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COVER NOTE

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To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
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Delegations will find attached document C(2026) 2676 final.

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EUROPEAN
COMMISSION

Brussels, 22.4.2026
C(2026) 2676 final

COMMISSION RECOMMENDATION

of 22.4.2026

on removing barriers to the development of power purchase agreements and other energy purchase agreements

{SWD(2026) 118 final}

COMMISSION RECOMMENDATION

of 22.4.2026

on removing barriers to the development of power purchase agreements and other energy purchase agreements

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 292 thereof,

Whereas:

(1) Renewable energy is pivotal to delivering clean, affordable and secure electricity to households, businesses and industry in all sectors of the economy, and to meeting the Union's decarbonisation objectives.

(2) Speeding up the deployment of renewable energy installations is key to reaching the Union's renewable energy target of at least 42.5% by 2030 set in Article 3 of Directive (EU) 2018/2001 of the European Parliament and of the Council[1]. It is also necessary to contribute to reaching the 2030 Union target of at least 55% greenhouse gas emission reductions in accordance with Regulation (EU) 2021/1119 of the European Parliament and of the Council[2].

(3) In May 2022, the Commission adopted Recommendation (EU) 2022/822[3]. That Recommendation focussed on addressing the regulatory barriers to renewable energy purchase agreements. It was based on Article 15(8) of Directive (EU) 2018/2001, which obliges Member States to remove all unjustified barriers to renewable energy purchase agreements and to report on the progress made in their national energy and climate plans (NECPs). The same article introduced new provisions on energy purchase agreements.

(4) Article 2, point (77), of Regulation (EU) 2019/943 of the European Parliament and of the Council[4] defines a 'power purchase agreement' or 'PPA' as 'a contract under which a natural or legal person agrees to purchase electricity from an electricity producer on a market basis'. While PPAs are generally linked to generation from new assets, that definition also covers contracts based on existing generation, as long as they are agreed on a market basis. Directive (EU) 2018/2001 defines in Article 2,

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1 Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82, ELI: http://data.europa.eu/eli/dir/2018/2001/oj).

2 Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/1119/oj).

3 Commission Recommendation (EU) 2022/822 of 18 May 2022 on speeding up permit-granting procedures for renewable energy projects and facilitating Power Purchase Agreements (OJ L 146, 25.5.2022, p. 132, ELI: http://data.europa.eu/eli/reco/2022/822/oj).

4 Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (OJ L 158, 14.6.2019, p. 54, ELI: http://data.europa.eu/eli/reg/2019/943/oj).

second paragraph, point (14q), a ‘renewable energy purchase agreement’ as ‘a contract under which a natural or legal person agrees to purchase renewable energy directly from a producer, which encompasses, but is not limited to, renewables power purchase agreements and renewables heating and cooling purchase agreements’. Thus, the latter definition also encompasses renewable hydrogen purchase agreements[5], renewable heating and cooling purchase agreements and biomethane purchase agreements.

(5) In accordance with Article 15(8) of Directive (EU) 2018/2001, following the assessments carried out by the Member States, the Commission is to analyse barriers to renewable energy purchase agreements, including renewable PPAs, paying particular attention to barriers to cross-border renewable energy purchase agreements, and to issue guidance on the removal of those barriers. In particular, the Commission can support Member States in identifying the potential for renewable energy purchase agreements in their respective markets to achieve their contribution to Union renewable energy targets. In accordance with Article 19a(10) of Regulation (EU) 2019/943, the Commission is to assess whether barriers to PPAs persist and whether there is sufficient transparency in PPA markets. That article too states that the Commission is entitled to draw up guidance on removing barriers, including disproportionate procedures or charges.

(6) Article 19b of Regulation (EU) 2019/943 tasked the European Union Agency for the Cooperation of Energy Regulators (‘ACER’) with conducting an annual assessment of the PPA market at both Union and Member State level. To fulfil that obligation, ACER published the first set of dedicated country sheets and one summary sheet for the Union in November 2025[6]. These accompanied the wholesale market monitoring report[7], which also includes a section on the role of long-term markets, including PPAs. Article 19b of Regulation (EU) 2019/943 also required ACER to assess whether additional voluntary PPA contract templates was needed. Following that assessment, ACER concluded in October 2024 that existing templates, developed by industry associations and national bodies, were sufficient for current market needs and that addressing critical market barriers, such as project development bottlenecks, would have a more meaningful impact on the PPA market[8].

(7) Article 18a of Directive (EU) 2019/944 of the European Parliament and of the Council[9] regulates risk management by electricity suppliers. With that framework, it includes the use of PPAs as part of supplier hedging strategies, alongside other instruments, such as forward contracts. Where PPA markets are sufficiently developed, that provision enables Member States to require retail suppliers to use renewable PPAs, potentially generating demand-side incentives for the PPA market at national level.

(8) Long-term instruments are essential for promoting clean energy investments in electricity as well as in other energy carriers. The most common long-term instruments

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5 In this context, “hydrogen” also refers to hydrogen derivatives, such as ammonia.

6 ACER - Power Purchase Agreements country sheets Monitoring Report 2025, 2025.

7 ACER - Progress of EU electricity wholesale market integration 2025 Monitoring Report, 2025.

8 ACER - Assessment on the need of ACER’s voluntary Power Purchase Agreement contract template(s), 2024.

9 Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (OJ L 158, 14.6.2019, p. 125, ELI: http://data.europa.eu/eli/dir/2019/944/oj).

in the electricity sector include forward market products[10], the PPA markets and, for public support taking the form of a direct price support scheme, two-way contracts for differences (2w-CfDs)[11]. The current market practice on forward markets offers limited support for long-term renewable or nuclear energy investments, and is better suited to cater for short (month-ahead) or medium-term needs[12]. Instruments with longer maturities such as PPAs and 2w-CfDs are emerging as key enablers of renewable and nuclear energy deployment, ensuring price stability, and improving the financial viability of new projects. PPAs and 2w-CfDs can support additional investments into renewable and nuclear installations and bring the benefits of clean and low-carbon energy to consumers [13]. Therefore, Member States should plan and implement support schemes for electricity generation in such a way that they complement and enable PPAs.

(9) PPAs can take different contractual forms, which entail different risk allocations for the parties involved. Physical PPAs involve the physical delivery of electricity with the associated balancing and scheduling obligations. They expose the offtaker to volume and imbalance risks. Financial PPAs operate as contracts settled financially against a reference market price, leaving physical supply arrangements and imbalance management to be addressed separately. PPAs can further differ by delivery profile. Pay-as-produced PPAs transfer the volume risk to the offtaker, who is exposed to production and profile risk, which can be significant in the context of variable renewable production assets[14]. Baseload or shaped PPAs provide a fixed delivery profile, thereby shifting profile and balancing risks to the generator or an intermediary. In addition, corporate PPAs, concluded between electricity producers and market participants that are not final consumers (such as suppliers or traders) typically aim to hedge price risk and support decarbonisation objectives. However, they can entail additional credit, basis and regulatory risks compared to PPAs concluded with licensed suppliers. The choice of PPA structure therefore determines the allocation of price, volume, profile, balancing and credit risks between the contracting parties. Those choices affect the bankability of clean energy investments.

(10) A cross-border PPA is a bilateral contract under which an offtaker acquires electricity from a producer located in a different country[15]. Cross-border PPAs are more complex

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10 For the purposes of this Recommendation, 'forward markets' refer to products for a delivery as of two days ahead of the real-time electricity consumption and production, and include exchange-traded products such as futures.

11 Article 19d of Regulation (EU) 2019/943 mandates the uses of two-way contract for differences when Member States provide support schemes for the development of certain technologies.

12 ACER - Progress of EU Electricity wholesale market integration – 2025 Monitoring Report, 2025.

13 See ACER - Progress of EU Electricity wholesale market integration – 2025 Monitoring Report, 2025, recital 45 of Regulation (EU) 2024/1747 of the European Parliament and of the Council of 13 June 2024 amending Regulations (EU) 2019/942 and (EU) 2019/943 as regards improving the Union's electricity market design (OJ L, 2024/1747, 26.6.2024, ELI: http://data.europa.eu/eli/reg/2024/1747/oj) and Commission guidance on the design of two-way contracts for difference (OJ C, C/2025/6701, 19.12.2025, ELI: http://data.europa.eu/eli/C/2025/6701/oj).

14 Traditionally the majority of PPAs have been pay-as-produced. However, the increasing price cannibalisation (when the revenue and value of a specific energy technology declines due to increased penetration of that technology) of renewable generation assets and the proliferation of negative price hours impacts the profitability of the contracts for developers and offtakers and as a result is affecting the uptake of this type of model.

15 Since some Member States have several bidding zones, a PPA between an offtaker and a producer situated in different bidding zones within the same country would have many of the characteristics of a cross-border PPA.

than domestic PPAs due to the risks caused by cross-border price differences between bidding zones and interconnector flows. Those risks can be mitigated by the contracting parties through hedging on forward electricity markets or by acquiring long-term transmission rights.

(11) The Energy Community contracting parties have the objective of decarbonising power systems and integrating with the Union internal electricity market, resulting in eventual market coupling. Cross-border PPAs between market operators in Energy Community contracting parties and in Union Member States can thus support gradual market integration and investments in clean energy production, while mitigating price volatility.

(12) The amount of electricity contracted every year in the Union through new corporate PPAs grew four-fold between 2020 and 2024, from 7.4 TWh to 31.4 TWh. Similarly, the number of contracts signed increased from 60 in 2020 to 276 in 2024. Following that accelerated expansion, 13 Member States can be considered mature PPA markets, while 7 can be classified as emerging markets. In the remaining 7 Member States, the number of contracts is very low. While initially wind generation dominated the PPA market, by 2024 the majority of contracts were based on solar photovoltaic generation, and more than 10% were hybrid contracts bundling several technologies, including storage assets. The information and communication technologies sector is the main driver of the PPA market, with more than 40% of electricity committed through those contracts by 2024, followed by the metal and mining sector, the capital goods sector and the chemical sector[16].

(13) There is a limited set of publicly known bilateral contracts based on nuclear generation, which are to be considered PPAs only if they fit the definition in Article 2, point (77), of Regulation (EU) 2019/943. Recent known cases have been signed between an electricity utility and a large consumer, or with a consortium of consumers, to acquire electricity from an existing generation asset. Nuclear PPAs could help to finance new installations, for example through cooperative investment models.

(14) Two key categories of barriers to developing PPAs have been identified, namely regulatory and non-regulatory barriers. Furthermore, market dynamics can sometimes not be conducive to signing PPAs.

(15) Firstly, regulatory barriers include: accounting rules on the treatment of PPAs; the impact of regulations and the Member States implementation of the guarantees of origin framework on the sustainability policies of corporate buyers; and the general regulatory obstacles to deploying renewable energy, such as grid access rules or lengthy permitting.

(16) Secondly, non-regulatory barriers to growth in PPA markets include the credit worthiness of prospective buyers; the lack of knowledge and other difficulties among small and medium sized consumers with regard to signing PPAs with large energy generation assets; the limited transparency of PPA markets; the lack of standardisation of PPA contracts; and the limited use of PPAs by public buyers.

(17) Thirdly, the way market dynamics affect growth in PPAs has also an impact on the development pace of PPAs, although it does not represent a barrier. In particular, the

[16] Data from Grant Thornton, Capgemini Invent - Understanding the renewables power purchase agreements market 2026.

increase of renewable price cannibalisation[17] and the rise of negative prices in electricity markets reduces the interest of developers and buyers' in traditional pay-as-produced PPAs and cause delays in PPA negotiations. Similarly, the lack of flexibility in the electricity system and the need to integrate non-fossil flexibility more quickly impact renewable PPA market dynamics and generate incentives for signing flexibility purchase agreements. The lack of liquidity in certain forward markets also affects PPAs, in particular financial PPAs, since forward markets can serve as price reference and forward contracts are often used as an additional hedge to reduce the price risks of PPA signatories.

(18) Beyond market-based dynamics, public support for clean generation in any given Member State also has a strong influence on potential growth in that PPA market. An increase in such public support, generally in the form of 2w-CfDs, decreases the attractiveness of PPAs for sellers, since contracts with the State reduce the risk and financing cost for new projects.

(19) As regards the transparency of the PPA market, PPAs above a certain threshold are to be reported to ACER in accordance with Regulation (EU) No 1227/2011 of the European Parliament and the Council[18]. ACER makes use of that and other sources of information to conduct the annual assessment of PPA markets, based on Article 19b of Regulation (EU) 2019/943

(20) Markets for PPAs and other energy purchase agreements require a sufficient number of energy generation projects over time. Deploying new generation and storage capacity is often constrained by several factors, such as grid access or permitting. That can be addressed by putting in place regulatory and policy measures to remove bottlenecks that slow down permitting procedures and hold back the deployment of new generation and storage projects. These measures include digitalising permitting procedures and ensuring that permitting authorities are adequately staffed. Effectively transposing and implementing the permitting and spatial planning provisions of Directive (EU) 2018/2001 in a timely manner is key to accelerating permitting.

(21) The promotion of PPAs for sourcing clean electricity should be considered alongside demand-side energy efficiency and flexibility measures to reduce demand and peak load and encourage flexible consumption. Integrated approaches combining energy efficiency services, such as energy performance contracting, with PPAs contribute to lowering exposure to price volatility, increasing energy affordability for final consumers, and lowering the overall system and energy transition costs. Therefore, Member States should encourage PPA offtakers, in particular public bodies and large energy consumers, to consider the combination of PPAs and cost-efficient energy efficiency and flexibility measures.

(22) Article 19a(5) of Regulation (EU) 2019/943 provides for the possibility for projects applying for or benefiting from support schemes for electricity from renewable sources to reserve part of the electricity for sale through market-based arrangements including PPAs. The combination of 2w-CfDs and PPAs is to be done in a way that does not

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17 Cannibalisation occurs when the revenue and value of a specific energy technology decline due to increased penetration of that technology in the market.

18 Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (OJ L 326, 8.12.2011, p. 1, ELI: http://data.europa.eu/eli/reg/2011/1227/oj).

distort competition and ensures that PPAs are sold on market terms[19]. Since Regulation (EU) 2019/943 mandates the use of 2w-CfDs for direct price support schemes for investment in new power-generating facilities from a set of renewable energy sources and nuclear energy, that type of combination is likely to become more frequent[20]. However, if the State wishes to pursue other policy objectives, such as a targeted support to certain industries, other State aid possibilities do exist, such as those included in the Clean Industrial State aid Framework[21]. With an additional stimulation of the energy transition via means such as 2w-CfD which can be combined with PPAs this will result in lower priced PPA benefitting off-takers.

(23) As regards the creditworthiness of buyers, Regulation (EU) 2019/943 requires Member States to ensure that instruments, such as guarantee schemes at market prices, to reduce the financial risks associated to offtaker payment default are in place and are accessible to customers that face barriers to entering the PPA market and are not in financial difficulty. In that framework, Member States are allowed to rely on private instruments or create State-backed guarantees. At Union level, the European Investment Bank and the Commission launched a pilot programme in 2025 to counter-guarantee part of the PPAs signed by mid-sized and larger companies, an initiative that complements national guarantees[22]. Regulation (EU) 2019/943 requires Member States to coordinate their initiatives, as well as the Union level. Therefore, where Member States decide to develop State-backed guarantees, they should ensure appropriate coordination with the EIB instrument.

(24) Trading PPAs on market platforms, whether private or public, contributes to increasing standardisation and transparency in the PPA market. This attracts liquidity, reduces transaction costs and ultimately reduces barriers to entry. Standardised PPAs offered on those platforms can also benefit from instruments, such as guarantee schemes at market prices[23]. On the other hand, tailored PPAs are also necessary to allow certain consumers to better hedge their consumption. Depending on market appetite, power exchanges and other intermediaries can develop new platforms or specific market products to support the PPA market. Therefore, Member States should ensure that there are no barriers to developing market platforms for PPAs, that their use by market participants remains voluntary and that there is fair competition between national market platforms and private alternatives.

(25) Multi-buyer PPAs can contribute to addressing some of the barriers encountered by the PPA market. By aggregating demand, those PPAs address demand fragmentation, allow smaller buyers to access them and dilute the counterparty risk. Since aggregating demand is complex and leads to high transaction costs, demand aggregators can play an important role in expanding the multi-buyer PPA market.

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19 Commission guidance on the design of two-way contracts for difference (OJ C, C/2025/6701, 19.12.2025, ELI: http://data.europa.eu/eli/C/2025/6701/oj).

20 Once the support schemes expire, the installations are also allowed to sign PPAs. That is more likely to happen when the support schemes have short duration compared to the lifetime of the installation. In that respect, nuclear installations 'which have very long lifetimes' can be a source for PPAs.

21 Communication from the Commission – Framework for State Aid measures to support the Clean Industrial Deal (Clean Industrial Deal State Aid Framework) C/2025/7600

22 Pan- EU Power purchase agreement guarantee lending envelope. Available at https://www.eib.org/en/projects/pipelines/all/20250202

23 Any State backed guarantee is to be in line with State aid rules. See Commission Notice on the application of Articles 87 and 88 of the EC Treaty to State aid in the form of guarantees (OJ C 155, 20.6.2008, p. 10).

Those aggregators, including citizen or renewable energy communities, use standard terms to negotiate with the electricity generator and to make a clear offer to potential buyers. In some cases, intermediaries such as industrial parks or business associations help creating groups of buyers to sign those contracts. Anchor clients can also contribute to the growth of multi-buyer PPAs, since these are larger clients that provide sufficient demand for a generator to offer contractual terms to which smaller buyers can be aggregated. Therefore, Member States should ensure there are no barriers to multi-buyer PPAs and demand aggregation. As for all joint purchasing agreements, participants in multi-buyer PPAs are to comply with competition rules[24].

(26) Public authorities have a long-term view of their energy consumption and can make use of their own energy demand to contribute to the achievement of the Union's climate and energy targets. That energy is sourced through public procurement. Public authorities' energy needs can also be satisfied by procuring energy via PPAs, especially in combination with energy efficiency services to reduce demand, including via energy performance contracting. Furthermore, public authorities purchasing energy through PPAs can also act as anchor clients and attract other customers to take part in multi-buyer PPAs. Therefore, public entities should promote demand aggregation by taking a more active role in the PPA market. The process to attract additional customers to a PPA should be carried out in an objective, transparent and non-discriminatory manner and ensuring compliance with State aid rules.

(27) The accounting rules on the treatment of PPAs are evolving. In particular, the International Accounting Standards Board (IASB) has recently issued amendments to existing accounting requirements to clarify how to treat both physical and financial PPAs, which were formally adopted by the Union. Of specific interest for physical PPAs is the clarification on the rules on applying the own-use exemption. Nevertheless, not all PPA offtakers apply IFRS Accounting Standards, as many apply national accounting rules instead. Therefore, Member States should take into account the views of stakeholders active in the PPA market and revise accounting rules where they represent a barrier to PPAs.

(28) Renewable PPAs are generally coupled with guarantees of origin, which prove that the electricity comes from renewable sources. The guarantees of origin are issued by issuing bodies, delivered in bulk and used by electricity consumers to certify that their electricity consumption is from renewable sources. However, the guarantees of origin have a low level of time granularity, often aggregating generation on a monthly or annual level, which means there is little correlation with the actual consumption by the offtaker. That lack of time granularity of guarantees of origin similarly disincentivises the use of demand-flexibility or short-term energy storage associated with renewable generation. The same problem occurs at a geographical level as an offtaker of a PPA may be in a different bidding zone (cross-border PPA), potentially very far from the generator's connection, compared to where the guarantee of origin is issued. Therefore, Member States should ensure that their designated competent bodies allow guarantees of origin to be issued and transferred with time granularity down to market time unit, for electricity provided by a storage unit and reflecting the bidding zone in

[24] Guidance on the compliance of joint purchasing arrangements and standard terms with Union competition rules can be found in Sections 4 and 8 of the Communication from the Commission – Guidelines on the applicability of Article 101 of the Treaty on the Functioning of the European Union to horizontal co-operation agreements (OJ C 259, 21.7.2023, p. 1).

which the generation has taken place. Member States should also ensure that guarantees of origin can be exchanged across borders to facilitate cross-border PPAs.

(29) Contrary to PPAs, other energy purchase agreements do not need to reflect the specificities of the electricity market. Hydrogen, heating and cooling or biomethane purchase agreements can share many characteristics with contracts for the purchase of storable commodities such as natural gas, including purity and quality levels.

(30) To allow the consumed energy under renewable hydrogen and biomethane purchase agreements to count towards the targets in Directive (EU) 2018/2001, the contracts are to ensure the transfer of the associated proof of sustainability and guarantees of origin to the Union database[25].

(31) Renewable hydrogen purchase agreements can unlock investments in new electrolysers and are to clarify the delivery pathway (e.g. pipeline or shipping), the compliance with regulatory conditions, and the pricing model, for which reference price indexes are only emerging.

(32) Biomethane purchase agreements, which can concern existing or new production facilities, are to clarify the delivery mode (e.g. natural gas pipeline or physical delivery) and the pricing model. As with PPAs, biomethane purchase agreements can be integrated into a broader portfolio that includes other gases or take the form of a financial contract associated with the exchange of guarantees of origin and proof of sustainability in the Union database.

(33) While biomethane can travel across borders, the market for such purchase agreements remains largely fragmented. The systematic use of a fully functional Union database for tracing renewable gaseous fuels will contribute to increase cross-border trade of biomethane between Member States and improve transparency and reliability regarding its origin.

(34) Member States should ensure that the design of their support schemes does not create barriers to the cross-border trade of biomethane, including through biomethane purchase agreements. When appropriately defined, public support schemes for the production of biomethane can complement such agreements in cross-border trade of biomethane, in particular when they allow producers to sell non-supported biomethane to consumers in other Member States. Shifting from production-based to demand-side support can also contribute to address these issues.

(35) Heating and cooling purchase agreements, on the contrary, are local in nature and often require the use of dedicated infrastructure such as district heating and cooling networks. The heat producer can supply renewable heat or cold based on ambient, geothermal or solar thermal energy or biomass, or supply heat from an electric boiler, industrial waste heat or cold. This can be supplied directly or through a heat pump, and can be combined with thermal storage. A key prerequisite is accurately mapping locally available sources of clean heat and cold, including, for example nuclear installations, and matching them with local demand at the corresponding temperature level. While heat generation, in particular in industry, is typically owned by the user, energy supply and heat-as-a-service contracts are becoming more common. In that model, a provider takes on the financial, technical and performance risks, and installs and runs the heating appliance, increasingly in combined with thermal storage, in the

[25] Article 31a of Directive (EU) 2018/2001.

buyer's facilities. In the case of electrified solutions, the provider can act as an aggregator selling flexibility in electricity markets and grid services.

(36) Heating and cooling purchase agreements can help mitigate a key risk of heat and cold supply investments, i.e. the uncertainty around the continuity and quality of the heat source and provide long-term certainty for investments. For projects in district heating and cooling, they can be supported usefully by specific derisking schemes. In a nascent market for renewable and waste heat[26] in industry, heating and cooling purchase agreements are also important in order to increase awareness through easily replicable types of contracts and financial setups. Therefore, Member States should ensure the mapping of available sources of clean heat and cold through local heating and cooling plans and establish derisking schemes for waste heat and cold and for renewable heating and cooling, in particular for district heating and cooling.

(37) This Recommendation should be without prejudice to Union law, in particular in the area of energy and competition.

HAS ADOPTED THIS RECOMMENDATION:

(1) Member States should set out the conditions for quickly deploying renewable energy generation and storage assets.

(2) Member States, when putting in place policies promoting the uptake of power purchase agreements (PPAs), should encourage contracting parties, in particular public bodies and large energy consumers, to consider the combination of PPAs and cost-efficient demand-side measures for energy efficiency and flexibility.

(3) When necessary to reach European objectives, Member States should plan and implement support schemes for electricity generation in such a way that they complement and enable PPAs, and that they do not distort competition in the electricity markets.

(4) When electricity generation investments are supported through two-way contracts for differences (2w-CfDs) or schemes taking a different form and combined with PPAs, those support schemes should be designed in a way that:

(a) avoids the risk of cross-subsidisation to the offtaker of the PPA;

(b) avoids creating distortions on PPA markets;

(c) reduces the risk of lowering liquidity in other electricity markets.

An entity mandated by the Member State should be allowed to resell to any consumer, including across borders, part of the capacity supported by 2w-CfDs, by means of PPAs awarded via competitive bidding processes, with maturities of about five years.

(5) Where Member States decide to develop State-backed guarantees, they should ensure appropriate coordination with the EIB's counter-guarantee lending instrument to

[26] Directive (EU) 2018/2001 sets a framework for renewable heating and cooling agreements; it also recognises the importance of waste heat and cold recovery for the Union energy system and its synergies with renewable energy. This Recommendation covers purchase agreements for renewable and waste heat and cold, which share common characteristics.

support midcaps and larger corporates to sign corporate PPAs with renewable energy suppliers.

(6) Member States should ensure that there are no barriers to developing market platforms for PPAs and that their use by market participants remains voluntary. Member States may consider that instruments such as guarantee schemes at market prices, are offered for PPAs traded on market platforms. Where Member States develop national market platforms, they should ensure fair competition with private alternatives.

(7) To promote access to PPAs for smaller buyers, Member States should ensure that there are no barriers to multi-buyer PPAs, contribute to raising awareness of the existence of those contracts among potential buyers and intermediaries and facilitate the signing of those contracts in the framework of any State-backed guarantee. They should ensure that all conditions are in place to allow the emergence and operation of companies dedicated to demand aggregation. Member States should also promote larger buyers acting as anchor clients, bringing smaller buyers to multi-buyer PPAs.

(8) Public entities should consider procuring their energy consumption through PPAs and should put mechanisms in place that can facilitate such procurement, as well as integrate PPAs with energy efficiency services. Public entities should be allowed to act as anchor clients, bringing smaller buyers to multi-buyer PPAs in an objective, transparent and non-discriminatory manner.

(9) Member States should take into account the views of stakeholders active in PPA markets and review existing rules on the accounting treatment of those contracts, where they constitute a barrier to signing specific categories of PPAs.

(10) For electricity, Member States should ensure that their designated competent bodies allow guarantees of origin to be issued and transferred, in line with standard CEN 16325:2025, that meet the following criteria:

(a) have time granularity down to market time unit;

(b) concern electricity provided by a storage unit;

(c) reflect the bidding zone in which the generation has taken place;

(d) can be exchanged across borders.

(11) To facilitate the tracing of renewable gases subject to a purchase agreement, Member States should implement the technical adaptations necessary to enable the integration of their national databases or national registries of guarantees of origin with the Union database referred to in Article 31a of Directive (EU) 2018/2001. This will enable market operators to include corresponding proofs of sustainability for renewable gases, as well as any associated guarantees of origin issued by the Member States designated competent bodies.

(12) Member States should ensure that the design of their public support schemes does not create barriers to the cross-border trade of biomethane. They should ensure that public support schemes for the production of biomethane allow producers to withdraw temporarily from such schemes in order to sell non-supported biomethane through biomethane purchase agreements to consumers in other Member States. Member States should also consider shifting from production-based to demand-side support, where appropriate.

(13) Member States should ensure that local heating and cooling plans are developed to map available sources of clean heat and cold and establish derisking schemes for waste heat and cold and for renewable heating and cooling, in particular for district heating and cooling.

Done at Brussels, 22.4.2026

For the Commission
Dan Jørgensen
Member of the Commission

CERTIFIED COPY
For the Secretary-General

Martine DEPREZ
Director
Decision-making & Collegiality
EUROPEAN COMMISSION