

LEGAL ALERT

PLAN FOR REDUCING DEPENDENCE ON RUSSIAN FOSSIL FUELS AND ACCELERATING THE GREEN TRANSITION

REPowerEU

In the context of Russia's invasion of Ukraine, the European Commission issued a communication on March 8, 2022, in which it reinforces the need for Member States to reduce its dependence on fossil fuels (namely those coming from Russia) in a safe and affordable way, by referring to a new and ambitious plan to accelerate the energy transition – the REPowerEU.

The REPowerEU plan, in its [final version presented on May 18, 2022](#), is based on the pillars for promoting carbon neutrality established in the Fit for 55 plan and presents a set of substantially more ambitious goals and objectives in the field of energy efficiency and renewable energy production, forecasting an increase to 45% (from the previous 40%) of renewable energy consumption and almost 600GW of installed capacity by 2030.

With the purpose of allowing the end of coal, oil and natural gas imports from Russia, a set of measures will be implemented (directed, in particular, to the countries that currently most depend on such imports) which include the creation of incentives for the development of renewable energy production and energy efficiency through the acceleration of environmental licensing processes, the creation of “go to areas” previously designated as favorable to the implementation of renewable projects and the provision of additional funds to Member States aimed at the promotion of reforms and investments under the relevant Recovery and Resilience Plans (RRP).

REPowerEU presents a set of concrete initiatives to promote the production of renewable energy and the creation of collaborative relationships between different Member States, such as: the European Solar Rooftop Initiative, which establishes an obligation to install self-consumption plants in the construction of new buildings, the EU large-scale skills partnership, which aims to create synergies between the various Member States in the development of new plans and technologies within the production, installation and maintenance of solar panels, and the EU Solar Industry Alliance which consists in the creation of a package of measures to support the national production of solar panels.

In this context, the European Commission has submitted a [proposal to amend Directive \(EU\) 2018/2001 of the European Parliament and of the Council of December 11, 2018](#) on the promotion of the use of energy from renewable sources (RED II) which aims to include, in addition to the new share of energy from renewable sources in the Union's gross final energy consumption for 2030 and new deadlines for permit procedures, the obligation of the Member States to identify suitable locations for the existence of "go to areas" for the development of renewable energy production projects.

On the same date, the European Commission has issued a [Recommendation](#) to the Member States calling for the removal of any unjustified administrative or market barriers to the purchase of energy by companies through power purchase agreements, as well as the promotion of support mechanisms for these instruments.

In what concerns hydrogen, REPowerEU promotes the densification of the regulations applicable to this gas (which should reflect the objectives of development in the hydrogen market and speed up the licensing processes of these infrastructures), as well as the development of support and new financing options in the construction of new hydrogen production and transport projects and the operationalization of three new import corridors for this gas (via the Mediterranean, the North Sea and, as soon as possible, Ukraine).

On the other hand, REPowerEU lays the path for the next steps of the EU Energy Platform, which aims to facilitate and centralize demand, import coordination, storage and negotiation activities with international partners for gas, LNG and hydrogen purchases at the European level.

As the European Commission estimates that the achievement of the goals set forth in REPowerEU will require an additional investment of 210 billion euros compared to that already planned for the goals set out in Fit for 55, it has determined the allocation of new European funds to support the energy transition, which include 20 billion euros to be allocated under the PRRs, 800 million euros to be allocated to Projects of Common Interest, and also the increase to 3 million euros of funds to be allocated under the Innovation Fund.

Lastly, the REPowerEU provides for the adoption of a set of medium and long-term support measures for Ukraine aimed, on the one hand, at guaranteeing the supply of electricity and natural gas in Ukrainian territory for as long as the armed conflict with Russia continues and, on the other, at ensuring support for the sustainable reconstruction of Ukraine, with the aim of ensuring security and regularity of supply and the creation of synergies with the European electricity market, in line with the European Union's carbon neutrality commitments.

Despite this initiative by the European Commission, the successful implementation of the measures provided for in REPowerEU will also depend on the joint efforts and coordination of the Member States, through, *inter alia*, reforms and investments to be made at the national level.

The European Commission also indicates that it will adopt measures to facilitate the control of possible State aid intended for the implementation by Member States of the REPowerEU. It is, however, important that Member States ensure compliance with the European competition and state aid rules to limit market distortions.

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