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REPowerEU

the debate on
energy security
and future

2023

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1. REPowerEU: get to know more about it

As the European Commission pointed out, Russia's unprovoked and unjustified military aggression against Ukraine has massively disrupted the world's energy system. It has caused hardship as a result of high energy prices and it has heightened energy security concerns, bringing to the fore the EU's over-dependence on gas, oil and coal imports from Russia.

The high amounts paid by Europe for Russian fossil fuels - almost €100 billion per year - are helping Russia sustain its war against Ukraine. Therefore, on 8 March 2022, the Commission called for a rapid phase out of Russian fossil fuels and an acceleration of the European Green Deal in its Communication **“REPowerEU: Joint European action for more affordable, secure and sustainable energy”**.

Shortly after, leaders agreed at the European Council of 24 and 25 March 2022 that the European Union will fully **phase out its dependency** on Russian gas, oil and coal imports as soon as possible and asked the European Commission to develop a comprehensive and ambitious plan by the end of May 2022. This request is fulfilled with the presentation of the REPowerEU plan.



REPowerEU is a plan, concerning rapidly reducing our dependence on Russian fossil fuels by fast forwarding the green transition and joining forces to achieve a more resilient energy system and a true Energy Union.



REPowerEU

The main strands of action under the plan are:

- saving energy by promoting energy efficiency and enhancing preparedness;
- diversifying energy supplies;
- quickly substituting fossil fuels by accelerating Europe's clean energy transition and smartly combining investments and reforms.

2. Main actions of the REPowerEU

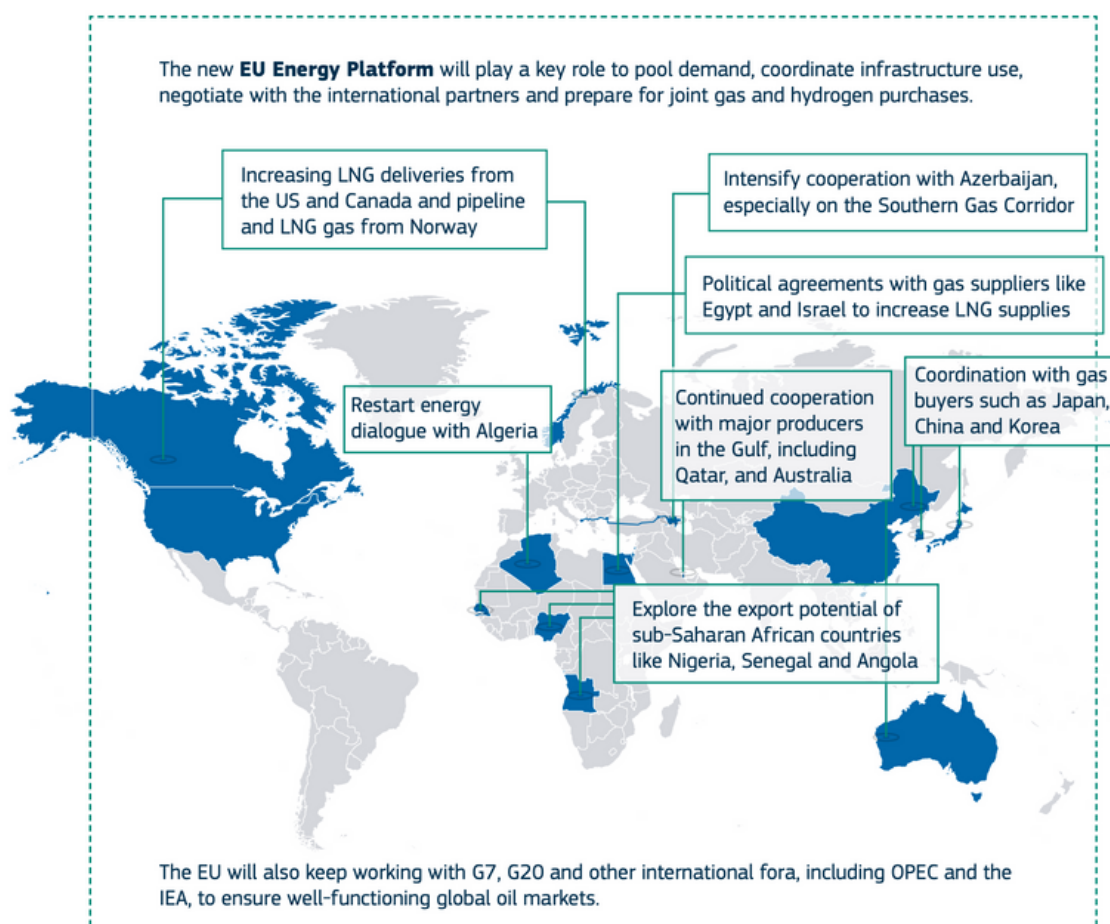
REPowerEU is part of the **European Green Deal** which is a greater sustainable development plan announced by the European Commission in December 2019 to propel economic growth while making Europe the first climate-neutral continent in the World. The plan involves different strategies to develop all sectors of the economy responsibly, caring for the health and well-being of people through an increased attention to the environment.

With that in mind the REPowerEU was designed with the following main action

Diversify energy supplies

The EU is working with international partners to find **alternative energy supplies**. In the short-term, we need alternative supplies of gas, oil and coal as quickly as possible, and looking to the future we will need renewable hydrogen too.

See map below:



Save energy

Saving energy is the **cheapest, safest and cleanest** way to reduce our reliance on fossil fuel imports from Russia. We can all easily be involved reducing our energy consumption, from consumers and businesses to all industrial sectors.

Together with energy efficiency measures, our individual actions will have a **positive impact on prices** - directly reducing our energy bills, making our economy more resilient and accelerating EU's clean energy transition.



All EU countries agreed to reduce their gas consumption by at least 15%



Between August 2022 and March 2023, gas demand dropped by 18%, exceeding the target



The voluntary gas demand reduction target was extended by Member States for an additional year in March 2023, as proposed by the Commission

In July 2021, the Commission proposed an **increase of the EU energy efficiency target** of 9% by 2030, as part of the 'Fit for 55' package. It is now necessary to go even further.

In addition, the Commission invites the Parliament and Member States to consider other improvements to the **Fit for 55 package** that they are currently negotiating:



- Increasing the ambition of the **national energy savings obligation**



- Introducing **obligations** to reduce energy consumption, stop fossil fuel subsidies, and promote renewable energy technologies in transport and industry



- Strengthening the **implementation of energy audit results**



- Extend **buildings Minimum Energy Performance Standards**



- Strengthen **national energy requirements of new buildings**



- Tighten **national heating system requirements** for existing buildings



- Introduce **national bans for boilers based on fossil fuels** in existing and new buildings



- Advance the end of Member States subsidies for fossil fuel-based boilers from 2027 to 2025

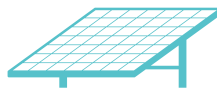


Use clean energy

Replacing coal, oil and gas in industrial processes will help **cut dependency**, while **transitioning to cleaner energy sources**, strengthening industrial competitiveness and supporting international technology leadership. Energy intensive industries can significantly contribute to and benefit from RePowerEU efforts.



Generating, **for the first time**, more electricity from wind and solar sources than from gas



Reaching a **record of 41 GW** of new solar energy capacity installed increasing wind capacity by 16 GW



Ensuring **39% of our electricity** now comes from renewables

In March 2023, the EU agreed on stronger legislation to increase its renewables capacity, raising the **EU's binding target** for 2030 to 42.5%, with the ambition to reach 45% - this would almost double the existing share of renewable energy in the EU.

To support this clean transition, we must get better at nurturing our own industry – from hydrogen to chemicals, from biotech to nanotech. To achieve this plan, the European Commission proposed a **Green Deal Industrial Plan for Europe** in February 2023.

The industrial sector will also play a **key role** in scaling up the production of equipment and components necessary to quickly transform our energy system. In that sense there are many initiatives proposed:



SOLAR PANELS

Produce at least **20 GW of solar photovoltaics production capacity** by 2025



WIND ENERGY CAPACITY

Ensure equipment to allow an **acceleration** in wind capacity deployment



HEAT PUMPS

Secure capacity to **double** heat pump installation this year and reach **10 million units** until 2025



HYDROGEN ELECTROLYSERS

Increase annual electrolyser manufacturing capacity **tenfold**



Electrification, energy efficiency and uptake of renewables could allow industry to save **35 bcm** of **natural gas by 2030** beyond Fit for 55 targets



Largest reductions in gas, almost **22 bcm** could be made from **non-metallic minerals, cement, glass and ceramics, chemicals** production and refineries

THE SHIFT TO CLEAN INDUSTRY:

- Electrification of industrial processes
- Renewable hydrogen deployment
- Circular use of materials
- Use of alternative biobased or renewable inputs
- Waste valorisation
- Energy efficiency



Around **30%** of **EU primary steel production** is expected to be decarbonized on the basis of renewable hydrogen by 2030

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3. The sustainable European energy future

Climate change and environmental degradation present an **existential threat** to Europe and the world. To overcome this challenge, Europe needs a new growth strategy that transforms the Union into a modern, resource-efficient and competitive economy where there are **no net emissions of greenhouse gases by 2050**, where economic growth is decoupled from resource use and where no one and no place is left behind.

That is the central goal of the **European Green Deal**, a massive strategic and investment plan to develop a sustainable economy, transforming the risks and problems of the present climate situation into opportunities for innovation and growth.

The European Union already has a strong track record in **reducing its emissions of greenhouse gases while maintaining economic growth**. Emissions in 2018 were 23% lower than in 1990 while the Union's GDP grew by 61% in the same period. But more needs to be done, this includes accelerating shifts towards **clean energy and sustainable mobility**, developing a wasteless economic model and preserving the natural capital of the European Union.

The **energy sector** is responsible for more than 75% of the EU's greenhouse gas emissions. Increasing the share of renewable energy across the different sectors of the economy is therefore a key building block to reaching the EU's energy and climate objectives.

The revised **Renewable Energy Directive EU/2023/2413** raises the EU's binding renewable target for 2030 to a minimum of 42.5%, up from the previous 32% target, with the aspiration to reach 45%. It means **almost doubling** the existing share of renewable energy in the EU, and the directive entered into force in all EU countries on 20 November 2023.

21,8%

renewables share of EU
energy consumption 2021

32%

target by 2030 in
Directive 2018/2001

at least 42.5%

new binding target, but
aiming for 45% by 2030

To achieve those objectives the REPowerEU Plan will also use **global partnerships and sustainable hydrogen trade** as an important part of the strategy.



HYDROGEN PARTNERSHIPS:

Mediterranean Green Hydrogen Partnership, cooperation with the Gulf region, MoC with Japan by end 2022, Strategic Partnership with Ukraine in 2022



EU REGULATORY POWER:

standards, certification scheme, trading hubs in Europe for Euro-denominated transactions



GLOBAL EUROPEAN HYDROGEN FACILITY:

Kick-start the global renewable hydrogen market

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The plan **set out that an additional 15 million tonnes** (mt) of renewable hydrogen – on top of the 5.6 mt already planned under the Fit for 55 initiative – can replace approximately 27 bcm of imported Russian gas by 2030, and this is the long term goal:

“

“We want to build long-term partnerships that are mutually beneficial – boosting renewable energy and increasing energy efficiency around the globe and cooperating on green technology and innovation.”

European Commission, May 2022

Global partnerships



Promote the **international phase-out of unabated coal power generation and fossil fuel subsidies**



Accelerate the global green energy transition by facilitating sustainable investments and connectivity through **Global Gateway**



Implement the **Joint Energy Transition Partnership with South Africa** and explore similar partnerships with other countries in view of COP27



Implement the **EU-Africa Green Energy Initiative**, bringing electricity access to 100 million people in Africa



Boost the **roll-out of renewables and energy efficiency and savings across the world**, including in Western Balkans, Africa, the Mediterranean and the Indo-Pacific



Ensure fair access to **critical raw materials** through dialogue, partnerships and the EU trade policy



Make **energy efficiency and savings** a global priority and facilitate the global transition to a more circular economy



© European Union, 2022

4. 10 results already made by the plan

Almost one year later, the President Von der Leyen declared the results implemented by the plan in 10 different aspects:

The first one is we have enormously diversified away from Russian fossil fuels, away from Russian gas supplies towards other reliable, trustworthy suppliers.

Second, we are saving energy. We have introduced, as you all know, the target to reduce gas demand by 15%. If we look at the data from early autumn, we are very well on track. It is good that we are saving energy and we have to keep on saving energy.

The third point is: we are boosting the roll-out of renewables. If you look at the year 2022, we will have added almost 50 gigawatts of new capacity that is almost doubling the additional capacity of renewable energy, mostly from wind and solar. For us, this is very important because this is not only good for the planet, but we know that renewables are home-grown, they create good jobs here and they create independence and security of supply.

The fourth point is that, in this context of renewables, we have proposed to speed up drastically the permitting process for renewables. We know that many projects are basically ready to go if the permitting was there, so this has to be faster. Therefore, we have put a proposal on speeding up the permitting process on the table.

The fifth point is that we have put in place a minimum gas storage obligation. Our storages are now filled by more than 90%, so we have overshoot the target, that is very good, and we are well above the previous five-year average.

The sixth point is on solidarity. We have proposed default arrangements for the supply of gas between Member States where solidarity agreements are not yet in place to make sure that in an energy emergency, we can ensure that the gas is going and flowing where it is most needed.

The seventh point is: we have set up a platform for the joint purchasing of gas, to increase our negotiation leverage and get better prices. I think it is unacceptable that different Member States are outbidding each other on the global market and thus driving up the prices. Therefore, it is important that we join forces for the negotiation on a global level.

The eighth point is: we have improved our infrastructure. We have four new interconnectors that became operational this year. It is the Baltic Pipe, it is the interconnector Poland-Lithuania, the interconnector between Bulgaria and Greece, and the gas interconnector between Poland and Slovakia.

The ninth point I want to highlight is the fact that we have put out a legal framework that enables Member States to skim off the windfall profits, the super profits of energy-producing companies, to take this money and to support by that the vulnerable households and the vulnerable businesses in a targeted manner.

And finally, the tenth point is: we proposed a market correction mechanism, also known as the price cap, to limit spikes in gas prices at TTF level.

Many of these measures have been adopted, some at record speed.

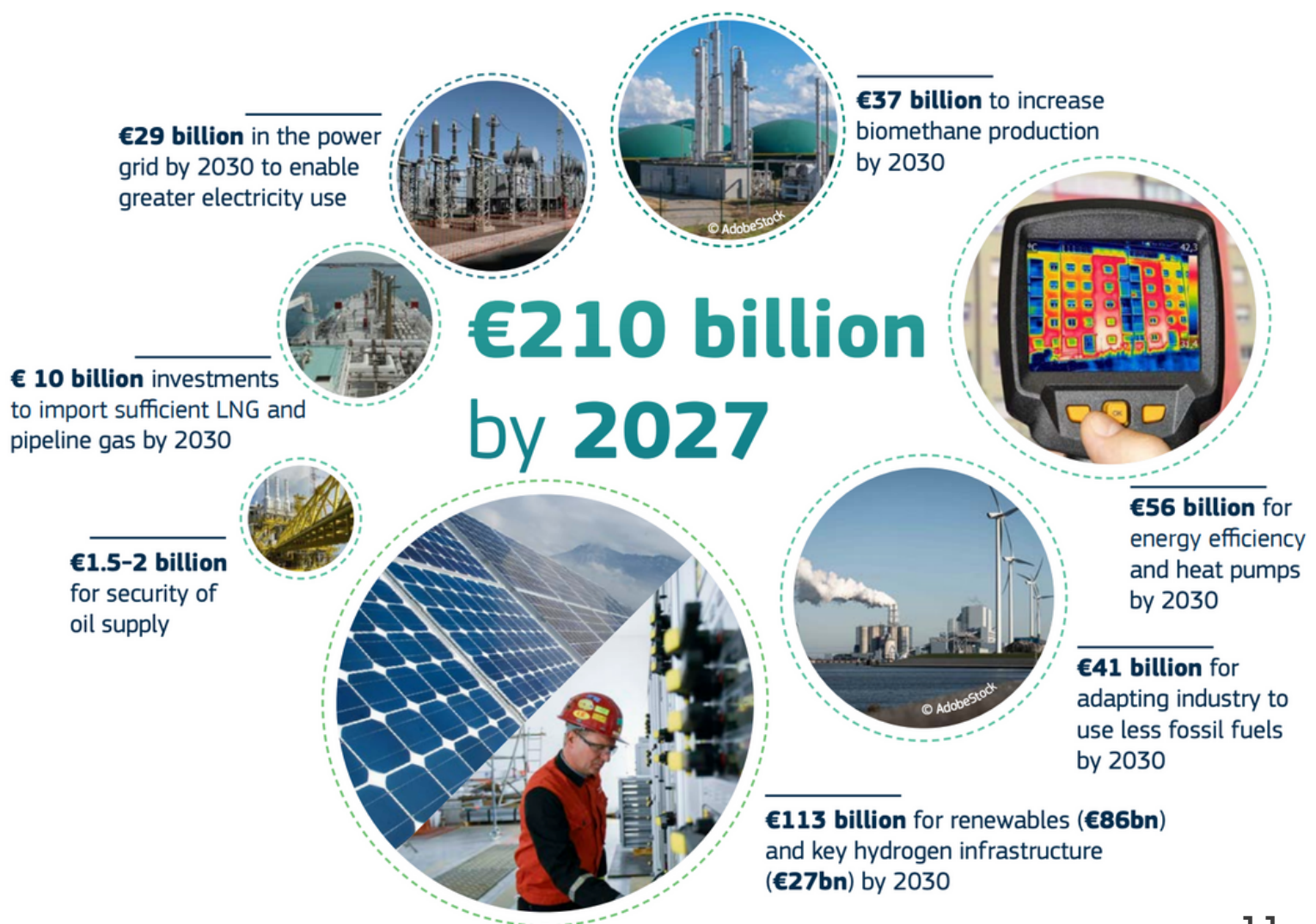
12 December 2023, Brussels

4. The investment and financing prospect of REPowerEU

The **REPowerEU Plan** will rapidly reduce our dependence on Russian fossil fuels by fast-forwarding the clean energy transition and adapting our industry and infrastructure to different energy sources and suppliers.

Additional investments of **€210 billion** are needed between now and **2027** to phase out Russian fossil fuel imports, which are currently costing European taxpayers nearly 100 billion euros per year.

This will include about €10 billion in missing links for gas and LNG so that **no Member State is left in the cold**, and up to €2 billion for oil infrastructure to put an end to the shipment of Russian oil. The rest of the financing (95% of it) will go into speeding up and scaling up the clean energy transition.



The **Recovery and Resilience Facility (RRF)** is at the heart of the REPowerEU Plan implementation, providing additional EU funding. Member States should add a REPowerEU chapter to their Recovery and Resilience Plans (RRP) to channel investments to REPowerEU priorities and make the necessary reforms.

In the 2022 European Semester cycle, there will be country-specific REPowerEU recommendations for each Member State. Member States can use the remaining RRF loans (currently €225 billion) and new RRF grants funded by the auctioning of Emission Trading System allowances, currently held in the Market Stability Reserve, worth €20 billion, for:

- **boosting energy efficiency in buildings,** and decarbonising industry;
- **increasing the 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 the electrification of transport infrastructure, including railways;



- **accelerated requalification** of the workforce towards green skills;
- **boosting value chains** for the production of key materials and technologies linked to the green transition;
- **improving energy infrastructure** and oil and gas facilities for immediate security of supply

Other sources of financing

- **Cohesion Policy funds:** Increase in voluntary transfer to the RRF of up to 12.5% of Member States' national allocation under these funds. Build on the already available 5% transfer possibility and add a 7.5% transfer possibility (additional €26.9 billion) to be spent exclusively on REPowerEU objectives. Under the current MFF, cohesion policy will support decarbonisation and green transition projects with up to €100 billion



- **European Agricultural Fund for Rural Development:** New voluntary transfer to the RRF of up to 12.5% of Member States' national financial allocation under the fund (additional €7.5 billion)
- **Connecting Europe Facility:** New call for proposals for Projects of Common Interest with €800 million complementing funds supporting infrastructure Projects of Common Interest

5. EU Funded Projects

Here are some links for the **projects and initiatives being funded** by the European Commission you can check to see the real results of the actions implemented and it's impact on European citizens:

- [BRUGEO is helping Brussels to tap into its potential of geothermal heat](#)
- [Dream Danube- The European project enabling research on how the Danube can be managed to meet environmental challenges](#)
- [A small French village leads the way for energy transition](#)
- ["Batteries for the Future" develops batteries which can boost the energy transition! \(Germany\).](#)
- [Thanks to EU support a high school in Estonia has undergone a sustainable revolution](#)
- [Project Vilawatt: A digital currency for saving energy that pays off for everyone! \(Spain\).](#)

"We had a very good discussion on an energy outlook for Europe and how to deal with the unprecedented disruptions that have been caused by Russia's atrocious war. Russia has indeed cut its pipeline supplies by 80%. We all know that these pipeline gas cuts have added unprecedented pressure on the global energy markets, with severe knock-on effects on Europe's energy system. But I want to emphasise that despite these enormous cuts, we have been able to manage, we have been able to withstand the blackmail. We have acted, and we have acted successfully. Seven months ago, in May, we have presented our response to this Russian blackmail by putting on the table REPowerEU, our plan to reduce the demand for Russian gas by two-thirds before the end of this year. And we have underpinned this proposal with an investment plan of up to EUR 300 billion. In just a few months, we have turned the REPowerEU plan into many different legislative proposals and actions on the ground."

President Ursula von der Leyen





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Authors

Dott.ssa Fiorella Garziano, Director of the Consorzio Universitario della Provincia di Trapani

Dott.ssa Marta Ferrantelli, Director of the Europe Direct Trapani Sicilia

Dott. Pedro Vitor Moreno Zselics, Communications Manager of the Europe Direct Trapani Sicilia, graduated in International Relations with a double degree in Business Administration at the IESEG Business School.

Contact Europe Direct Trapani head office: Consorzio Universitario della Provincia di Trapani – Lungomare Dante Alighieri n. 2-4 – 91016 Casa Santa Erice (TP) Tel. +39092325104 Antenna Europe Direct Trapani Sicilia (Alcamo): Ares srl – Via Giovanni Amendola, 31 Alcamo (TP) Tel. +390924503797 E-mail: info@europedirecttrapani.eu Website: www.europedirecttrapani.eu/

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