

Brussels, 06/11/2020

To the kind attention of ECON/BUDG Committees members

Object: Eurelectric reaction to RRF compromise amendments

Dear Member,

Eurelectric welcomes the architecture and ambition of the Recovery and Resilience Facility (RRF): by mobilizing resources quickly and sensibly, the RRF will address economic and social consequences of the economic slowdown while contributing to the achievement of the European Green Deal objectives.

In the wake of Monday's 9th November 2020 in ECON/BUDG Committee vote on the adoption of compromise amendments to the Regulation establishing a Recovery and Resilience Facility , Eurelectric welcomes the proposed compromised amendments seeking to earmark climate friendly projects, increase transparency in the allocation of funds and broaden stakeholder engagement.

Among the proposed amendments, Eurelectric would like to raise your attention on the following, as being crucial to enable the power sector to deliver economic recovery while speeding up the transition towards climate neutrality by 2050:

1. **CA B (Art; 2) / CA C (Art 3, 4, 4a new)** The reference to the “Do no significant harm” principle and the EU Taxonomy should be made by taking into account that the detailed criteria of the EU Taxonomy Regulation in the delegated acts are still to be agreed and adopted for the various economic activities. While the EU taxonomy should be a reference for the use of the recovery funds, shortcomings remain in the current nonbinding recommendations of the TEG that should be addressed first in the upcoming delegated acts prior to assessing, which use it might have for the public sector. For this reason, we invite the European Parliament to carefully consider the role of the Taxonomy in the future selection and allocation

of funds to ensure that the main driver towards a clean energy transition is not impaired by overly restrictive criteria.

2. In particular, the possibility to apply the Regulation “where relevant” should not be interpreted as a way to allocate funds to projects which would not directly contribute to carbon neutrality.

3. **CA C (Art.3)** : Eurelectric welcomes the definition of a 40% share of the amount of each Recovery Plan dedicated to climate and biodiversity mainstreaming, which represents an ambitious and necessary orientation for the energy transition. Investments in electricity-based structural infrastructure assets should be prioritized, such as smart electricity grids, electric cars’ charging infrastructure and renovation of buildings since they provide the most of climate and economic benefits.

We also highly support the prolongation of the plan from 3 to 4 years, as a way to ensure visibility for investors. Energy projects are by nature long-term oriented and require a significant amount of time before the investment decision is made.

4. **CA S (Art. 18)** obliges Member States to update recovery plans with the revised 2030 climate and energy targets, within 6 months of the publication. This amendment represent a relevant addition to ensure full consistency of the plans with the EU energy targets.

We hope you share with us these considerations and should you have any question or remark, we would be very happy to discuss and exchange views with you.



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