REPLIES OF THE EUROPEAN COMMISSION

TO THE EUROPEAN COURT OF AUDITORS' SPECIAL REPORT

on the Implementation of the REPower EU plan

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This document presents the replies of the European Commission to observations of a Special Report of the European Court of Auditors, in line with Article 265 of the Financial Regulation and to be published together with the Special Report.

I. THE COMMISSION'S REPLIES IN BRIEF

The Commission welcomes the European Court of Auditors' (ECA) audit on the implementation of the REPowerEU plan. The ECA's report provides a useful overview of the progress towards the implementation of the REPowerEU plan[1] to phase out Russian fossil fuel imports. The report also analyses the implementation of the REPowerEU-related elements included in the revised National Energy and Climate Plans (NECPs). The audit focuses on actions such as diversifying sources of oil and gas supplies away from Russia; speeding up the clean energy transition by increasing the production capacity of renewables; and strengthening cross-border energy interconnectivity. The audit scope does not cover other areas that also contribute to achieving the REPowerEU objectives, such as saving energy and boosting preparedness.

The Commission launched the REPowerEU plan in spring 2022, in response to the energy crisis triggered by Russia's invasion of Ukraine. Since then, the REPowerEU plan has made a substantial contribution to reducing the EU's dependence on Russian gas, together with other factors. The Commission recalls that Regulation 261/2026, which is part of the REPowerEU plan, imposes a legally binding ban on the import of Russian gas leading to a complete phase-out of long term contracts of Russian LNG on 1 January 2027 and of Russian pipelines gas in September 2027. While the REPowerEU plan is a broad policy initiative, one of its main elements is the REPowerEU amending Regulation. This Regulation introduces additional funding, requirements, and assessment criteria for the Recovery and Resilience Facility, an instrument originally launched in the context of the Covid-19 pandemic. Since the launch of the REPowerEU plan in 2022, and the entry into force of the REPowerEU amending Regulation in February 2023[2], all Member States have integrated dedicated REPowerEU chapters into their Recovery and Resilience Plans, thereby mobilising an estimated EUR 57.6 billion, with the RRF contributing EUR 54.3 bn. This included unused RRF loan capacity (around EUR 30 billion), additional non-repayable support financed through the auctioning of ETS allowances (around EUR 20 billion), and voluntary transfers from other EU funds (EUR 2 billion from Brexit Adjustment Reserve). Under their REPowerEU chapters, Member States initially committed to implement 267 reforms and investments specifically addressing REPowerEU objectives. The measures adopted have focused on diversifying energy supplies, improving energy efficiency, expanding renewable energy production, and modernising energy infrastructure. Actions taken under the REPowerEU plan contributed to a drastic reduction of EU imports of Russian natural gas, falling from 152 billion cubic metres in 2021 to 36 billion cubic metres in 2025, reducing the share of Russian gas imports from 45% to 12%[3].

The Commission welcomes ECA's finding confirming that the RRF-funded measures in the REPowerEU chapters *"had led to accelerated implementation of some projects"*[4], for instance in the case of Belgium and Latvia[5]. The Commission also fully shares the report's analysis that the REPowerEU chapters include many investments that Member States had previously planned but had

[1] Communication REPowerEU Plan COM(2022)230, 18 May 2022

[2] Regulation (EU) 2023/435 of the European Parliament and of the Council of 27 February 2023 amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulations (EU) No 1303/2013, (EU) 2021/1060 and (EU) 2021/1755, and Directive 2003/87/EC

[3] REPowerEU - 4 years on, Commission web report from May 2026

[4] Paragraph 77

[5] Box 6 and Box 7

to postpone due to a lack of resources[6]. The Commission considers that this shows that the RRF was effective in rapidly mobilising funds for the REPowerEU objectives.

While the ECA finds that '*the RRF, through its REPowerEU chapters cannot be considered to be the main driver for achieving the objectives of the REPowerEU plan'* [7], the Commission recalls that the REPowerEU plan was conceived from the outset as a broad policy response that would rely on a combination of financing sources and policy tools. Accordingly, the achievement of its objectives was expected to be supported not only through the RRF, but also through other EU funding instruments, national public funds and in particular private investments which are meant to cover most of the financing needs, complemented by regulatory and policy measures. In this context, the Commission considers that the RRF has played a significant and catalytic role in accelerating the implementation of the REPowerEU priorities.

As one specific objective, the REPowerEU amending Regulation required 30%[8] of the measures included by Member States in their REPowerEU chapters to have a multi-country or cross-border dimension or effect. The report recognises that this objective has been significantly overachieved, at 76%, in line with the legal definition as decided by the co-legislators.[9] As the report also underlines, direct RRF support for large-scale cross-border infrastructure has however been limited due to their inherent complexity and longer timelines[10]. Moreover, the report concludes that the '*insufficient focus of RRF REPowerEU chapters on cross-border interconnectors represents a missed opportunity to increase the efficiency of the single electricity market and its integration*'[11]. The Commission notes that the legal concept of cross-border and multi-country dimension or effects, as included in the amended RRF Regulation, encompasses not only physical cross-border infrastructure[12] but also measures that can generate cross-border system benefits, thus contributing to the integration of the EU internal energy market and to security of supply[13]. The legal concept is further elaborated upon in the REPowerEU Guidance.

The special report mentions '*frequent delays in RRF-funded measures in REPowerEU* chapters' and that ´*the evidence base for assessing the achievements of the REPowerEU plan is weak'*[14]. While 18 of the 27 sampled measures were subject to delays, the Commission notes that as of April 2026, 92% of the milestones and targets associated with the sample are either on track, completed, or assessed as fulfilled. While in most of the cases sampled by ECA the implementation indeed was

[6] Paragraph 77

[7] Title to paragraphs 39-56

[8] The share is calculated based on the share of costs estimated for the REPowerEU chapters, see Article 18(4)(h) of the consolidated version of the RRF Regulation, available at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02021R0241-20240301

[9] Paragraph 80 and 83

[10] Paragraph 80

[11] Title to paragraphs 78-82

[12] Article 16 of Regulation (EU) 2019/943 recast Electricity Regulation

[13] REPowerEU Regulation (EU) 2023/435, Recital 27 *"In addition to measures having a cross-border or multi-country dimension or effect, measures at national level that contribute to securing energy supply in the Union as a whole, in line with the REPowerEU objectives, in particular as regards addressing existing bottlenecks in terms of energy transmission, distribution and storage, as identified in the Commission's most recent needs assessment, thereby increasing the potential for cross-border flows between Member States, should be considered as having a cross-border or multi-country dimension or effect. Measures reducing dependency on fossil fuels and reducing energy demand should also be considered as having a positive cross-border effect as they free up further capacity or supply for other Member States."*

[14] Paragraph 85-95

delayed compared to the initial Plans, the Commission recalls that the timelines in the Council Implementation Decisions are just indicative.[15]

In relation to the overall monitoring arrangements for REPowerEU[16], the Commission wishes to underline the distinct objectives and functions of the Governance Regulation framework and the REPowerEU plan monitoring. The Governance Regulation was designed to ensure integrated planning, reporting and policy coordination in the field of energy and climate policy. It was not intended for the planning and reporting under the Governance Regulation to cover the full scope of the RepowerEU plan. Furthermore, the Commission emphasises that, while the Governance Regulation follows its own intervention logic and cycles, it continuously and closely monitors progress in the implementation of the REPowerEU action plan. It does so including through regular reporting exercises such as the annual State of the Energy Union reporting cycle covering relevant REPowerEU-related developments. In parallel, a broad range of legislative initiatives adopted since 2022 has ensured that the objectives of REPowerEU can be effectively implemented, tracked and supported across the Union.

In addition, while the updated NECPs (National Energy and Climate plans) constitute an important tool for translating REPowerEU objectives into coherent national policy and investment pathways and for monitoring progress towards the Union's energy and climate objectives, their periodic nature and structured reporting cycles do not fully accommodate the dynamic and ad hoc reporting requirements of the RePowerEU.

II. THE COMMISSION'S REPLIES TO THE RECOMMENDATIONS

Recommendation 1 – Strengthen the tools for the delivery of the actions implementing the Energy Union and Climate Action framework

The Commission should strengthen the Energy Union and Climate Action framework with the aim of changing the NECPs from a policy document into a robust and comprehensive tool, with clear timelines, responsibilities and performance monitoring framework, by specifying that:

(a) NECPs include a clear identification of needed investments and funding sources, supported by concrete measures, with clear and, wherever possible, quantifiable performance indicators.

(b) the Commission has strengthened tools to ensure compliance of the NECPs with the requirements of the Governance Regulation and to verify the reliability of the information provided in member states' monitoring reports.

[15] As per the results of the bi-annual reporting of April 2026, 35% of the milestones and targets associated with the sample selected by the ECA have been assessed as satisfactorily fulfilled. Considering also milestones and targets reported as 'completed' or 'on track' by Member States, this number increases to 92%.

[16] Paragraphs 12-15

Target implementation date: when revising the Regulation on the Governance of the Energy Union and Climate action.

The Commission **accepts** the recommendation.

The Commission has already undertaken an evaluation of the Regulation on the Governance of the Energy Union and Climate action, which concluded that the introduction of the NECPs has improved strategic planning, but also identified areas for improvement, including the role of NECPs as real investment plans. As part of the upcoming revision, the Commission intends to look at how to strengthen the role of the NECPs to mobilise public and private investments needed for the transition.

Recommendation 2 - Obtain comprehensive, timely and reliable information about the existing financing gap of all actions implementing the Repower EU plan

The Commission should ask member states to provide information on an annual basis about the budgets and financing sources for all actions aimed at implementing the REPowerEU plan.

Target implementation date: by the end of 2026.

The Commission **partially accepts** the recommendation.

The Commission intends to request more detailed information from Member States about their progress in implementing the REPowerEU plan. Regulation 261/2026 already asked Member States to prepare national diversification plans for natural gas and submit them to the Commission by 1 March 2026.

The Commission does not accept the part related to asking Member States on an annual basis about the budgets and financing sources for all actions – there is no legal basis for such a request, and it would also involve a very heavy administrative burden. The Commission expects that the largest part of the investments will be funded from private financing, which makes it very difficult for the Member States to have a detailed overview and data about budgets and financing sources. Moreover, many actions taken by the Member States will be regulatory, without a very clear link to the investments they would trigger or enable. Finally, the Commission would like to clarify that the estimated investments needs for reaching the REPowerEU objectives are not to be considered mandatory targets to be achieved – alternative measures and scenarios could lead to similar results in terms of achieving the REPowerEU objectives.

Recommendation 3 - Ensure the effective use of EU funding to achieve the clean energy transition objectives of the Repower EU plan

When deploying future EU funding instruments to support measures aimed at achieving energy and climate objectives towards clean energy generation or grid reinforcement, the Commission should ensure that these measures:

(a) include clear, results-oriented targets explicitly linked to those objectives; and

(b) are supported by realistic timelines within the funding instrument that enable the implementation of ambitious and complex measures and have sufficient follow-up funding.

Target implementation date: when proposing future instruments contributing to clean energy generation or grid reinforcement.

The Commission **partially accepts** the recommendation.

The Commission cannot prejudge the outcome of the interinstitutional negotiations on its proposals on the next MFF.

The Commission is determined to increase the effectiveness of EU funding to achieve the clean energy transition objectives of the Repower EU plan. At the same time, the Commission must act within the limits provided by the overall MFF framework and the legal basis of each EU funding instrument, which might not always allow to fully follow this recommendation.

The Connecting Europe Facility for Energy makes a crucial contribution to achieving the clean energy transition objectives in the REPowerEU Plan by providing investments into cross-border energy infrastructure. The Commission proposal for the Connecting Europe Facility in the next multiannual financial framework (MFF) significantly strengthens the Connecting Europe Facility, including by increasing the budget for its energy compartment five-fold from EUR 5.8 billion in the current MFF to around EUR 30 bn in the next MFF. Moreover, the Commission proposal streamlines and simplifies the instrument to further strengthen its delivery. Based on the Commission proposal, the Performance Regulation will put in place a comprehensive performance monitoring system across the Multiannual Financial Framework.

Recommendation 4 - Improve the definition and management of cross-border measures aimed at achieving clean energy transition objectives in future funding instruments

When deploying future EU funding instruments to support cross-border measures aimed at achieving clean energy transition objectives, the Commission should:

(a) clearly define the elements required to consider a project as a genuine multi-country project (e.g. grid interconnector projects) and set individual targets for each member state participating in the project; and

(b) improve the management of key cross-border investments to ensure the timely and effective implementation of these strategic investments.

Target implementation date: when proposing future instruments aimed at supporting cross-border measures to achieve clean energy transition objectives.

The Commission **partially accepts** the recommendation.

The Commission cannot prejudge the outcome of the interinstitutional negotiations on its proposals on the next MFF.

The Commission is determined to have clear definitions for cross-border measures and improve the management of key cross-border investments.

The Commission notes in any case that it is bound by legal definitions set by the co-legislators, such as the REPowerEU amending RRF Regulation's specific definition of '*measures having a cross-border or multi-country dimension or effect*'. The Commission notes that the ongoing revision of the TEN-E framework as part of the Grids Package should also be taken into account. In particular, the proposed amendment to Article 17(7) would require national regulatory authorities (NRAs) to assess whether a Member State receives at least 10% of the estimated benefits of a project and, where this threshold is met, to involve that Member State in the cross-border cost allocation (CBCA) process. This amendment is intended to ensure a more comprehensive and equitable allocation of project costs and benefits among affected Member States and further strengthens the framework for cross-border infrastructure planning and investment.

Recommendation 5 - Develop and use adequate performance indicators for assessing the achievements towards Repower EU objectives in the relevant reporting tools

To assess the achievements towards the objectives of the REPowerEU plan in the relevant reporting tools~~,~~ the Commission should:

(a) define performance indicators explicitly linked to relevant objectives of the REPowerEU plan that are sufficiently clear and quantifiable; and

(b) ensure that member states apply these indicators and report data that meet high quality and reliability standards.

Target implementation date: when proposing future instruments concerning the objectives of the REPowerEU plan or when adjusting the relevant reporting tools.

The Commission **partially accepts** the recommendation.

The Commission cannot prejudge the outcome of the interinstitutional negotiations on its proposals on the next MFF.

The Commission is determined to ensure a proper monitoring of the progress achieved in the implementation of the REPowerEU action plan. Over the past year, the Commission has published annual REPowerEU progress reports and has developed additional monitoring and reporting tools via various legislative initiatives that were adopted and which included elements related to the implementation of the REPowerEU Action Plan.

More recently, Regulation (EU) 2026/261 on the phase-out of Russian imports of pipeline gas and liquefied natural gas introduced additional monitoring, reporting and enforcement mechanisms, including prior authorisation requirements, information-sharing and cooperation obligations between national authorities, ACER and the Commission, national diversification plans, contract notification requirements, and strengthened enforcement provisions.

III. THE COMMISSION'S REPLIES TO THE OBSERVATIONS

1. The RRF's role in the clean energy production

Regarding ECA's finding that *RRF REPowerEU measures with clear quantified targets account only for a limited increase in clean energy production capacity through renewables, mainly solar*[17], the Commission notes that indeed only some RRF milestones and targets explicitly provide for targets expressed either as an achievement of megawatts or gigawatts capacity installed. These represent a minimum amount to be reached, not an expected maximum, and Member States are likely to achieve higher amounts. More importantly, the exclusive focus on targets expressed in watt capacity misses many targets which add capacity but are expressed in other metrics, such as the number of solar panels installed[18]. The actual capacity reached through the REPowerEU chapters, or in fact all relevant RRF measures, is thus likely to be significantly higher. Moreover, the REPowerEU chapters were never expected to deliver, in isolation, the full renewable energy deployment objectives set out in the REPowerEU plan. This is reflected in the diverging timelines for delivery (2026 for the REPowerEU chapters as compared to 2030 for the Fit-for-55 targets). Rather, the purpose of the REPowerEU chapters is to accelerate the energy transition through targeted investments and structural reforms, notably by accelerating key enabling conditions, such as permitting procedures and grid integration, and by addressing administrative bottlenecks. According to Commission services' estimates, the combined effect of direct investments and enabling reforms included in the REPowerEU chapters could support more than 20 GW of additional renewable energy capacity, as reflected in the REPowerEU factsheet[19].

2. Monitoring of RRF measures

The ECA notes '*that RRF milestones and targets often track expenditure or number of contracts, but do not mention outputs, […]. This makes identifying the progress on achieving the additional renewable energy capacity of these RRF-funded measures more difficult*'[20]. The Commission would like to recall that, following the RRF's design as a performance-based instrument, the RRF Regulation explicitly foresees that the performance of Member States is to be measured based on their progress in implementing the reforms and investments included in their recovery and resilience plans (RRPs), as measured through milestones and targets[21]. The RRF Regulation does not include any obligation for milestones and targets to include output targets. This would not always be suitable either, especially for intermediary milestones and targets, which often focus on intermediate steps. Distinct from other funding programmes, the RRPs and their REPowerEU chapters also require Member States to implement reforms, which often do not have any numerical targets. They do however play a critical role in creating the conditions for effective investments by the private and public sector, in particular for renewable energy storage capacities, and thus will have an impact beyond the financial support provided and the RRF timeline.

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[17] Paragraph 19

[18] See ECA observation 19

[19] See REPowerEU factsheet: https://reforms-investments.ec.europa.eu/publications-0/recovery-and-resilience-facility-repowereu-factsheet-0_en

[20] Paragraph 19

[21] RRF Regulation, Article 2 (4)

3. Progress in meeting country-specific recommendations[22]

The Commission welcomes the report's finding that "*RRF measures addressed 72% of the REPowerEU relevant sub-CSRs with differing intensity: 50% largely and 22% marginally"*[23] . In the Commission's view, this finding shows that the Member States fully met the expectation for each RRP to contribute to address 'all or a significant sub-set" of such recommendations'[24]. The Commission recalls that neither the RRF nor the European Semester legal base prescribe a minimum coverage of sub-CSRs per policy area, and that while the ECA selected a set of energy-related recommendations issued in the context of the European Semester, the Commission was required to assess whether the RRPs as a whole were expected to contribute to address *"all or a significant subset of challenges identified in the relevant country-specific recommendations*" pursuant to Article 19(3)(b) and Annex V, criterion 2.2, of the RRF Regulation (EU) 2021/241. This distinction is important, as the co-legislators did not establish a requirement for all CSRs to be addressed exhaustively or in their entirety. The assessment framework under the Regulation therefore explicitly recognises that Member States may focus on the challenges that are most relevant or pressing for them, within the broader set of recommendations.

4. The role of the Governance Regulation in REPowerEU implementation

The Commission agrees that National Energy and Climate Plans (NECPs) are important instruments for delivering the REPowerEU objectives, and that the Commission is mandated to assess the NECPs and monitor progress towards the achievement of the Union's energy and climate objectives. The Commission has continuously and closely monitored progress in the implementation of the REPowerEU action plan, including through regular reporting exercises such as the annual State of the Energy Union reporting cycle, where this falls within the scope of the Governance Regulation. In addition, the Commission has published a REPowerEU progress report each year, providing updates on the implementation of the Plan and progress towards its objectives. In parallel, a broad range of legislative initiatives adopted since 2022 has ensured that the objectives of REPowerEU can be effectively implemented, tracked and supported across the Union.

The Commission underlines that the evaluation report published in September 2024 clearly points to the ongoing revision of the Governance Regulation as a possible avenue to address the weaknesses identified.

[22] Paragraphs 47 to 56

[23] Paragraph 23

[24] RRF Regulation, Article 19(3)(b)