



2022/0164(COD)

19.10.2022

OPINION

of the Committee on Industry, Research and Energy

for the Committee on Budgets

on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulation (EU) 2021/1060, Regulation (EU) 2021/2115, Directive 2003/87/EC and Decision (EU) 2015/1814 (COM(2022)0231 – C9-0183/2022 – 2022/0164(COD))

Rapporteur for opinion: Dan Nica

(*) Associated committee – Rule 57 of the Rules of Procedure

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SHORT JUSTIFICATION

The context of the Proposal

The war in Ukraine and its repercussion on economies and citizens and the need to take urgent measures is the justification for including a RepowerEU chapter in the Recovery and Resilience Facility and in consequence including this in the national plans.

In view of the objective of Repower EU to become energy independent by Russian gas by 2030, the Commission asked the ENTSOG to assess to what extent infrastructure bottlenecks exist in the European gas network in case of an end to Russian gas flows. The assessment shows that it will be possible to fully compensate the end to Russian gas imports by a combination of demand reductions as envisaged by the Commission's fit for 55 package, a ramp up of domestic production of biogas and fossil-free hydrogen in particular, and rather limited additions of gas infrastructure beyond what is already included in the current 5th PCI list.

In order to close the bottlenecks identified by the ENTSOG, the proposal of the Commission is to offer financial means within the framework of the RRF by allowing higher flexibility to transfer resources allocated to them both under the Common Provisions Regulation and the CAP strategic plans as well as by allocating funding from the auctioning of allowances of the Emissions Trading System ('ETS').

Main proposals by the ITRE Rapporteur:

- General and specific objectives (Art 4(1) of RRF): The amendment of the Art. 4 (1) of existing RRF defines the REPowerEU objectives which aims- in the ITRE rapporteur proposal- increasing the resilience, security and sustainability of the Union energy system through a decrease of dependence on fossil fuels and through increasing the uptake of renewables, energy efficiency and storage capacity and diversification of energy supplies at Union level. Adding the sustainability dimension is essential as the uptake of renewables and energy efficiency measures contributes to make the Union's energy system more decentralised, independent and resilient.

- The REPowerEU chapter in the recovery and resilience plans (Art. 21 (c)):

- The emergency situation requires an accelerated process to increase EU's energy security and reduce strategic dependencies. The fast uptake of renewables and energy efficiency measures may largely contribute in this regard. As storage is key for enhancing the security of supply, appropriate support, including financial, should be provided for increasing the storage for both gas and electricity and withdrawal capacities in order to ensure an increased level of preparedness and response to risks in the security of gas supply;
- A specific line on biomethane that will enable reaching the 2030 target is added to the opinion. This is in line with the Biomethane Action Plan launched in the RepowerEU Communication from the 8th of March 2022;

- Definitions (Art. 2 of RRF): The ITRE Rapporteur proposes to include two definitions that will serve for the purpose of the amendments. A definition on the “**energy security**” and a definition on the “**energy poverty**”. The current challenges require a broader and more

comprehensive definition of energy security that should encompass the constant flow of energy as well as the protection of the system against external factor such as climate change and cybersecurity threats or dangerous energy dependencies. The definition is based on the Foreign Affairs Council conclusions of the 25th January 2021. As the rapporteur includes requirements for the Commission to assess how the measures outlined in the RepowerEU chapter may contribute to address energy poverty and vulnerable consumers in the energy sector, a definition of the “energy poverty” is proposed in line with the definition agreed in the Energy Efficiency Directive.

- DNSH principle applies to all measures under the RRF, including REPowerEU measures. However, one exemption is envisaged: Derogation will be possible to address the EU’s immediate energy security needs for oil and gas infrastructure and facilities (to reduce dependency from fossil fuels). The ITRE Rapporteur expands the derogation to renewables, energy efficiency and storage. The uptake of renewables and energy efficiency measures together with increased storage capacity also contributes to strengthen the Union’s energy security by reducing energy dependencies vis-à-vis third countries and fossil fuel dependencies.

- Amendment of the Member State’s recovery and resilience plan (Art. 21 of RRF)

The war in Ukraine and the repercussions on economies and citizens and the need to take urgent measures is the justification for including a REPowerEU chapter in the RRF. This should also allow, under very specific and justified cases, the possibility to amend the existing RRFs. This flexibility could allow to reconsider existing measures that could be aligned with the REPowerEU chapter.

- Annex I: The Commission proposal does not provide with a list of projects to be financed. The projects have to be proposed by the Member States using the ENTSOG assessment as guidelines to identify the needs. In this sense the ITRE opinion includes in the Annex I an indicative and non exhaustive list of projects, assessed by ENTSOG. This list should be in line with the scope of this Regulation, as it is addressing existing bottlenecks, by avoiding unnecessary investments in stranded assets. The list of projects is also part of Annex III of the RepowerEU Communication of the 18th of March.

AMENDMENTS

The Committee on Industry, Research and Energy calls on the Committee on Budgets, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) The Versailles Declaration of 10-11 March 2022 of the Heads of States and Governments invited the Commission to propose by the end of May a REPowerEU plan to phase out the dependency on

Amendment

(3) The Versailles Declaration of 10-11 March 2022 of the Heads of States and Governments invited the Commission to propose by the end of May a REPowerEU plan to phase out the dependency on

Russian fossil fuel imports, which was subsequently reiterated in the European Council Conclusions of 24-25 March 2022. This should be done well before 2030 in a way that is consistent with the EU's Green Deal and the climate objectives for 2030 and 2050 enshrined in the European Climate Law. Regulation (EU) 2021/241 should therefore be amended to enhance its ability to support reforms and investments dedicated to diversifying energy supplies, in particular fossil fuels, thereby strengthening the strategic autonomy of the Union alongside an open economy. Support should also be given to reforms and investments increasing the energy efficiency of the Member States' economies.

Russian fossil fuel imports, which was subsequently reiterated in the European Council Conclusions of 24-25 March 2022. This should be done well before 2030 in a way that is consistent with the EU's Green Deal and the climate objectives for 2030 and 2050 enshrined in the European Climate Law. Regulation (EU) 2021/241 should therefore be amended to enhance its ability to support reforms and investments dedicated to diversifying energy supplies, in particular fossil fuels, ***as well as to make the energy system more secure, affordable, accessible and sustainable, in particular with the uptake of renewables, energy efficiency and increased energy storage capacity***, thereby strengthening the strategic autonomy of the Union alongside an open economy. Support should also be given to reforms and investments increasing the energy efficiency ***and energy savings*** of the Member States' economies ***through better coherence with the Renewable Energy Directive, the Energy Efficiency Directive, the Energy Performance Buildings Directive and the Ecodesign for Sustainable Products Regulation***.

Amendment 2
Proposal for a regulation
Recital 3 a (new)

Text proposed by the Commission

Amendment

(3a) The phasing out of the dependency on Russian fossil fuel imports should lead to a reduction of the overall energy dependency of the Union. In line with Regulation (EU) 2021/241, the REPowerEU chapters should contribute to increasing and strengthening the strategic autonomy of the Union.

Amendment 3
Proposal for a regulation
Recital 3 b (new)

Text proposed by the Commission

Amendment

(3b) Reducing the Union’s dependency on fossil fuels imports should not lead to an increase of its dependency on raw materials imports from third countries, therefore REPowerEU should aim to reduce Union’s dependency on primary critical raw materials.

Amendment 4
Proposal for a regulation
Recital 4

Text proposed by the Commission

Amendment

(4) To maximise complementarity, consistency and coherence of policies and actions taken by the Union and Member States to foster independence **and** security of the Union’s energy supply, these energy-related reforms and investments should be established through a dedicated ‘REPowerEU chapter’ of the recovery and resilience plans.

(4) To maximise complementarity, consistency and coherence of policies and actions taken by the Union and Member States to foster independence, security **accessibility and sustainability** of the Union’s energy supply, these energy-related reforms and investments should be established through a dedicated ‘REPowerEU chapter’ of the recovery and resilience plans.

Amendment 5
Proposal for a regulation
Recital 5

Text proposed by the Commission

Amendment

(5) To maximise the scope of the Union’s response, all Member States submitting a recovery and resilience plan after the entry into force of this Regulation should be required to include a REPowerEU chapter in their plan. This requirement should apply, in particular, to revised plans submitted by Member States from 30 June 2022 to take into account the

(5) To maximise the scope of the Union’s response, all Member States submitting a recovery and resilience plan after the entry into force of this Regulation should be required to include a REPowerEU chapter in their plan. **Member States should be encouraged to draft a RepowerEU chapter before submitting a revised recovery and resilience plan and**

updated maximum financial contribution.

receive assistance to perform that task.

This requirement should apply, in particular, to revised plans submitted by Member States from 30 June 2022 to take into account the updated maximum financial contribution.

Amendment 6

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) The REPowerEU chapter should include new reforms and investments contributing to the REPowerEU aims. 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. 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 taken to adapt to new geopolitical threats. 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.

Amendment

(6) The REPowerEU chapter should include new reforms ***and investments*** contributing to the REPowerEU aims ***and tackling the crisis effect caused 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*, taken to adapt to new geopolitical threats *as well as make a long term input into the green transition by being hydrogen-ready*. Furthermore, additional support could be ensured by *complimentary recommendations for possible cross-border and transnational projects granting added Union value. A non-exhaustive indicative list with identified projects for natural gas infrastructures should be included in Annex Ia to Regulation (EU) 2021/241*. 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.

Amendment 7
Proposal for a regulation
Recital 7

Text proposed by the Commission

(7) An appropriate assessment criterion should be added to serve as a basis for the Commission to assess reforms and investments included in the REPowerEU chapter sand to ensure that reforms and investments are fit for achieving the specific REPowerEU-related objectives. An A rating should be required under this new assessment criterion for the relevant recovery and resilience plan to be positively assessed by the Commission.

Amendment

(7) An appropriate ***and technologically neutral*** assessment criterion should be added to serve as a basis for the Commission to assess reforms and investments included in the REPowerEU chapter sand to ensure that reforms and investments are fit for achieving the specific REPowerEU-related objectives. ***with a special focus on energy storage capacities***. An A rating should be required under this new assessment criterion for the relevant recovery and resilience plan to be positively assessed by the Commission.

Amendment 8
Proposal for a regulation
Recital 8

Text proposed by the Commission

(8) Investments in infrastructure and technologies alone are not sufficient to ensure a reduction of dependency from fossil fuels. Resources should be dedicated to the reskilling and upskilling of people, to further equip the workforce with **green** skills. This is in line with the objective of the European Social Fund Plus, which aims at supporting Member States in achieving a skilled and resilient workforce ready for the future world of work. In light of this, resources transferred from the European Social Fund Plus should help support measures for the reskilling and upskilling of the workforce. The Commission will assess whether the measures included in the REPowerEU chapters significantly contribute to supporting a requalification of the workforce towards **green skills**.

Amendment

(8) Investments in infrastructure and technologies alone are not sufficient to ensure a reduction of dependency from fossil fuels. ***Given the current crisis, it reveals the critical needs of qualified professionals in energy sectors.*** Resources should be dedicated to the reskilling and upskilling of people, to further equip the workforce with **energy transition** skills. This is in line with the objective of the European Social Fund Plus, which aims at supporting Member States in achieving a skilled and resilient workforce ready for the future world of work. In light of this, resources transferred from the European Social Fund Plus should help support measures for the reskilling and upskilling of the workforce. The Commission will assess whether the measures included in the REPowerEU chapters significantly contribute to supporting a requalification of the workforce towards **the energy transition**.

Amendment 9
Proposal for a regulation
Recital 10

Text proposed by the Commission

(10) The recovery and resilience plan, including the REPowerEU chapter, should contribute to effectively addressing all or a significant subset of the challenges identified in the relevant country-specific recommendations, including the country-specific recommendations to be adopted under the 2022 Semester cycle which refer inter alia to the energy challenges that Member States are facing.

Amendment

(10) The recovery and resilience plan, including the REPowerEU chapter, should contribute to effectively addressing all or a significant subset of the challenges identified in the relevant country-specific recommendations, ***taking into account the specificities of the energy mix of each Member State*** including the country-specific recommendations to be adopted under the 2022 Semester cycle which refer inter alia to the energy challenges that Member States are facing.

Amendment 10
Proposal for a regulation
Recital 12

Text proposed by the Commission

(12) Pursuant to Article 18(4) point (q) of Regulation (EU) 2021/241, the Member States should also provide a **summary** of the consultation process of local and regional authorities and other relevant stakeholders, including, as relevant, from the agricultural sector, for reforms and investments included in the REPowerEU chapter. Such **summaries** should explain the outcome of those consultations and outline how the input received was reflected in REPowerEU chapters.

Amendment

(12) Pursuant to Article 18(4) point (q) of Regulation (EU) 2021/241, the Member States should also provide a **report** of the consultation process of local and regional authorities and other relevant stakeholders, including, as relevant, from the agricultural sector, for reforms and investments included in the REPowerEU chapter. Such **reports** should explain the outcome of those consultations and outline how the input received **during those consultations** was reflected in REPowerEU chapters **and how sustainable alternatives to building new fossil fuel infrastructure were prioritised**.

Amendment 11
Proposal for a regulation
Recital 13

Text proposed by the Commission

(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 exemption to safeguard the EU’ immediate energy security concerns. Considering the objective of diversifying energy supplies away from Russian suppliers, the reforms and investments set out in those REPowerEU chapters which aim to improve energy infrastructure and facilities to meet immediate security of supply needs for oil and gas should not be required to comply with the principle of ‘do no significant harm’ and should therefore be

Amendment

(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 **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 energy infrastructure **and to ensure that that infrastructure is hydrogen-ready**, and facilities to meet immediate security of supply needs for oil and gas, **as well as reforms, investments**

exempted from such assessment.

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. *Member States should explain how measures are expected to contribute to the REPowerEU objectives and to what extent such measures could harm the achievement of Union’s environmental objectives. Besides contributing to achieve climate neutrality, measures concerning renewables, storage and energy efficiency are essential to promote a more autonomous energy system and, in turn, to increase the Union energy security.*

Amendment 12
Proposal for a regulation
Recital 14

Text proposed by the Commission

(14) Further incentives should be provided for Member States to request loans, through *the clarification of the* loan allocation procedure. In accordance with Regulation (EU) 2021/241, Member States may request loans until 31 August 2023. An intention to submit a loan request should be communicated to the Commission 30 days after the entry into force of this Regulation so that the redistribution of the remaining funds can be conducted in an orderly manner.

Amendment

(14) Further incentives should be provided for Member States to request loans, through *a quick, accessible and unbureaucratic* loan allocation procedure *while ensuring compliance with the principles of equal treatment, proportionality, solidarity and transparency*. In accordance with Regulation (EU) 2021/241, Member States may request loans until 31 August 2023. An intention to submit a loan request should be communicated to the Commission 30 days after the entry into force of this Regulation so that the redistribution of the remaining funds can be conducted in an orderly manner. *In order to ensure that the REPowerEU objectives are implemented coherently and fully, the Commission should establish procedures for the Member States who have reached the maximum loan envelope. Where needed, the Commission could also grant technical support to the Member States*

for faster and more targeted implementation.

Amendment 13
Proposal for a regulation
Recital 14 a (new)

Text proposed by the Commission

Amendment

(14a) The Commission should submit to the European Parliament an overview of the projects and of loan proposals put forward by the Member States and of suggested distribution of funds.

Amendment 14
Proposal for a regulation
Recital 15

Text proposed by the Commission

Amendment

(15) In addition, to incentivise a high level of ambition for reforms and investments to be included in the REPowerEU chapter, new dedicated funding sources should be provided.

(15) In addition, to incentivise a high level of ambition for reforms and investments to be included in the REPowerEU chapter, new dedicated funding sources should be provided ***to secure better and more effective use of the loans of the Members States, as well as more efficient and flexible mobilising of the existing funds.***

Amendment 15
Proposal for a regulation
Recital 21

Text proposed by the Commission

Amendment

(21) The Commission should monitor the implementation of reforms and investments outlined in the REPowerEU chapter and their contribution to the REPowerEU objectives, as established in Regulation (EU) 2021/241.

(21) The Commission should monitor the implementation of reforms and investments outlined in the REPowerEU chapter and their contribution to the REPowerEU objectives, as established in Regulation (EU) 2021/241. ***In particular, the Commission should assess how the recovery and resilience plans and their***

REPowerEU chapters contribute to upward economic and social convergence and prioritise energy poor and vulnerable consumers, also taking into account social and regional inequalities.

Amendment 16
Proposal for a regulation
Recital 22

Text proposed by the Commission

(22) Recent geopolitical events have affected prices of energy and construction materials and have also caused shortages in the global supply chains. These developments may have a direct impact on the capacity to implement some investments included in the recovery and resilience plans. To the extent that Member States can demonstrate that such developments make a specific milestone or target, either totally or partially, no longer achievable, such situations may be invoked as objective circumstances under Article 21. These developments cannot constitute objective circumstances for revising reforms, as reforms are generally not cost dependent. In addition, no request for amendments should undermine the overall implementation of the recovery and resilience plans.

Amendment

(22) Recent geopolitical events have affected prices of ***commodities, including*** energy and construction materials and have also caused shortages in the global supply chains. These developments may have a direct impact on the capacity to implement some investments included in the recovery and resilience plans. To the extent that Member States can demonstrate that such developments, ***due to the Russian military aggression against Ukraine,*** make a specific milestone or target, either totally or partially, no longer achievable, such situations may be invoked as objective circumstances under Article 21. These developments cannot constitute objective circumstances for revising reforms, as reforms are generally not cost dependent. In addition, no request for amendments should undermine the overall implementation of the recovery and resilience plans.

Amendment 17
Proposal for a regulation
Article 1 – paragraph 1 – point -1 (new)
Regulation (EU) 2021/241
Article 2 – point 1 a (new)

Text proposed by the Commission

Amendment

(-1) In Article 2, the following point is inserted:

‘(1a) ‘energy security’ means the continuous and uninterrupted availability of energy, security of supply and technical safety achievable by increasing efficiency and interoperability of transmission and distribution networks, promoting system flexibility, avoiding congestions, ensuring resilient supply chains, cybersecurity and the protection and climate adaptation of all infrastructure, in particular, the critical one while reducing strategic energy dependencies;’

Amendment 18

Proposal for a regulation

Article 1 – paragraph 1 – point -1 (new)

Regulation (EU) 2021/241

Article 2 – point 1 b (new)

Text proposed by the Commission

Amendment

(1b) ‘energy poverty’ means a household’s inability, linked to non affordability, to meet its basic energy supply needs and a lack of access to essential energy services to guarantee basic levels of comfort and health, a decent standard of living and health, including adequate heating, hot water, cooling, lighting, and energy to power appliances, in the relevant national context, existing social policy and other relevant policies, caused by one or a combination of the following factors: insufficient disposable income, high energy expenditures and poor energy efficiency of homes;

Amendment 19

Proposal for a regulation

Article 1 – paragraph 1 – point 1

Regulation (EU) 2021/241

Article 4 – paragraph 1

Text proposed by the Commission

Amendment

1. In line with the six pillars referred

1. In line with the six pillars referred

in Article 3 of this Regulation, the coherence and synergies they generate, and in the context of the COVID-19 crisis, the general objective of the Facility shall be to promote the Union's economic, social and territorial cohesion by improving the resilience, crisis preparedness, adjustment capacity and growth potential of the Member States, by mitigating the social and economic impact of that crisis, in particular on women, by contributing to the implementation of the European Pillar of Social Rights, by supporting the green transition, by contributing to the achievement of the Union's 2030 climate targets set out in point (11) of Article 2 of Regulation (EU) 2018/1999, **and** by complying with the objective of EU climate neutrality by 2050 and of the digital transition, by increasing the resilience of the Union energy system through a decrease of dependence on fossil fuels and diversification of energy supplies at Union level ('REPowerEU objectives') thereby contributing to the upward economic and social convergence, restoring and promoting sustainable growth and the integration of the economies of the Union, fostering high quality employment creation, and contributing to the strategic autonomy of the Union alongside an open economy and generating European added value.

in Article 3 of this Regulation, the coherence and synergies they generate, and in the context of the COVID-19 crisis, the general objective of the Facility shall be to promote the Union's economic, social and territorial cohesion by improving the resilience, crisis preparedness, adjustment capacity and growth potential of the Member States, by mitigating the social and economic impact of that crisis, in particular on women, ***vulnerable groups and small and medium-sized enterprises*** by contributing to the implementation of the European Pillar of Social Rights, by supporting the green transition, by contributing to the achievement of the Union's 2030 climate targets set out in point (11) of Article 2 of Regulation (EU) 2018/1999, ***and of the Union's 2030 renewable energy and energy efficiency targets set out in the Renewable Energy Directive and Energy Efficiency Directive*** by complying with the objective of EU climate neutrality by 2050 and of the digital transition, by increasing the resilience, ***security and sustainability*** of the Union energy system through a ***significant*** decrease of dependence on fossil fuels ***and through increasing the uptake of renewables, energy efficiency and energy storage capacity*** and diversification of energy supplies at Union level ('REPowerEU objectives') thereby contributing to the upward economic and social convergence, restoring and promoting sustainable growth ***compatible with the European Green deal*** and the integration of the economies of the Union, fostering high quality employment creation, and contributing to the strategic autonomy of the Union alongside an open economy and generating European added value.

Amendment 20
Proposal for a regulation
Article 1 – paragraph 1 – point 3

Text proposed by the Commission

(q) for the preparation and, where available, for the implementation of the recovery and resilience plan, a **summary** of the consultation process, conducted in accordance with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, and how the input of the stakeholders is reflected in the recovery and resilience plan; in particular, the **summary of** the consultation process shall explain the outcome of the consultations with local and regional authorities and other relevant stakeholders on reforms and investments included in the REPowerEU chapter and outline how the input received was reflected in the REPowerEU chapter;

Amendment

(q) for the preparation and, where available, for the implementation of the recovery and resilience plan, a **report** of the consultation process, conducted in accordance with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, and how the input of the stakeholders is reflected in the recovery and resilience plan; in particular, the **report on** the consultation process shall explain **the timeline and** the outcome of the consultations with local and regional authorities, and other relevant stakeholders **such as experts and civil society representatives** on reforms and investments included in the REPowerEU chapter and outline how the input received was reflected in the REPowerEU chapter;'

Amendment 21

Proposal for a regulation

Article 1 – paragraph 1 – point 4

Regulation (EU) 2021/241

Article 19 – paragraph 3 – point da

Text proposed by the Commission

(da) whether the reforms and investments referred to in Article 21c(1) effectively contribute towards the diversification of the Union's energy supply **or** reduction of dependence on fossil fuels before 2030.;

Amendment

(da) whether the reforms and investments referred to in Article 21c(1) effectively contribute towards **energy security**, the diversification of the Union's energy supply, **increase of energy storage capacities or significant** reduction of dependence on fossil fuels before 2030, **towards the Union's 2030 targets including energy efficiency and renewable energy and towards the Union's climate neutrality objective;**

Amendment 22

Proposal for a regulation

Article 1 – paragraph 1 – point 4 a (new)

Regulation (EU) 2021/241

Article 21 – paragraph 1

Present text

1. Where the recovery and resilience plan ***including relevant milestones and targets is*** no longer achievable, either partially or totally, by the Member State concerned because of objective circumstances, the Member State concerned may make a reasoned request to the Commission to ***make*** a proposal to amend or replace the Council implementing decisions referred to in Article 20(1) and (3). To that end, the Member State may propose an amended or a new recovery and resilience plan. Member States may request technical support for the preparation of such proposal under the Technical Support Instrument.

Amendment

(4a) In Article 21, paragraph 1 is replaced by the following:

‘1. Where ***certain milestones and targets from*** the recovery and resilience plan ***are*** no longer achievable, either partially or totally, by the Member State concerned because of objective circumstances, ***including the crisis caused by Russian military aggression against Ukraine or, where new investments and reforms are relevant to combat the effects of the Ukraine crisis,*** the Member State concerned may make a reasoned request to the Commission to ***adopt*** a proposal to amend or replace the Council implementing decisions referred to in Article 20(1) and (3). To that end, that Member State may propose an amended or a new recovery and resilience plan. Member States may request technical support for the preparation of such proposal under the Technical Support Instrument.’

Amendment 23

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2021/241

Article 21a – paragraph 1

Text proposed by the Commission

(1) EUR 20 000 000 000 in current prices shall be available, in line with Article 10e(4) of Directive 2003/87/EC, for implementation under this Regulation to increase the resilience of the Union energy system through a decrease of dependence on fossil fuels and diversification of energy

Amendment

(1) EUR 20 000 000 000 in current prices shall be available, in line with Article 10e(4) of Directive 2003/87/EC, for implementation under this Regulation to increase the resilience, ***security and sustainability as well as affordability*** of the Union energy system through a

supplies at Union level. That amount shall be made available in the form of external assigned revenue within the meaning of Article 21(5) of the Financial Regulation.

significant decrease of dependence on fossil fuels and diversification of energy supplies, **increase energy storage capacities** at Union level **and by boosting investments in energy efficiency and renewable energy generation**. That amount shall be made available in the form of external assigned revenue within the meaning of Article 21(5) of the Financial Regulation.

Amendment 24

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2021/241

Article 21a – paragraph 5

Text proposed by the Commission

(5) Each Member State may submit to the Commission a request for allocation of an amount not exceeding its share, by including in its plan the reforms and investments described in Article 21c(1) and indicating their estimated costs.

Amendment

(5) Each Member State may submit to the Commission a request for allocation of an amount not exceeding its share, by including in its plan **its commitment to climate neutrality goal by 2050**, the reforms and investments described in Article 21c(1) and indicating their estimated costs.

Amendment 25

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2021/241

Article 21c – paragraph 1 – point a

Text proposed by the Commission

(a) improving energy infrastructure and facilities to meet immediate security of supply needs for oil and gas, notably to enable diversification of supply in the interest of the Union as a whole,

Amendment

(a) improving energy infrastructure and facilities to meet immediate security of supply needs for oil and gas, notably to **reduce Union's dependency on 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;

Amendment 26

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2021/241

Article 21c – paragraph 1 – point b

Text proposed by the Commission

(b) boosting energy efficiency in buildings, decarbonising industry, increasing production and uptake of *sustainable biomethane and renewable or fossil-free* hydrogen and increasing the share of renewable energy,

Amendment

(b) boosting energy efficiency in buildings *and energy savings and on-site electricity generation*, decarbonising industry, *increasing storage capacity, increasing production and uptake of* renewable *and low-carbon* hydrogen and increasing the share of renewable *and low-carbon* energy *in all sectors identified in the Renewable Energy Directive, with adequate priority for the needs of energy-poor and vulnerable consumers;*

Amendment 27

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2021/241

Article 21c – paragraph 1 – point ba (new)

Text proposed by the Commission

Amendment

(ba) boosting low-carbon energy sources production within the Union;

Amendment 28

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2021/241

Article 21 c – paragraph 1 – point bb (new)

Text proposed by the Commission

Amendment

(bb) increasing production and uptake

of sustainable biomethane to achieve the objective of 35bcm production by 2030;

Amendment 29

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2021/241

Article 21c – paragraph 1 – point c

Text proposed by the Commission

(c) addressing internal and cross-border energy transmission bottlenecks and supporting zero emission transport and its infrastructure, including railways,

Amendment

(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,

Amendment 30

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2021/241

Article 21c – paragraph 1 – point ca (new)

Text proposed by the Commission

Amendment

(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;

Amendment 31

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2021/241

Article 21c – paragraph 1 – point cb (new)

Text proposed by the Commission

Amendment

(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, in particular buildings, including in heating and cooling sectors with the aim of structural changes towards just and affordable energy transition;

Amendment 32

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2021/241

Article 21c – paragraph 1 – point d

Text proposed by the Commission

(d) supporting the objectives *in points (a), (b) and (c)* through an accelerated requalification of the workforce towards *green skills, as well as support of the value chains in key materials and technologies linked to the green* transition.

Amendment

(d) supporting the objectives *of this paragraph* through an accelerated requalification of the workforce towards *the energy* transition;

Amendment 33

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2021/241

Article 21c – paragraph 1 – point da

Text proposed by the Commission

Amendment

(da) supporting the value chains in key materials and technologies linked to the energy transition, broadening the use of sustainable construction materials and products and reducing dependency on primary critical raw materials.

Amendment 34

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2021/241

Article 21c – paragraph 2 – point c

Text proposed by the Commission

(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 a quantification of the energy savings.

Amendment

(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;***

Amendment 35

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2021/241

Article 21c – paragraph 2 – point ca (new)

Text proposed by the Commission

Amendment

(ca) an explanation on how the measures referred to in paragraph 1 are to contribute to addressing energy poverty and to supporting vulnerable consumers.

Amendment 36

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2021/241

Article 21c – paragraph 4

Text proposed by the Commission

Amendment

(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.

(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, 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 those objectives and, where relevant, how and to what extent the measures could harm the achievement of Union's environmental objectives.

Amendment 37

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2021/241

Article 21d – paragraph 1

Text proposed by the Commission

(1) The Commission shall monitor the implementation of the measures outlined in the REPowerEU chapter and their contribution to the REPowerEU objectives.

Amendment

(1) The Commission shall monitor the implementation of the measures outlined in the REPowerEU chapter and their contribution 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.*

Amendment 38

Proposal for a regulation

Article 1 – paragraph 1 – point 6

Regulation (EU) 2021/241

Article 21d – paragraph 1a (new)

Text proposed by the Commission

Amendment

(1a) The Commission shall assess how the measures outlined in the RepowerEU chapter prioritised the support for energy poor and vulnerable consumers and how they address energy poverty.

Amendment 39

Proposal for a regulation

Annex I – paragraph 1 – point a

Regulation (EU) 2021/241

Annex V – section 2 – point 12 – subparagraph 1

Text proposed by the Commission

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 through a diversification of energy supply or reduction of dependence on fossil fuels before 2030.

Amendment

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 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 Union to become independent from gas power plants, which are currently used in case of renewable energy shortfall.***

Amendment 40

Proposal for a regulation

Annex I – paragraph 1 – point a

Regulation 2021/241

Annex V – section 2 – point 12 – subparagraph 2 – indent 1

Text proposed by the Commission

— the implementation of the envisaged measures is expected to significantly contribute to the improvement of energy infrastructure and facilities to meet immediate security of supply needs for oil and gas, notably to enable diversification of supply in the interest of the Union as a whole,

Amendment

— 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 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;***

Amendment 41

Proposal for a regulation

Annex I – paragraph 1 – point a

Regulation (EU) 2021/241

Annex V – section 2 – point 12 – subparagraph 2 – indent 2

Text proposed by the Commission

— the implementation of the envisaged measures is expected to significantly contribute to boosting energy efficiency in buildings, decarbonising industry, increasing ***production and uptake of sustainable biomethane and renewable or fossil free*** hydrogen and increasing the share of renewable energy,

Amendment

— 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 and low-carbon*** hydrogen and increasing the share of renewable ***and low-carbon*** energy ***in all sectors identified in the Renewable Energy Directive, with adequate priority for the needs of energy-poor and vulnerable consumers***,

Amendment 42

Proposal for a regulation

Annex I – paragraph 1 – point a

Regulation (EU) 2021/241

Annex V – section 2 – point 12 – subparagraph 2 – indent 2a

Text proposed by the Commission

Amendment

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

Amendment 43

Proposal for a regulation

Annex I – paragraph 1 – point a

Regulation (EU) 2021/241

Annex V – section 2 – point 12 – subparagraph 2 – indent 3

Text proposed by the Commission

Amendment

— the implementation of the envisaged measures is expected to address

— the implementation of the envisaged measures is expected to address

energy infrastructure bottlenecks, in particular by constructing cross-border links with other Member States, or supports zero-emission transport and its infrastructure, including railways,

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***

Amendment 44

Proposal for a regulation

Annex I – paragraph 1 – point a

Regulation (EU) 2021/241

Annex V – section 2 – point 12 – subparagraph 2 – indent 3a

Text proposed by the Commission

Amendment

— ***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***

Amendment 45

Proposal for a regulation

Annex I – paragraph 1 – point a

Regulation (EU) 2021/241

Annex V – section 2 – point 12 – subparagraph 2 – indent 3b

Text proposed by the Commission

Amendment

— ***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;***

Amendment 46

Proposal for a regulation

Annex I – paragraph 1 – point a

Regulation (EU) 2021/241

Annex V – section 2 – point 12 – subparagraph 2 – indent 4

Text proposed by the Commission

— the implementation of the envisaged measures is expected to significantly contribute to supporting a requalification of the workforce towards **green skills, as well as supporting** value chains in key materials and technologies linked to the green transition,

Amendment

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

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

Amendment 47

Proposal for a regulation

Annex I – paragraph 1 – point a

Regulation (EU) 2021/241

Annex V – section 2 – point 12 – subparagraph 2 – indent 5

Text proposed by the Commission

— 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 diversification of energy supply or reduction of dependence on fossil fuels before 2030.'

Amendment

— 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.'

Amendment 48

Proposal for a regulation

Annex I – paragraph 1 – point a

Regulation (EU) 2021/241

Annex V – section 2 – point 12 – subparagraph 2 – indent 5a

Text proposed by the Commission

Amendment

— *whether the measures prioritise support for energy-poor and vulnerable consumers.*

Amendment 49

Proposal for a regulation

Annex Ia

Regulation (EU) 2021/241

Annex Va

Text proposed by the Commission

Amendment

The following Annex Va is inserted in Regulation 2021/241:

‘Annex Va

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:

Balticsea region:

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

- a second LNG terminal in Poland

WesternEurope:

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

- gas infrastructure reinforcements to increase export capacity from Belgium to

Germany

- 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).'***

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulation (EU) 2021/1060, Regulation (EU) 2021/2115, Directive 2003/87/EC and Decision (EU) 2015/1814	
References	COM(2022)0231 – C9-0183/2022 – 2022/0164(COD)	
Committees responsible Date announced in plenary	BUDG 6.6.2022	ECON 6.6.2022
Opinion by Date announced in plenary	ITRE 6.6.2022	
Associated committees - date announced in plenary	15.9.2022	
Rapporteur for the opinion Date appointed	Dan Nica 14.6.2022	
Rule 58 – Joint committee procedure Date announced in plenary	15.9.2022	
Discussed in committee	1.9.2022	
Date adopted	13.10.2022	
Result of final vote	+: 42 -: 10 0: 3	
Members present for the final vote	Andrus Ansip, François-Xavier Bellamy, Hildegard Bentele, Tom Berendsen, Vasile Blaga, Michael Bloss, Paolo Borchia, Cristian-Silviu Buşoi, Ignazio Corrao, Nicola Danti, Pilar del Castillo Vera, Martina Dlabajová, Christian Ehler, Valter Flego, Niels Fuglsang, Lina Gálvez Muñoz, Claudia Gamon, Nicolás González Casares, Christophe Grudler, Henrike Hahn, Ivars Ijabs, Romana Jerković, Łukasz Kohut, Andrius Kubilius, Miapetra Kumpula-Natri, Iskra Mihaylova, Alin Mituța, Dan Nica, Angelika Niebler, Ville Niinistö, Mauri Pekkarinen, Tsvetelina Penkova, Markus Pieper, Clara Ponsati Obiols, Manuela Ripa, Dominique Riquet, Sara Skyttedal, Riho Terras, Grzegorz Tobiszowski, Patrizia Toia, Marie Toussaint, Pernille Weiss	
Substitutes present for the final vote	Tiziana Beghin, Damian Boeselager, Franc Bogovič, Damien Carême, Jakop G. Dalunde, Elena Lizzi, Dominique Riquet, Angelika Winzig	
Substitutes under Rule 209(7) present for the final vote	Alessandra Basso, Rosanna Conte, Andrzej Halicki, Maria-Manuel Leitão-Marques, Colm Markey	

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

42	+
ECR	Grzegorz Tobiszowski
ID	Alessandra Basso, Paolo Borchia, Rosanna Conte, Elena Lizzi
PPE	François-Xavier Bellamy, Hildegard Bentele, Tom Berendsen, Vasile Blaga, Franc Bogovič, Cristian-Silviu Buşoi, Pilar del Castillo Vera, Christian Ehler, Andrzej Halicki, Andrius Kubilius, Colm Markey, Angelika Niebler, Markus Pieper, Sara Skyttedal, Riho Terras, Pernille Weiss, Angelika Winzig
RENEW	Andrus Ansip, Nicola Danti, Martina Dlabajová, Valter Flego, Christophe Grudler, Ivars Ijabs, Alin Mituța, Mauri Pekkarinen, Dominique Riquet
S&D	Biljana Borzan, Niels Fuglsang, Lina Gálvez Muñoz, Nicolás González Casares, Romana Jerković, Łukasz Kohut, Miapetra Kumpula-Natri, Maria-Manuel Leitão-Marques, Dan Nica, Tsvetelina Penkova, Patrizia Toia

10	-
NI	Tiziana Beghin
VERTS/ALE	Michael Bloss, Damian Boeselager, Damien Carême, Ignazio Corrao, Jakop G. Dalunde, Henrike Hahn, Ville Niinistö, Manuela Ripa, Marie Toussaint

3	0
NI	Clara Ponsatí Obiols
RENEW	Claudia Gamon, Iskra Mihaylova

Key to symbols:

+ : in favour

- : against

0 : abstention