

ZEP Briefing – REPowerEU

Background

The European Union condemned the invasion of Ukraine by Russia on 24 February 2022 and has adopted a package of economic sanctions. The EU is also seeking to reinforce its energy autonomy and address rising energy prices.

REPowerEU

The Commission adopted on 8 March 2022 a [Communication](#) named 'REPowerEU' to:

- make Europe **independent** from Russian fossil fuels **before 2030**; and
- reduce EU demand for Russian gas by **two thirds** before the end of **2022**.

The Communication includes the following measures:

- Legislative proposal requiring underground **gas storage** across the EU to be filled up to **at least 90%** by 1 October;
- Higher Liquefied Natural Gas (**LNG**) and **pipeline imports** from non-Russian suppliers (respectively 50 and 10 billion cubic metres per year by the end of 2022);
- Larger volumes of **biomethane** (production of 35 billion cubic metres per year by 2030) and **renewable hydrogen** (including an **Hydrogen Accelerator** with additional import of 10 million tonnes and production of 5 million tonnes by 2030);
- Boosting energy efficiency, increasing **renewables** and electrification (including roll-out of rooftop solar PV systems by up to 15TWh this year and reaching the figure of 10 million heat pumps installed in the next 5 years);
- EU-wide scheme for carbon contracts for difference (**CCfDs**);
- Investigation into the gas market regarding potential distortions of competition by operators, notably Gazprom;
- Options to optimise the **electricity market design**;
- Short-term **support to companies** affected by high energy prices via state aid; and
- Potential new State aid Temporary Crisis Framework to support energy-intensive companies.