



Renewable Energy Framework

Position paper

July 2026

Energy Cities is a network of over 1000 local governments in 30 countries. We empower cities and citizens to shape and transition to futureproof cities.

We want the future renewable Energy Framework to provide local authorities, citizens, energy communities and SMEs with means to contribute to the development of renewable energy, to have access to affordable and renewable energy, to become more resilient and to contribute to a secure and sustainable European energy system:

1. Encourage DSOs and local authorities to reach a structural collaboration and strategic alignment
2. Reinforce solutions that increase and stabilise the value of locally produced renewable electricity
3. Set a binding and ambitious renewable energy target for 2040
4. Focus on implementation of current energy communities' provisions

These asks are consistent with our [positions](#) on **Governance regulation** (see below).

1. DSO- local authorities' collaboration

- ➡ Encourage through energy regulatory authorities and enable DSOs and local authorities to move beyond ad-hoc, project-based interactions to structural collaboration and strategic alignment.
- ➡ One of the key enablers is to mandate DSOs to make the state of the energy grids transparent and provide local authorities with access to grid mapping¹.
- ➡ Another one is to ensure that DSOs plan and operate transparently in line with the interests of the public, including achievement of climate goals.

Why ?

- Distribution grids are the main bottleneck of renewable development

It's estimated that more than 70% of new renewable generation and electricity storage will be integrated at the distribution level station². In many places in Europe, distribution networks are reaching their full

¹ This ask goes beyond the existing consultation required by Article 32 of Directive 2019/944 and Article 56 of Directive (EU) 2024/1788 for hydrogen distribution networks (which already requires taking local heating and cooling plans into account). Both provisions rely on generic stakeholder consultation rather than structural, ongoing collaboration specifically with local authorities. No equivalent development-plan transparency obligation currently exists for natural gas distribution networks, where Article 57 of the same Directive only covers network decommissioning.

² <https://www.eurelectric.org/in-detail/distributionnetworksforspeed/>



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capacity. Clean energy projects worth 100 billion are stuck in the queue waiting for a grid connection at distribution level³. For instance, 1.5 million European households could face network connection delays for rooftop solar⁴.

● Aligned and successful planning

Local governments do various types of plans (listed below) that are essential for renewable energy development. However, the success of those plans depends on the development of energy grids. The future framework needs to ensure that local planning and distribution networks development planning are aligned, and both parties understand the interest of this alignment.

- **Urban planning** ↔ distribution networks development plans
- **Heating & cooling plans** ↔ distribution networks development plans
- **Local climate & energy plans** ↔ distribution networks development plans
- **Local EVs charging points deployment plans** ↔ distribution networks development plans

The absence of standardised processes or shared platforms for data exchange means that both entities depend on ad hoc requests, personal contacts, or project-specific collaborations to access needed information. The inability to understand each other's operating environments is another issue faced by many DSOs and municipalities, particularly small or mid-sized towns, which lack the technical expertise or staff capacity to engage deeply with complex grid or energy issues⁵.

As a result, many municipalities must develop their plans in the dark, without knowing whether the energy networks and future grid expansion align with their plans.

Transparency and permanent, constructive dialogue between municipalities and DSOs are essential in the early stages of designing these plans. This is crucial to ensure the plans are meaningful and successful.

As a best practice of transparency we can showcase the [map](#) created by the French DSO Enedis. Together with the GRT, they have published an online map of the network capacity, based on the 2,300 existing substations, incorporating Enedis's queue and the works planned in the renewable energy connection plans. This map, which will be updated three times a year, aims to show where it will be quick and easy to connect, at an optimal price, and where infrastructure will be required.

Beyond planning, such an improved dialogue would also benefit directly local authorities, who are important installers of renewable capacity within their own real estate that needs to be connected to the grid. Notably, they are subject to solar roof obligations under Article 9a of the EPBD.

³ https://beyondfossilfuels.org/wp-content/uploads/2026/05/AFRY_BFF_Grid-expectations-The-distribution-backlog-stalling-Europes-energy-transition-report.pdf

⁴ <https://ember-energy.org/latest-insights/crossed-wires-grid-capacity-could-block-eu-energy-security/>

⁵ <https://www.interregnorthsea.eu/sites/default/files/2026-04/FINAL%20TEXT%20%20EDSO%20white%20paper%2020.04.2026.pdf>



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Many of our members in countries with significant grid congestion issues, such as the Netherlands, Belgium, Hungary and Spain, complain about the lack of transparency, misaligned planning and poor collaboration based only on ad hoc requests. This creates damaging situations for renewable development on the ground.

For example, the city of Budapest is trying to develop a heating and cooling plan, but they don't have access to a grid map that would enable them to design it properly. Another example comes from Spain, where the mid-sized town of Terrassa has planned to expand its municipal estate and install additional photovoltaic capacity. Once the project was completed, it turned out that there was insufficient grid capacity to accommodate it. Consequently, 50,000 euros worth of PV panels were rendered useless as they could not be connected to the grid.

● Permitting for grid expansions & project development

When grid expansions are required, DSOs often need a permit issued by the local authority. A structured collaboration with the municipality can accelerate the permitting procedures.

● Consumer's engagement

Local governments have a close relationship with their citizens and they can engage businesses, and other public institutions more effectively in grid-friendly consumption and energy efficiency efforts, which contributes to the DSOs' goal of mitigating grid congestion.

● This collaboration is transversal

Such collaboration between the two parties goes beyond a sector-specific approach. Local authorities do not develop their plans by considering the electricity or gas grids in isolation. They need a single point of contact and a single mechanism for dialogue, regardless of the energy source. This requirement should be included in one piece of legislation rather than being split into different pieces of legislation (Directives 2019/944 and 2024/1788). This requirement doesn't contradict existing legislation and avoids creating more regulatory fragmentation and three slightly different sets of requirements, which would complicate matters for local authorities rather than simplifying them.

2. Valorise renewable energy locally

➔ Reinforce solutions that increase and stabilise the value of locally produced renewable electricity by small- and medium-scale renewable assets (mostly solar), such as:

- Domestic & district level storage systems (batteries, power to heat, ...)
- Local Power Purchase Agreements (PPAs)
- Electricity sharing schemes (they are regulated by the electricity market design Directive)



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→ Establish, within the renewable framework, an enabling framework to facilitate the deployment and operation of energy storage systems, including batteries, collocated or hybrid storage and thermal storage.

That framework shall include that:

- unjustified regulatory and administrative barriers to energy storage are removed
- appropriate support measures and financial incentives are available, particularly for small- and medium-scale storage systems and co-located storage.

→ Require Member States to remove the administrative and legal barriers preventing local governments and other small actors such as SMEs from signing PPAs. They also must be required to offer PPAs templates for interested parties without the necessary legal expertise or resources.

Legal and regulatory frameworks are, in our experience, among the main obstacles preventing municipalities from signing PPAs. Legislative changes can undermine a municipality's ability to use PPAs. Public procurement law varies across EU Member States: in France, for instance, municipalities were previously limited to two-year contracts, until a recent reform extended this to 15-20 years, now allowing cities like Marseille to explore PPAs with local energy communities. However, French procurement law still does not allow criteria that would facilitate the participation of local developers such as energy communities.

Why ?

● Improve the economic value of production to keep renewable energy attractive.

Storage systems optimise the renewable production:

- For electricity, storage shifts renewable output from low-price, to high-price hours, capturing value that would otherwise be lost to price cannibalisation.
- For heat thermal, storage captures renewable heat produced in summer or off-peak hours (solar thermal, waste heat) and releases it when winter heating demand peaks, turning otherwise-wasted output into usable value.
- For cooling, cold storage produces cooling when renewable electricity is cheap and abundant (midday solar) and releases it during peak cooling demand in the evening

PPAs protect small- and medium-scale renewable producers from price volatility and negative prices. In some countries, PPAs could offer a better economic value for renewable electricity production than the wholesale market price.

In Germany, the average spot-market capture price for solar is only around **5.46 cents/kWh**, while **commercial solar PPAs** typically clear at **6.5–8.5 cents/kWh**, a 20–55% stability premium for



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producers. For consumers, this is still well below the full retail price once taxes, levies, and grid fees are included (an average of 35 cents/kWh)⁶.

This is particularly important given that support mechanisms for small- and medium-scale renewable electricity assets (mostly solar) are being phased out across Europe, injection tariffs are being introduced, and trust in the profitability of the business model is decreasing.

● Small- and medium-scale storage systems are a solution against local grid congestion

Storage systems absorb renewable electricity that would otherwise be curtailed when generation exceeds grid capacity or demand, preventing grid congestion and preserving grid capacity.

This is important in a context where many grid users experience curtailment and delays in the procedures for connecting their renewable energy installations to the distribution network (see above).

3. Maintain the renewable energy target

➔ Set a binding and ambitious renewable energy target for 2040

Why?

● Predictability and trust are needed

For many years the EU has put renewable energy at the forefront of the energy transition, setting with increasingly ambitious binding targets. Deploying renewables requires trust and time. Those who invest in renewable energy production, such as local authorities, need stable policies and predictability. The success of local climate & energy plans also depends on this. As mentioned above, local authorities are also subject to solar roof obligations (Article 9a of the EPBD).

Removing the binding renewable energy target would cast doubt on Member States' intentions regarding support for renewables. It would also create uncertainty about the merits of investing in renewables. This would affect investment in renewables and the implementation of local plans.

● Local governments and consumers need renewable to save money

Most of the renewable technologies are mature, directly available, and the main ones (solar, offshore wind, hydro, ...) are cheaper than other sources such as nuclear or fossil fuels. They offer cheap and stable prices on wholesale market, but even more when consumers produce it and consume it locally.

- Malaunay (6,200 inhabitants) in France, **saves more than €51,000 per year** thanks to PV installed on the rooftops⁷, for an annual municipal budget of 2 million.

⁶ <https://www.solardataatlas.com/en/>

⁷ https://energy-cities.eu/wp-content/uploads/2026/06/Homegrown-Malaunay-case-study_update.pdf



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- For Nantes (328,000 inhabitants), another French city the savings are **€227,000 per year**, also thanks to PV installed on the rooftops.
- Aradippou (23.000 inhabitants) in Cyprus achieved 100% renewable electricity for municipal needs. This translates into stable, predictable costs and reduced costs of around **€700,000 per year** (for public buildings and street lighting). Since then, the municipality is reinvesting the savings into social and energy projects⁸.

4. Renewable Energy Communities

➡ Rather than reopening the related provisions of the current framework, the future framework should reinforce the transposition and implementation layer through EU-level guidance, standardised registration templates or an implementation scoreboard.

Why ?

The value of renewable energy communities for consumers and the wider energy system is clear. Among other things, we can highlight the fact that according to several studies⁹, energy communities and community ownership reduce local opposition to renewable energy projects. They also provide economic benefits to their members. The Affordable Energy Action Plan states that households could save between €500 and €1.100 per year by joining an energy community.

The current RED provisions are good. The focus should now be on implementation. Many member states are slow to transpose the provisions, and changing the rules would cause disruption.

Link with Governance regulation

These asks are closely linked and consistent with our [positions](#) on **Governance regulation**. The multi-level dialogue platform that we are calling for in each Member State to prepare, implement and monitor NECPs is clearly an opportunity for local authorities to report issues they face when carrying out or supporting renewable energy projects to national authorities. Such a platform should also provide a structured space to improve the alignment between local planning and grid planning, which we want to be encouraged through the renewable Energy Framework. In both papers, we advocate to maintain a binding renewable energy target.

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⁸ https://energy-cities.eu/wp-content/uploads/2026/07/Homegrown-Aradippou-case-study_final_1.pdf

⁹ <https://www.sciencedirect.com/science/article/pii/S2214629624004821>;
<https://www.tandfonline.com/doi/full/10.1080/13549839.2024.2360716#abstract> ;
<https://www.sciencedirect.com/science/article/abs/pii/S0301421518301976>;
<https://www.sciencedirect.com/science/article/pii/S0301421522004761>