



Opinion of the European Committee of the Regions – Action Plan for Affordable Energy – how to secure affordable, stable and clean energy for all EU cities and regions

(C/2026/760)

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POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

General principles – strategic goals

1. points out that access to affordable, stable and clean energy is a cornerstone of economic and social development and cohesion and of competitiveness, a guiding principle of EU energy policy and a prerequisite for democratic legitimacy in the EU's path towards achieving climate neutrality by 2050; stresses that during the transition, and amid the current geopolitical tensions, the EU must safeguard accessible, reliable and predominantly domestic sustainable energy sources, while strengthening solidarity, territorial cohesion and resilience and helping to bridge regional and social inequalities; stresses that ensuring that regions are interconnected and as are energy-independent and self-reliant as possible in cases of blackouts and supply disruptions is key for territorial resilience;
2. welcomes, in this context, the European Commission's Action Plan for Affordable Energy (APAE) as an important step towards a comprehensive and long-awaited strategy to cut energy costs for citizens, particularly for vulnerable groups, communities and businesses across the EU, in particular small and medium-sized enterprises and industries and most notably energy-intensive ones, while ensuring consistency with the EU's energy and climate objectives in a cost-efficient, technology-neutral, environmentally responsible and socially fair way;
3. emphasises that technological neutrality plays a key role in enhancing the security of energy supply and in avoiding lock-in effects and fostering sustainability, climate resilience, economic efficiency and a just transition; reiterates also the importance of providing long-term stability given the scale of investments in energy infrastructure, as well as the need to invest in a diverse portfolio of sustainable technologies that allow regions to adopt technologies and system solutions best suited to their social, economic and ecological needs and possibilities in a cost-effective way, making energy more affordable and accessible;
4. highlights the importance, when implementing the APAE, of balancing short-term interventions to immediately reduce costs and shield households and businesses from price shocks with long-term measures to boost investment in renewables, other environmentally sustainable energy sources, energy efficiency, and smart and resilient grids and infrastructure; stresses in this context the need to step up investments in digitalisation and smart metering to optimise energy use and empower consumers, in order to achieve such systemic change, calls on the Commission to launch a broad policy reflection in the form of a white paper and to examine the potential of locational marginal pricing in the EU in order to drive the deployment of renewables and smart interconnections while reducing overall generation costs and GHG emissions;
5. welcomes the European Commission's seven specific actions to urgently bring energy prices down, built on the APAE, and calls for transparency and strong multilevel governance, especially in the use of the EU Cohesion Funds, permitting procedures and planning of the cross-border interconnections and domestic grids;

6. welcomes the Commission's proposed amendment to the European Climate Law to establish the EU's 2040 GHG reduction target; stresses that this target should be accompanied by the enabling conditions for citizens and industry and must be pursued in a way that safeguards competitiveness and long term stability in the EU; stresses that analyses by recognised research centres show major differences in Member States' transition exposure; underlines that, also with a view to ensuring affordable energy across the EU, the 2040 target – both its level and implementation – must fully reflect fair cost-sharing as well as the differing starting points and potential in the just transition of individual Member States and particularly vulnerable or coal-dependent regions;

7. recommends introducing a territorial dimension in energy affordability measures to ensure that all cities and regions, including rural, insular, mountainous and outermost areas, those which cannot be connected to the continent because of their remoteness, as well as energy self-sufficient communities, receive targeted support adapted to their specific constraints, infrastructure gaps and resource availability; points out that, as the level of governance closest to citizens, local and regional authorities (LRAs) are instrumental in delivering the APAE in line with domestic challenges, capacities, needs and socio-economic contexts;

8. welcomes the European Commission's Grids Package; calls for it to focus not only on the construction of new infrastructure, but also on the optimisation of the entire energy system, including decentralised flexibility solutions, innovative energy hubs, and integrated planning approaches.

9. emphasises that, alongside energy producers, transmission and distribution system operators, as well as European and national authorities, LRAs share responsibility for providing stable and affordable energy for households, businesses and vulnerable consumers, as well as for protecting and modernising existing energy infrastructure and developing new energy infrastructure; points out that LRAs also manage public housing, district heating, local transport and urban planning, all directly affecting energy use; underlines that LRAs are uniquely positioned to mobilise local communities, secure citizens' participation in and acceptance of the transition and play a key role in countering related disinformation and fake news; similarly, believes that regional authorities must be given clear powers and resources that allow them to manage energy emergencies and ensure supply continuity at the local level;

10. calls for strengthening local networks, advisory services and municipal energy operators as key enablers of affordable and sustainable energy delivery;

11. stresses the importance of a systemic governance approach that aligns European, national and local decision-making, and calls for a long-term EU vision on alternative energy carriers, including hydrogen, that recognises decentralised networks as critical infrastructure;

12. emphasises that, achieving a large-scale energy transition needs to mobilise over EUR 660 billion annually between 2026 and 2030 and EUR 695 billion annually from 2031 to 2040 ⁽¹⁾; underlines that, while local citizen initiatives contribute to green energy, achieving a large-scale energy transition may require, in addition to the engagement of democratically governed and publicly owned institutions, the proper involvement of the private sector responsible for 80 % of CO₂ emissions in the EU;

13. stresses the importance of strengthening multilevel governance in which LRAs act not only as implementers but also as co-designers of EU and national energy policy; calls for LRAs to be equipped with the competences, skills, resources and institutional support needed to ensure their full involvement in planning and executing both short-term and structural measures required to achieve the EU's energy and climate goals;

14. urges the swift continuation of work on and implementation of relevant legislation to complete a genuine Energy Union in all its five dimensions well before 2030, delivering affordability, competitiveness, security and sustainability for all Europeans and protecting citizens from excessive supply costs; notes the establishment by the Commission of the Energy Union Task Force in June and underlines the importance of the local and regional perspectives on key areas of the Task Force's activity (including faster permitting, ensuring better grid interconnections both within and between Member States, and full integration of local energy infrastructure); calls therefore for a CoR representative to be included in its work;

(1) The European Commission's State of the Energy Union 2025 report.

Energy Security and resilience

15. highlights that Russia's weaponisation of energy supplies has severely affected EU Member States and their regions and cities, causing major gas crises in 2006 and 2009 and fuelling the 2022 energy crisis, which gravely undermined energy affordability for the EU's households and businesses; underlines that Russia's full-scale war of aggression against Ukraine marks a point of no return in its energy relations with the EU and its Member States; welcomes the Commission's legislative proposal to phase out Russian gas and oil imports in a coordinated manner as a key step in implementing the APAE by ensuring more stable, predictable and affordable energy supplies; calls on the European Parliament and the Council to swiftly conclude negotiations on this Regulation;

16. agrees that an adequate assessment of the amount of Russian energy imports is a prerequisite for phasing out this dependence; regrets the continued whitewashing of Russian energy imports and stresses the need for greater transparency in the EU energy market; calls on the Member States to publish data on the origin of imported, exported and consumed Russian gas, and urges the application of all measures against the whitewashing of Russian energy imports; notes that relevant reporting obligations laid down under Regulation (EU) 2024/1787 of the European Parliament and of the Council⁽²⁾ on methane emissions reduction in the energy sector can contribute to achieving this goal;

17. recalls that energy is a fundamental necessity; emphasises that the phasing out of Russian energy imports must be a collective effort, ensuring that no Member State, company or household is left behind; emphasises that Member States are not equally positioned to phase out Russian energy imports in the same manner, and therefore urges strong solidarity among them, alongside appropriate support measures from the Commission to ensure a fair and coordinated transition;

18. emphasises the need to prioritise the resilience of energy infrastructure, drawing on lessons learned from Russia's war of aggression against Ukraine; considers that new energy assets should be 'resilient by design', including to possible military threats and extreme weather events;

19. calls for stronger regulation, oversight and transparency of investments by third countries, in critical energy infrastructure and companies, in order to safeguard strategic autonomy, protect sensitive technologies, and strengthen the resilience of the EU energy system;

Technology neutrality with a focus on peak power demand

20. calls for the EU taxonomy not to exclude the use in transport of biogas and liquid biofuels that fulfil regulated sustainability criteria, while ensuring a level-playing field between bio-energy and bio-plastics for biomass utilisation and availability in overall policy. In addition, efficient energy recovery from the incineration of waste that is unfit for recycling should be encouraged, with due regard to innovation and development in waste recycling;

21. in this context, stresses the role of municipal waste incineration in significantly strengthening local energy independence, providing stable, affordable and locally sourced power and heat, as well as accelerating the energy transition; emphasises that, by converting residual waste into reliable baseload energy, these installations help keep prices affordable for consumers, as well as balancing district heating systems and improving their stability and resilience;

22. calls for developing EU electricity market regulation to increase focus on peak power demand, e.g. by not treating capacity mechanisms as State aid, while ensuring the smooth functioning of the energy system, without distorting competition.

23. calls for the rapid deployment of renewable energy, with due consideration not only of grid capacity and weatherproof peak power, but also of the conditions and limitations of existing infrastructure, especially in island and outermost regions;

⁽²⁾ Regulation (EU) 2024/1787 of the European Parliament and of the Council of 13 June 2024 on the reduction of methane emissions in the energy sector and amending Regulation (EU) 2019/942 (OJ L, 2024/1787, 15.7.2024, ELI: <http://data.europa.eu/eli/reg/2024/1787/oj>).

24. calls for adjusting the EU building regulation (EPBD Annex I) to ensure that measures promoting on-site solar energy are complemented by solutions that effectively lower the seasonal peak power demand of buildings, while maintaining strong support for decentralised renewable energy generation;

Eradicating energy poverty

25. points out that energy poverty 'is primarily often an aspect of poverty in general that needs to be addressed by social, educational and employment policy; in the fight against energy poverty, educational, social and community information programmes must play a more prominent role, especially among digitally disadvantaged groups, to ensure everyone has access to energy-efficient solutions;

26. highlights that access to affordable energy is not merely an economic matter but a fundamental social right; stresses the urgent need, amid rising energy prices and as part of the just energy transition, for more ambitious action against energy poverty, which affects over 47 million Europeans; also underlines, in this regard, the growing challenge of heat waves and summer energy poverty, requiring specific adaptation measures and targeted support;

27. welcomes the Commission's announcement of its intention to present the Citizens' Energy Package by the end of 2025; underlines that this package should prioritise empowering and protecting energy consumers, both individual customers and communities, as well as encouraging the development of renewable energy communities and prosumer models, promoting consumer-oriented electrification and supporting the decarbonisation efforts of coal regions in transition; calls for stronger support for energy-sharing and citizen participation as enablers of local ownership and acceptance of the transition;

28. points out that the high upfront costs of the necessary energy efficiency improvements and building renovations disproportionately affect low-income and energy-poor households; calls for targeted local measures such as municipal renovation programmes, zero-interest loans, support for community-driven energy projects and housing cooperatives, social tariffs and direct financial assistance such as energy vouchers for vulnerable households; underlines that, alongside these measures, promoting low-investment, easily deployable energy efficiency solutions can provide immediate and sustainable relief and improve effectiveness, particularly for households with limited capacity for major renovations;

29. draws attention to the condition of the housing stock in rural areas and its enormous potential for improvement; points out that measures to support housing rehabilitation in rural areas not only contribute to improving the energy efficiency of buildings but also help address the challenge of depopulation by encouraging people to remain in these areas; requests, therefore, the establishment of specific support programmes for rural areas that take into account the challenges and barriers these areas face when renovating their homes;

30. emphasises that LRAs should design these measures to improve their effectiveness and public acceptance; underlines the need for stable EU and national co-financing to avoid shifting costs onto already stretched local budgets;

31. supports an all-sector approach to achieving the EU's ambitious 2030 and 2050 climate targets; points to forecasts that transport and heating costs could rise by 30-40 % by 2030 due to ETS2; urges a reassessment of ETS2's social, territorial and political impacts; warns that implementing ETS2 in its current form and timeline, without adequate preventive and compensatory mechanisms, instead of sending clear price-signals to businesses and citizens to reduce CO₂ emissions, risks generating a sharp increase in energy poverty, particularly in some cities and regions, with serious social repercussions, and could undermine public trust in climate policy and the EU; in particular, calls for the inclusion of transitional ETS2 cost subsidies for domestic consumers of natural gas for heating and thermal uses while electricity distribution networks are adapted to meet the increased demand for electrification or an alternative supply of biomethane is developed;

32. calls for EU-wide frameworks for social cost-benefit analysis when selecting between infrastructure types (electricity, hydrogen, heat) and proposes the creation of a dedicated funding instrument—potentially linked to ETS revenues—to support decentralised and innovative grid projects with clear EU added value;

33. is therefore concerned by the delay in many Member States in preparing the necessary instruments to be able to use the Social Climate Fund (SCF) and develop the Social Climate Plans; notes that the European Commission, in its assessment of the National Climate and Energy Plans of May 2025, urges the Member States to speed up preparation and requests local and regional authorities with their direct knowledge of vulnerabilities at territorial level to be adequately involved in the development of these instruments; reiterates its call for at least 35 % of the SCF to be managed directly by LRAs to improve targeting and effectiveness; is of the opinion that a realistic assessment is necessary of whether the SCF in the currently envisaged form will be sufficient to offset the disproportionate impact of ETS on vulnerable groups and territories;

34. urges the Commission to create space for regulatory experimentation, such as sandbox models, to accelerate the deployment of innovative energy solutions, and to simplify environmental permitting procedures in acceleration zones, especially for small-scale and low-impact projects;

35. points out that energy poverty is often aggravated by a lack of reliable information and digital exclusion; calls for energy literacy to be promoted at the local and regional levels, including in schools; urges the Commission and the Member States to provide guidance and funding to expand one-stop shops under the Energy Performance of Buildings Directive, enabling households, in particular the most vulnerable and those living in rural areas, as well as small and medium-sized enterprises (SMEs), to make informed and beneficial decisions as energy consumers and prosumers;

36. urges the Member States to actively participate in the EU's Energy Poverty Advisory Hub, to strengthen local support, share best practices, and enhance the capacity of LRAs to assist vulnerable households effectively; as highlighted in the European Committee of the Regions' adopted opinion on Electricity Market Design, such coordinated efforts and knowledge sharing are essential to ensure energy affordability and system stability across all regions;

37. recommends improving access to energy system data, including metadata on CO₂ emissions and energy flows, and calls for the EU-wide standardisation of Digital Twins to support strategic spatial planning and grid development at LRA-level.

38. underlines the need to further strengthen support for regions and cities through initiatives such as the European Investment Bank's European Local Energy Assistance (ELENA) facility; encourages Member States to set up similar project development assistance schemes at the local and regional level, making full use of EU and national funding;

Financing the affordable energy transition

39. stresses that the energy transition requires substantial, long-term investments with slow returns, which can increase public debt levels; notes that, under current legal and financial rules, most LRAs are unable to finance the transition solely on their own, including the co-funding needed for EU grants; points out that this directly limits their ability to provide affordable energy for households and businesses; underlines, therefore, the need to establish new mechanisms to mobilise significant private investment;

40. calls on the Member States to adjust their fiscal and budgetary rules to enable LRAs to invest in the energy transition; stresses the need to exempt such investments or treat them more flexibly in municipal debt limits, so that essential projects for affordable energy, energy efficiency and local self-reliance are not discouraged; notes that some Member States have already introduced greater fiscal flexibility in energy and climate investment, which could serve as examples for others;

41. emphasises the key role of long-term power purchase agreements (PPAs) in ensuring a stable renewable energy supply and reducing exposure to price volatility; calls for broader use of PPAs by local and regional authorities, and for municipal companies to participate in trade at energy exchanges, as tools to secure affordable and sustainable energy locally; urges the Commission and the Member States to provide an enabling regulatory framework and technical assistance to help LRAs use these instruments effectively, enhancing energy security and stability for citizens and businesses, in particular SMEs;

42. calls on the Member States to support LRAs in developing strategic public-private partnerships (PPPs) to improve both technology-based and nature-based solutions and scale up innovation ecosystems, entrepreneurship and technology transfer while enhancing energy efficiency and resilience in diverse sectors and territories across the EU;

43. notes that many LRAs face limited budgets and competing priorities, which hamper their ability to deliver the green transition; warns that, without accessible and dedicated funding, including at EU level, local and regional disparities may deepen; stresses, therefore, that the energy transition must be one of the key priorities in the next multiannual financial framework (MFF) (2028–2034), with support provided in a technology-neutral, sustainable, cost-efficient and systemic way, ensuring alignment with climate neutrality and energy affordability objectives and avoiding investments that risk long-term dependence on high-emission energy sources, covering generation, storage, transmission and distribution; underlines, in particular, the need to support investment in the decarbonisation of district heating as well as in electricity grids as a public good, including investments in regional backup infrastructure such as micro-grids and distributed self-consumption systems that strengthen resilience to blackouts, with reinforced financial support for modernising and expanding local and regional distribution networks, if this is not possible on commercial grounds and without excessively burdening end-users with the costs of these investments; insists that LRAs be fully empowered and adequately resourced as key partners in shaping and implementing the next MFF and is concerned by the lack of appropriate provisions to ensure this in the proposals presented by the European Commission in mid-2025; reiterates its call for direct funds for LRAs to finance Green Deal projects;

Decarbonising the heating and cooling sector and reforming the ETS

44. stresses that, while district heating supplies affordable and secure heat and hot water to around 67 million Europeans at the local and regional level, municipalities often lack the financial and technical resources needed to modernise and decarbonise infrastructure, integrate local renewable sources and keep prices stable; also underlines that the potential of small modular reactors (SMRs) in decarbonising district heating, as highlighted in the Nuclear Illustrative Programme (PINP), should be further explored provided that the safety concerns, the unsolved issue of nuclear waste and the need to source nuclear fuel sustainability are addressed; calls for the creation, at EU and national level, of a regulatory environment that favours investments in sustainable heating systems, including through support mechanisms and simplification of procedures, and urges the Commission to reflect this adequately in its upcoming Heating and Cooling Strategy;

45. calls for a binding EU framework to gradually phase out all direct and indirect fossil fuel subsidies, while ensuring energy security, affordability and competitiveness, and to reallocate those funds to just transition priorities, including public transport, energy efficiency and support for vulnerable households, taking into account technological, sectoral and regional specificities;

46. calls for the gradual phase-out of the free allocation of emission allowances for district heating after 2030 in the EU ETS and for the extension of the Modernisation Fund beyond 2030; points out the need for Member States to provide support for LRAs, including financial support, in implementing their local heating and cooling plans in accordance with the Energy Efficiency Directive (EED); calls on the Commission to increase the thresholds of permissible aid intensity within the forthcoming revision of the General Block Exemption Regulation (GBER) to mobilise financing for investments in district heating;

47. notes that, while the EU ETS is a key tool of the EU's climate policy, with carbon prices rising to unprecedented heights in recent years, it requires deeper reform to reduce price volatility, ensure security and safeguard the transition across all Member States, cities and regions, in line with the APAE; calls for an effective excessive price mechanism under Article 29a; points out that including municipal waste incineration in the ETS could bring some environmental benefit by creating incentives for waste prevention and recycling;

48. emphasises the need for consistent sustainability certification and GHG savings verification for biomass installations across EU legislation, in particular under the ETS and the Renewable Energy Directive (RED); stresses that ETS auction revenues should be earmarked for specific decarbonisation programmes and reiterates its call for 20 % of these revenues to be directly managed by LRAs;

49. stresses that modernising and expanding electricity grids in the Member States is essential to meet the increasing demand for renewable energy, and to ensure a connection for industrial projects which, as well as helping to generate local wealth, will help fund the development of the grid, while noting that grid congestion hampers households' access to renewable electricity and constrains the ability of LRAs to promote the energy transition;

Cutting red tape and speeding up the transition

50. underlines that, while environmental protection, climate mitigation, energy security, affordability and competitiveness must remain at the centre of EU energy policy, achieving these goals requires an urgent simplification of administrative procedures to accelerate the development of sustainable energy projects, where investment certainty and clear timelines are critical;

51. stresses the need to simplify, standardise, streamline and speed up the permitting process for energy infrastructure and grids, storage and renewable energy projects, since the administrative burden continues to constitute a major barrier to their timely deployment, resulting in higher costs for developers, missed investment opportunities and delayed decarbonisation, and the risk of grid congestion; also warns that saturation of local and regional distribution grids is blocking new investments, making it essential to prioritise efforts to modernise and strengthen them to drive the energy transition; calls, in this regard, for renewable energy projects to be classified, in line with EU guidance, as being 'in the overriding public interest'; further calls for the swift implementation of 'renewable acceleration areas' under the RED III Directive as well as for permitting and environmental impact assessment procedures to be proportionate to the scale and risk profile of projects, including the possibility of exempting or simplifying requirements for small-scale, low-impact RES projects; at the same time, sufficient time must be allowed for local and regional democratic processes, in order to enable locally adapted and acceptable solutions;

52. emphasises the need to establish streamlined digital permitting systems to minimise administrative hurdles and to enable local communities and public administrations to accelerate the authorisation process by making it more efficient, transparent and participatory;

53. underlines that permitting and regulatory requirements for energy infrastructure should be proportionate to the size and capacity of companies and local operators, ensuring that smaller municipalities and regional energy providers are not financially overburdened;

54. welcomes the Commission's intention to review the Public Procurement Framework, which currently limits the ability of LRAs to participate in the distributed energy generation and consumption organisations, including renewable energy communities and cooperative schemes; calls on the Commission to adjust public procurement rules to enable the local authorities, especially those in cities, to secure access to affordable energy, thereby increasing resilience of local economies and reducing the cost of the public services they deliver to citizens, industries and businesses;

Supporting local economies and SMEs

55. emphasises that SMEs are particularly exposed to volatile energy prices, which can threaten their competitiveness and the jobs they create; stresses, therefore, that the APAE has to ensure that energy affordability measures extend beyond households to include small businesses across all Member States, cities and regions; underlines the role that LRAs can play in facilitating SMEs' participation in renewable energy communities, cooperative schemes and joint procurement platforms that enable them to benefit from stable and affordable energy prices;

56. underlines that, given their strong innovative potential, SMEs play a key role in the energy transition and in the implementation of the Clean Industrial Deal; calls, therefore, for SMEs to be granted equal access to the new financing instruments proposed by the Commission under the next MFF; points out that the public ownership criteria must not disqualify local public services enterprises (LPSEs) from financing opportunities and administrative burden reduction measures open to SMEs;

Capacity, skills and local labour markets

57. notes with concern that shortages in human capital and insufficiently competitive public sector salaries hinder the planning and implementation of local energy projects; underlines, in this context, the importance of supporting the effective roll-out of the APAE at local and regional level; calls, therefore, for EU and Member State-level capacity-building programmes and initiatives to strengthen local and regional administrations, including measures for training, hiring and retaining skilled personnel, in order to ensure their ability to deliver affordable and sustainable energy solutions for citizens;

58. underlines the need to equip the local workforce with the skills required for the energy transition, particularly through reskilling and upskilling; calls for reinforced EU and national investment in vocational education, green skills programmes fostering creativity and societal innovation, and employment support schemes, with a special focus on coal regions in transition, areas dependent on energy-intensive industries and areas facing structural labour market challenges, especially in regions caught in a talent development trap ⁽³⁾; urges the Commission to ensure the active involvement of LRAs in the Union of Skills, given their unique capacity to identify local knowledge gaps; and highlights the role of public employment services and regional educational institutions as key partners in green skills development;

59. stresses the critical role of LRAs, acting through their energy agencies, in fostering local green labour markets and creating training centres in cooperation with educational institutions and local industry; calls for appropriate EU and national funding, as well as technical assistance, to support municipalities in developing green job initiatives and establishing skills observatories to monitor labour market needs and anticipate future demand.

Brussels, 10 December 2025.

The President
of the European Committee of the Regions
Kata TÚTTÓ

⁽³⁾ 'Harnessing talent in Europe's regions', COM(2023) 32 final.