



PwC EMEA Energy & Infrastructure Legal Compass

Information on Current Developments in Energy Law

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News from Member States

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Netherlands: Cable pooling: a smart solution to grid congestion

Overview

Dutch energy regulation permits multiple offtakes to share a single grid connection — a mechanism commonly referred to as *cable pooling*. This allows parties to optimize the use of available grid and connection capacity, which is particularly relevant in congestion areas where new connections are difficult to obtain.

Under the new Dutch Energy Act, effective 1 January 2026, cable pooling has been legally broadened and formalized as an instrument to make more efficient use of existing grid connections, but it requires careful contractual, regulatory, and operational arrangements to function properly.

Key Parameters

Cable pooling is available for connections of 100 kVA or more and supports up to four installations (registered as separate WOZ objects). The installations must be located close to one another. Both new and existing connections are eligible. The regime also covers battery storage systems and solar or wind installations.

Practical Benefits

By sharing a connection, parties can reduce connection lead times and costs, as the infrastructure behind the shared connection point may be installed privately. In grid-congested areas, cable pooling may provide a viable route to grid access that would otherwise be unavailable.

Regulatory Process

The process involves two steps:

1. **Application to the grid operator** — The participating parties jointly apply for a shared connection with the relevant regional or national (high-voltage) grid operator and agree among themselves on the terms of shared use.
2. **Notification to the ACM** — Once the shared connection is in place, parties must notify the Netherlands Authority for Consumers and Markets (ACM) using a prescribed notification form. The notification must be accompanied by: (i) the joint connection and transport agreement with the grid operator, (ii) a cadastral overview of the installation sites, and (iii) the contractual arrangements between the sharing parties.

Legal Considerations

The ACM registers the notification but does not grant an approval or license — parties cannot derive rights from the registration itself. Accordingly, the inter-party contractual framework governing allocation of capacity, cost sharing, and liability is critical and should be structured with care.

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Spain: Spain's Capacity Market Cleared by the European Commission: State Aid Approval for Case SA.112483e

On May 29, 2026, the European Commission approved Spain's market-wide capacity mechanism plan, removing a key EU-law barrier for its launch. This mechanism aims to ensure adequate resources during scarcity events. Spanish implementation instruments, including the draft Order and Resolution, await final approval and may be amended after public consultation.



Regulatory Context

Capacity mechanisms under EU rules must address proven adequacy concerns and be necessary, proportionate, competitive, technologically neutral, and open to cross-border participation. Spain's draft Order uses the capacity market to tackle supply security risks amid rapid renewables integration, electrification, and the need for firm capacity.

What the Spanish Capacity Mechanism Will Do

The mechanism is structured as a centralized peninsular capacity market that remunerates the availability of "firm capacity" during periods of system stress rather than energy production. The auctioned product is firm capacity, measured in MW, with bidders competing on the remuneration requested per MW of available capacity per year. The amount of capacity to be procured will be set using a firm-capacity curve informed by adequacy assessments, expected unserved energy, and the value of lost load.

Auction Design: Main, Adjustment and Transitional Auctions

The draft framework focuses on competitive auctions to secure firm capacity for future delivery, encouraging new investments. Main capacity auctions will allocate firm capacity, while annual adjustment auctions will address unexpected needs. Transitional auctions are planned until the first main delivery period.

The auction process involves sealed bids using a pay-as-bid clearing model. Key parameters defined in the auction call resolution include the auction calendar, required firm-capacity curve, firmness coefficients by technology, delivery periods, auction rules, new-investment quota, and price caps or reserve prices, with some details potentially remaining confidential.

Eligible Participants and Technology Neutrality

The market aims to be technologically neutral, enabling participation from electricity generators, storage facilities, final consumers, and demand-side aggregators, provided they meet Spanish rules.

Key elements include firmness coefficients for competition based on supply security contributions, not nominal capacity. Participation requirements encompass registration, accreditation, capacity rights transfers, verification, penalties, settlement, and financing. Future participation from neighboring bidding zones is expected once coordination occurs.

The Commission's State Aid Assessment

The Commission reviewed Spain's proposal under Article 107(3)(c) TFEU and the 2022 State aid Guidelines, finding it necessary for addressing adequacy concerns. Awards will occur through transparent tenders, with participants competing on remuneration during scarcity events.

The mechanism will run for ten years starting May 2026, with an annual budget of EUR 900 million and a total of EUR 9 billion, contingent on auction outcomes. Safeguards aim to limit competition and trade distortions, including competitive selection and cross-border plans.

Approval doesn't mean immediate operation; the final Order, procedures, and auction calls will set eligibility criteria, firmness coefficients, delivery obligations, guarantees, penalties, settlement flows, and the auction timetable.

Practical Implications for Market Participants

Generation, storage, and demand-side participants should prepare for a procedural market design, focusing on key areas:

Eligibility criteria include administrative status, connection rights, environmental standards, and meeting minimum firm-capacity thresholds. Firm-capacity involves firmness coefficients, access capacity, and managing hybrid or aggregated assets.

Auction economics cover pay-as-bid pricing, price caps, differentiated treatment for existing assets, and allocating costs to successful bidders. Operational readiness requires outage communication, real-time system info, stress-hour compliance, and response to testing.

Contractual and financing aspects focus on storage, hybridization, demand response, and assessing capacity-market revenues for supporting investments or flexibility strategies.

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Slovenia: Nationwide Energy Sharing

From 1 July 2026, Slovenia will launch a nationwide energy-sharing framework that will allow households and small and medium-sized enterprises (SMEs) generating electricity from renewable sources, such as solar power plants, to share surplus electricity with other consumers anywhere in the country. The reform, introduced through amendments to the Electricity Supply Act (ZOEI), represents an important step towards a more decentralized, consumer-driven energy system and forms part of the broader implementation of the EU electricity market design reform.

Until now, electricity sharing was largely limited to collective self-consumption schemes requiring joint investment and pre-agreed allocation ratios. Individual prosumers were generally unable to transfer excess generation to other consumers and could only export surplus electricity to the grid through their supplier. The new framework introduces a statutory right to energy sharing, allowing prosumers to transfer renewable electricity to other eligible users.

The system will operate through 15-minute settlement intervals. Participants will be able to agree in advance on the percentage of electricity to be shared, enabling near real-time allocation of surplus renewable generation. Importantly, energy sharing will not be limited by geographical proximity, allowing consumers to transfer surplus renewable electricity to eligible users anywhere in Slovenia. The commercial terms are equally flexible and are left to the parties' agreement. Electricity may therefore be shared at market value or at a symbolic price. Participation as a recipient will be open to most households, while large enterprises are generally excluded from the scheme.

The framework also introduces the role of an “energy sharing organizer”, which may facilitate contractual, administrative and operational aspects of energy-sharing arrangements.

Implementation of the new regime requires significant involvement from the distribution system operator, which is responsible for establishing registration procedures, managing metering data and adopting the technical rules necessary for the operation of the system. Although the amendments to the ZOEE entered into force in 2025, the application of the energy-sharing provisions was deliberately postponed until 1 July 2026 to allow the necessary technical and regulatory preparations.

Energy sharing is one element of a broader package of electricity market reforms implementing Directive (EU) 2024/1711 and Regulation (EU) 2024/1747. The reforms also introduce new consumer protections, fixed-price electricity supply contracts, flexible grid connection arrangements, measures supporting energy storage and flexibility resources, and enhanced transparency regarding grid capacity.

By enabling consumers to directly share surplus renewable electricity, Slovenia is taking a further step towards empowering prosumers and supporting greater participation in the energy transition.

Hungary: Hungary's Bold Wind Power Expansion by 2030

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The Hungarian government plans to increase the country's wind power capacity more than tenfold by 2030 by launching tenders for a total of 4 GW of new wind energy projects. The program is expected to involve nearly EUR 2.5 billion in investments, including upgrades to the electricity grid.

After almost a decade of stagnation, Hungary's wind power capacity — unchanged at around 330 MW since 2016 — could see significant growth.

As a first step, a tender for at least 700 MW of new grid-connected wind capacity is expected to be launched on 31 August. This first round alone would more than double Hungary's current installed wind capacity and could represent investments of nearly EUR 1 billion. The draft tender conditions are planned to be published for public consultation in mid-July.

News from Brussels and Strasbourg

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Emissions Trading Update: Reform Signals from Brussels, Continued Legal Uncertainty in the German nEHS[

In recent months, the European Commission has presented several reform proposals relating to the European Union Emissions Trading System 1 (EU ETS 1) and the European Union Emissions Trading System 2 (EU ETS 2). At the same time, the 2027 compliance year under the German national emissions trading system (nEHS) is approaching. While political announcements now point towards a continuation of the existing price corridor, no corresponding legal amendments have yet been adopted. This article provides an overview of the various amendments, their current status and their practical implications.

EU ETS 1

On April 1, 2026, the European Commission released proposal COM (2026) 153 final. This proposal suggests that allowances held in the Market Stability Reserve (MSR) above the threshold of 400 million will no longer be automatically invalidated but retained as a liquidity buffer. There is no immediate impact on prices as the intake rate of 24% and the applicable thresholds remain unchanged. The proposal is significant primarily for the medium- to long-term functioning of EU ETS 1, with the buffer expected to become effective from the mid-2030s amid anticipated market tightening.

A broader review of EU ETS 1 and the MSR is linked to review clauses in Article 30 of the Directive 2003/87/EC, the EU ETS Directive. The Commission has also confirmed a review for the 2031 to 2040 period. According to the European Parliamentary Research Service (EPRS) briefing dated April 14, 2026, the EU ETS Directive mandates the Commission to report by July 2026 on several specific issues, which could lead to legislative proposals. These issues include the potential inclusion of municipal waste incinerators and landfills, smaller combustion installations below 20 megawatts, international aviation, permanent CO₂ removals, and certain forms of carbon capture and utilization. Other topics cover handling carbon leakage in sectors not addressed by the Carbon Border Adjustment Mechanism (CBAM), a comprehensive MSR review, the utilization of auction revenues, and international linking.

Legislative proposals from the Commission would undergo the ordinary legislative procedure involving the Council of the European Union and the European Parliament.

Politically, Member States have differing views on the future of EU ETS 1. Eight Member States, including Denmark, Finland, Spain, and the Netherlands, support maintaining EU ETS 1, while Poland and Czechia call for its suspension. Italy has requested the Commission to pause the system until the revision is complete. Germany describes EU ETS 1 as “the right instrument” but advocates for targeted adjustments, especially regarding benchmarks.

EU ETS 2

Regulation (EU) 2026/667, effective from April 7, 2026, postpones the start of EU ETS 2 to 2028, as stated in Article 2. The Commission indicates EU ETS 2 will become fully operational in 2028. Preparations for its launch are ongoing, with Commission Delegated Regulation (EU) 2026/787, published on June 15, 2026, updating Delegated Regulation (EU) 2023/2830. This amendment addresses the timing, administration, and other auctioning aspects of greenhouse gas emission allowances, specifically to enable early auctioning from 2027 and ensure a smooth system start.

Furthermore, on June 11, 2026, the European Parliament and Council reached a provisional agreement on targeted changes to the MSR for EU ETS 2. This agreement enhances EU ETS 2 safeguards by extending allowance validity beyond 2030, allowing stronger intervention if prices rise, and facilitating earlier and more gradual allowance releases from the reserve. These developments suggest not abandoning EU ETS 2, but rather preparing for a cushioned and politically calibrated market launch.

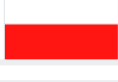
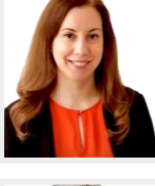
German National Emissions Trading System – “*Nationaler Emissionshandel (nEHS)*”

For the 2026 compliance year, a price corridor of EUR 55 to EUR 65 per allowance is in place, with prices expected to reach the upper end due to limited auction volumes. Surplus 2026 allowances will be available at EUR 68, and a limited purchase option in 2027 will be at EUR 70.

Originally, the German nEHS was set to integrate into EU ETS 2 from 2027, but this is delayed to 2028. Currently, 2027 national emissions allowances are to be sold at market-based prices. However, a political agreement within Germany's governing coalition proposes continuing the EUR 55 to EUR 65 price corridor into 2027, though this is not yet legally enacted.

Thus, energy suppliers face legal uncertainty for 2027 until this price corridor extension is legally formalized. Existing contracts should be reviewed to ensure flexible and legally sound mechanisms for passing on CO₂ cost changes, whether market-based pricing continues or the price corridor extension is implemented.

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Any Questions?

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Please don't hesitate to contact your PwC advisor or email us.

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