Setting a renewable Energy Framework for the decade ahead

Call for Evidence

Elettricità Futura's contribution

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Elettricità Futura is the leading association of the Italian electricity sector, representing more than 500 companies active in the production, distribution, trading of electricity and industry services, accounting for more than 70% of the national electricity market.

The Association aims to foster the development of the Italian electricity sector in alignment with the objectives of the energy transition. It contributes to strengthening the industrial value chain, generating significant benefits for economic growth and employment, while enhancing Italy's energy security and independence, environmental sustainability, and overall competitiveness.

Elettricità Futura welcomes the Commission's initiative to define a renewed legal framework for renewable energy beyond 2030. Renewable energy will remain a central pillar of Europe's decarbonisation trajectory beyond 2030, underpinning the achievement of the Union's climate and energy objectives. The current framework has played a key role in accelerating deployment and providing long-term investment signals. Looking ahead, the main challenge will not only be to further scale up renewable capacity, but to ensure its efficient integration into an increasingly complex energy system, while advancing decarbonisation, strengthening industrial competitiveness and enhancing energy security.

In this context, the post-2030 framework should be built on the existing architecture, while evolving towards a more delivery-oriented model that:

- strengthens implementation and effective delivery across Member States,
- addresses structural bottlenecks, in particular in permitting and grid development,
- enables efficient system integration of renewables through infrastructure, flexibility and demand-side participation,
- ensures long-term investment predictability and a stable regulatory environment.

1. Targets and implementation framework: strengthening delivery and system alignment

A binding EU renewable energy target remains essential to provide long-term visibility and anchor investment decisions. At the same time, the introduction of an indicative electrification target would represent a critical complement, providing a demand-side signal capable of guiding system planning, infrastructure development and investment allocation across the value chain. This should be accompanied by sufficient flexibility for Member States to reflect national specificities in their decarbonisation pathways, including the contribution of net-zero technologies.

At the same time, the effectiveness of the post-2030 framework will increasingly depend on its ability to ensure timely and consistent implementation across Member States. In this context, the focus should be on strengthening delivery and improving the operational dimension of the framework, rather than introducing additional layers of regulatory complexity.

To support this objective, a limited and targeted set of operational indicators could be introduced to enhance transparency, improve comparability, and facilitate the identification of structural bottlenecks. These indicators could cover key dimensions of system transformation, including:

- electrification (the share of final energy demand met by electricity and deployment rates of net-zero technologies while reflecting differentiated sectoral decarbonisation pathways and system-wide optimisation needs);
- grid connection (average time to secure a grid connection, per voltage level; Available connection capacity vs requested connection capacity (aggregated));
- permitting timelines (length of permitting processes for RES, storage, grids and other low-carbon assets; Total length of acknowledgment of the validity of the application, both in and outside of renewables acceleration areas; Proportion of permits that are not overturned when there is a legal challenge; Number of total steps needed to complete the whole approval process per technology. Such indicators should be explicitly anchored to national regulatory timelines);
- demand-side engagement and flexibility uptake (participation levels in demand response programmes; Penetration of smart metering infrastructure and digital energy management

systems; Share of consumers supplied under dynamic or time-of-use electricity tariffs; Share of electricity contracted through long-term PPAs)**.**

Beyond deployment-related metrics, Elettricità Futura supports the integration of a complementary set of indicators that would capture broader dimensions of competitiveness and strategic autonomy, in particular:

- exposure to external dependencies (reliance on imported renewable-energy equipment and an External Vulnerability Index (EXVI) for net-zero supply chains);
- industrial energy intensity;
- grid adequacy, interconnection rates, and the deployment of renewable and low-carbon flexibility resources;
- R&I spending on net-zero technologies (as a share of GDP) and the domestic manufacturing share of key net-zero technologies.

2. Investment and market framework: ensuring predictability and efficiency

Delivering the post-2030 renewable trajectory will require significantly scaled-up levels of capital mobilisation. Ensuring regulatory stability and predictability is therefore a prerequisite to reduce investment risk and enable efficient capital allocation across the value chain. The framework should provide a clear and reliable environment capable of supporting long-term investment decisions.

The preservation of a well-functioning market design is essential to maintain alignment between investment signals, system efficiency and cost outcomes. The current electricity market design—based on marginal pricing—continues to provide efficient dispatch, transparent price formation and robust investment incentives. Reopening its fundamental principles would risk increasing regulatory uncertainty, weakening investor confidence and ultimately delaying the scale-up of the investments required for the transition. At the same time, the framework should provide safeguards against retroactive or temporary interventions that could undermine investor confidence.

Affordability should be addresses within a broader system perspective and interpreted as the result of an efficient, integrated and adequately functioning energy system. A well-calibrated market framework enables cost-efficient outcomes for consumers over time, while ensuring that the transition remains economically sustainable for both consumers and investors, and preserving the conditions necessary to mobilise investment, support industrial competitiveness and ensure security of supply. In this regard, maintaining effective and undistorted price signals is essential. with price formation reflecting underlying system conditions and guiding both operational decisions and investment choices.

In parallel, long-term market-based instruments will continue to play a key role in reducing revenue volatility and enabling project bankability. In particular, the scaling up of Power Purchase Agreements and well-designed two-way Contracts for Difference should be prioritised. The design of Contracts for Difference should adequately reflect cost dynamics over the contract tenor. Introducing, where appropriate, inflation-linked indexation of strike prices could enhance revenue stability and support the bankability of renewable projects. We also highlight the necessity of defining binding criteria for well-designed auctions for CfDs, such as strict participation requirements: mandatory bid bonds and performance bonds are essential to prevent speculation and ensure awarded projects translate into delivered megawatts. Finally, auction design criteria should consider the specificities of innovative technologies, such as offshore floating wind (e.g. separating bottom-fixed and floating capacity lots to avoid distortion).

Investment visibility should also be further strengthened through the introduction of multiannual auction calendars, providing clarity on volumes, timelines and technologies. This would support better alignment between project development pipelines, supply chains and capital allocation.

The mobilisation of de-risking instruments—including guarantees, blending mechanisms, EU funding tools and State aid frameworks—will be essential to attract private capital. State aid frameworks should remain streamlined and aligned with Union priorities, ensuring necessity and proportionality while enabling the scale-up of investments required for the transition.

The framework should also provide greater clarity on the post-support mechanisms phase of renewable assets, particularly with regard to repowering and modernization, ensuring continuity of operation and optimisation of existing capacity. Futhermore, for those plants phasing out of CfD or PPA contracts that cannot undergo repowering, long-term contracts should be foreseen.

Demand-side activation should be reinforced through appropriate policy and regulatory frameworks, including procurement mechanisms and standards, ensuring that electrification progresses in parallel with renewable deployment and contributes to system optimisation, enhance flexibility and support the efficient integration of renewable generation.

3. Enabling framework: addressing structural bottlenecks

Despite the progress achieved through recent legislative initiatives, such as the Renewable Energy Directive III, permitting remains one of the most significant constraints to renewable deployment. Lengthy procedures, administrative complexity and uneven implementation across Member States continue to delay projects, increase project costs and undermine investment certainty.

The post-2030 framework should therefore prioritise the full and effective implementation of existing provisions, notably those introduced under RED III. This includes the operationalisation of Renewable Acceleration Areas (RAAs), the enforcement of binding permitting deadlines, the application of the overriding public interest (OPI) principle, and the further streamlining and digitalisation of administrative procedures.

At the same time, regulatory fragmentation across governance levels remains a critical challenge. Differences in national, regional and local frameworks often result in inconsistent application of rules, duplicative procedures and delays. Addressing this requires greater coherence and coordination across governance levels, ensuring that permitting processes, spatial planning and energy policy objectives are aligned within a coherent and predictable framework.

Permitting reform shall also be closely linked to infrastructure planning. Delays in network expansion, connection processes and project authorization are intrinsically interconnected and, if not addressed in a coordinated manner, can result in inefficiencies, such as connection backlogs and stranded projects. The framework should therefore promote a more integrated planning approach, ensuring that renewable deployment, grid development and connection processes evolve in a mutually reinforcing manner.

Finally, public acceptance remains a key enabling condition for deployment. While increasingly recognised in policy frameworks, approaches to social acceptance should remain flexible and context specific. The framework should support structured stakeholder engagement processes and the development of locally adapted benefit-sharing mechanisms, to facilitate project development while ensuring alignment with local communities.

4. Integration of renewables into the electricity system

As the share of renewables in the energy mix increases, the central challenge shifts towards ensuring their efficient integration into the electricity system. This requires a transition from a generation-centric perspective to a system-oriented approach, where infrastructure, flexibility and market signals are developed in parallel with capacity expansion.

Grid infrastructure constitutes a critical enabler of energy transition. Accelerating both transmission and distribution network development, alongside their digitalisation, will be essential to accommodate higher shares of variable renewable generation and to support the electrification of end-use sectors. In particular, distribution networks will play an increasingly central role in integrating decentralised resources and enabling active demand-side participation and should therefore be more systematically embedded in planning processes.

Enhanced coordination between Transmission System Operators (TSOs) and Distribution System Operators (DSOs), supported by interoperable data systems and improved data governance, will be essential to ensure efficient system planning and operation in an increasingly decentralised and digitalised environment.

At the same time, connection backlogs and network congestion are emerging as structural constraints across several Member States. Addressing these challenges requires not only increased investment, but also improved planning methodologies, greater transparency on available capacity and more efficient allocation of network capacity.

Flexibility resources must also be significantly scaled up. Storage solutions - both stand-alone and co-located - as well as the development of demand response mechanisms are essential to manage variability, ensure system stability and optimise renewable integration. Elettricità Futura supports the recognition of these resources as core system services, and they shall be given appropriate market mechanisms and regulatory framework.

Ensuring efficient system integration also requires a holistic perspective, where renewable deployment is supported by net-zero solutions contributing to flexibility, system adequacy and overall efficiency.

5. Innovative technologies: balancing support and proportionality

Innovative renewable technologies will be necessary to complement mature solutions and address specific system needs, particularly in hard-to-abate sectors. Their deployment, however, is often constrained by higher costs, technological risks or regulatory uncertainty.

The framework should therefore provide targeted support mechanisms, such as dedicated auction windows or specific funding instruments. At the same time, the application of non-price criteria, such as those provided by the NZIA and the Industrial Accelerator Act, should remain proportionate, avoiding excessive administrative complexity or unintended barriers to participation

Among key priorities concerns, we highlight the regulatory framework as well for emerging solutions such as renewable fuels of non-biological origin (RFNBO): a gradual and market-based approach is needed, ensuring that requirements related to additionality and temporal correlation evolve in line

with market maturity. In particular, the current design of the additionality requirement – as set out in Article 5 and complemented by the time-limited exemption under Article 11 – may require adjustment. The existing framework, which provides a time-limited exemption until 2038 for installations entering into operation before 2028, may not be sufficient to support market ramp-up.

A more structural approach could instead be considered, based on a permanent exemption from the additionality requirement for renewable installations entering into operation before a defined cut-off date (e.g. 2035). Consideration should also be given to enabling the use of renewables benefiting from public support schemes, currently excluded under Article 5. A blanket exclusion of such plants risks constraining the availability of renewable electricity. A more flexible approach could therefore be envisaged, allowing the use of supported renewable capacity subject to appropriate safeguards to avoid double support, including through robust accounting rules and a coherent interaction between support schemes and market-based instruments such as CfDs and PPAs. At the same time, temporal correlation requirements under Article 6 should remain aligned with system capabilities, maintaining monthly matching as a proportionate solution during the market ramp-up phase, rather than moving to hourly granularity.

In addition, as suggested before, the framework should incorporate KPIs to assess exposure to external dependencies in critical supply chains. This would support a more informed and strategic approach to industrial resilience and security of supply.

6. Financing framework: aligning resources with investment needs

The scale and capital intensity of the transition require a financing framework that is coherent, accessible and commensurate with the investment needs. Greater integration between EU funding instruments, including the Innovation Fund, the Renewables Financing Mechanism and the future Multiannual Financial Framework, as well as existing instruments such as the Connecting Europe Facility and programmes under the Competitiveness agenda, will be essential to maximise their effectiveness and avoid fragmentation.

The overall level of financial resources allocated to renewable energy will need to be commensurate with the scale of investment required in the post-2030 period. Ensuring adequate, stable and forward-looking funding streams will be critical to support the deployment of renewable capacity, system integration and the broader decarbonisation of the energy system.

At the same time, stronger alignment between financing and planning—particularly through National Energy and Climate Plans—can improve the efficiency of resource allocation and enhance investment certainty. Improving the accessibility and predictability of funding mechanisms should also remain a priority, reducing administrative complexity and facilitating participation across different market actors.

The framework should also adequately reflect national specificities, including differences in cost structures, market conditions and investment needs, particularly in the context of EU-level instruments such as the Industrial Decarbonisation Bank. Given the heterogeneity of energy prices, infrastructure availability and industrial profiles across Member States, a purely uniform allocation approach risks reinforcing existing disparities and undermining the effectiveness of support.

The mobilisation of private capital will be indispensable. The role of the European Investment Bank (EIB) should be further strengthened, notably in the context of the Clean Energy Investment Strategy.

By acting as an anchor investor, the EIB can contribute to de-risking investment pipelines and crowding in private capital, including from commercial banks and institutional investors.

The framework should also facilitate the development of cross-border renewable support schemes, which remain underutilised due to administrative complexity and lack of clear procedures. Removing these barriers and improving Member State awareness could unlock significant potential, particularly for large-scale projects where coordinated planning and grid development can deliver substantial cost efficiencies.

Finally, broader framework conditions must be aligned with decarbonisation objectives. In particular, energy taxation should evolve to level the playing field between electricity and fossil fuels, reducing the electricity-to-fossil price ratio. This is a necessary condition to support electrification and ensure consistency across policy instruments.

Conclusion

The revision of the renewable energy legal framework for the post-2030 period represents a critical opportunity to strengthen the Union's capacity to deliver the energy transition in an effective, coordinated and cost-efficient manner. Achieving the 2040 climate objective will require a framework that goes beyond target-setting and effectively addresses the structural conditions underpinning large-scale renewable deployment, including infrastructure readiness, electrification dynamics and system flexibility.

In this perspective, the framework should evolve towards a delivery-oriented architecture, where renewable deployment is embedded within a broader system optimisation logic. This implies ensuring coherence between generation expansion, grid planning, connection processes and demand-side evolution, thereby reducing inefficiencies, mitigating congestion risks and aligning investment signals across the value chain.

Addressing persistent bottlenecks will be essential. In particular, the effectiveness of the framework will depend on the full and consistent implementation of existing provisions alongside strengthened coordination across governance levels. A closer integration between permitting procedures, generation expansion and infrastructure development is necessary to avoid misalignments that can delay projects, increase costs and ultimately constrain deployment.

A stable and predictable investment environment remains a precondition for mobilising capital at scale. Preserving transparent and reliable price signals, including through the continued functioning of marginal pricing, is essential to ensure efficient dispatch and investment decisions. This should be complemented by the further development of long-term contracting instruments and enhanced forward visibility, notably through multiannual auction frameworks and stronger alignment with National Energy and Climate Plans.

By combining regulatory stability, effective implementation, and a system-oriented perspective, the post-2030 framework can evolve into a robust delivery instrument. Such an approach will be essential to ensure that renewable deployment translates into a resilient, efficient and competitive energy system, capable of supporting the Union's long-term climate objectives while maintaining affordability and security of supply.