line and Mattagiola)

- expansion of Interconnector Greece - Bulgaria (IGB phase II).

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