

## Three governments are seeking EU money to deepen fossil gas dependence under the guise of energy emergency

Although the [EU](#) has managed to brave the energy emergency triggered by Russia's assault on Ukraine, a Bankwatch report released today reveals that the **Polish, Croatian and Bulgarian governments are still seeking at least EUR 1.5 billion in EU public money to build new fossil gas infrastructure under the guise of an emergency response.**

EU Member States have until 31 August to request financial support for plans to steer their energy sectors away from Russian fossil fuels as part of the EU's [REPowerEU strategy](#). Bankwatch has been closely tracking the development of these plans in nine countries in central and eastern Europe. Our new report shows that three governments – in Poland, Bulgaria and Croatia – are still trying to exploit this emergency response by pumping EU taxpayers' money into LNG import terminals and fossil gas pipelines.

**If realised, these projects would sabotage the EU's efforts to cut greenhouse gas emissions and aggravate the greater global emergency that is the climate crisis.**

At least three other governments – in Romania, the Czech Republic and Hungary – have already abandoned previous plans to include fossil gas projects in their REPowerEU chapters following civil society pressure and negotiations with the European Commission. In addition, the REPowerEU chapter submitted by Estonia does not include any fossil gas projects, Slovakia's includes limited support for fossil gas boilers, while Latvia is also expected to submit a REPowerEU proposal free of gas investments.

### Background

In May 2022, the European Commission unveiled the REPowerEU plan, intended to reduce the EU's dependence on imports of Russian fossil gas while ensuring security of supply. Under the plan, Member States are required to add an additional REPowerEU chapter to their national recovery and resilience plans – the EU's post-pandemic financial stimulus package – outlining their investment schemes to facilitate the shift away from Russian gas imports.

The perception at the time was that, to safeguard Europe's energy security, new fossil gas imports are needed. Consequently, the REPowerEU strategy allowed governments to request EU public money to build new gas infrastructure as an emergency measure.

In fact, the Commission effectively endorsed the fossil gas industry's lobbying effort when a list of 11 gas projects drawn up by the European Network of Transmission System Operators for Gas (ENTSO-G) was officially included in the REPowerEU plan, alongside 30 other so-called Projects of Common Interest.

Now, after a bonanza year for the oil and gas industry, fossil gas companies are poised to swell their coffers even more thanks to projects enabled by REPowerEU funds.

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According to Bankwatch's new report, **fossil gas companies in central and eastern Europe posted massive profits in 2022 on the back of the energy crisis**. Last year, gas grid operators in Bulgaria and Romania saw their revenues double, while Poland's PKN Orlen made EUR 4.5 billion. These very same companies would be the main beneficiaries of the [fossil gas projects](#) proposed for EU financing under the REPowerEU chapters of their respective governments.

Yet, given that the EU managed to cut its gas use by an impressive 17.7 per cent between August 2022 and March 2023, governments' fossil gas ambitions - much like ENTSOG's so-called needs assessment — now appear completely out of touch with reality.

Source: Bankwatch