Tripartite Agreement for Energy Storage

The European Council in its Conclusions of 19 March[1] called for an acceleration in the deployment and integration of renewable energy sources and energy storage to reduce dependence on volatile fossil fuel markets and enhance security of supply.

Along other sources of non-fossil flexibility, storing energy for the time when it is most needed can improve the integration of renewables and help lower and stabilise energy prices for consumers, while supporting congestion management, reducing renewables curtailment and mitigating network development costs. Increased storage capacity reduces dependence on volatile energy markets, cutting the need for government support to fossil fuel imports. This not only frees up public funds for more productive uses in line with the EU's long-term objectives but also protects households and businesses from the inflationary pressures of global fossil fuel price spikes.

It is estimated that 200 GW of storage capacities are needed by 2030 to meet the energy system's needs, compared to around 55 GW of energy storage installed as of the beginning of 2026. Achieving this objective will require diverse storage technologies across all timescales, stand-alone or, when cost-effective, coupled with renewables[2].

The aims of this sectoral tripartite agreement with immediate effect in 2026-2028 are to:

1. **Strengthen storage capacity for better integration of renewables, reduction of curtailment and lower and more stable prices through immediate increase of deployment in 2026-2028:** boosting the **annual deployment of storage by at least 20%** compared to the annual capacity installed in 2025 (around 12 GW), corresponding to approximately **45 GW** of energy storage to be installed between 2026 and 2028.
2. **Reduce gas demand by making better use of renewables**: ensuring that storage supplies approximately **10% of peak demand**[3], up from around 5% in 2025.
3. **Foster electrification and competitiveness of industry and businesses,** lowering prices and increasing:
   - The volumes of **Power Purchase Agreements (PPAs)** with storage assets, from 1.5 GW in 2026 to **4.5 GW** in 2028;
   - **Industrial thermal storage capacity** in the commercial and industrial (C&I) sector, from 0.5 GWh in 2026 to **1.5 GWh** in 2028;
   - The **share of storage installations co-located with renewables** in the C&I sector, from 5% in 2026 to **20%** in 2028 of the renewables installations;
   - **Battery installations** in the C&I sector, from 9 GWh in 2026 to **24 GWh** in 2028**.**

[1] https://www.consilium.europa.eu/en/press/press-releases/2026/03/20/european-council-conclusions/

[2] Such as EVs, battery energy storage systems (BESS), pumped hydropower storage, thermal storage, flow batteries, hybrid collocation projects with renewables (solar with EVs or wind/solar with storage, such as pumped hydro storage with floating solar).

[3] Peak demand refers to the highest demand that occurs over a certain period of time. Calculation based on 2025 peak demand.

At the time of the signature on 26 June 2026:

- **Industrial consumers and energy storage and renewable energy developers** being signatories to this tripartite agreement put forward **specific storage projects** that can be easily replicated.

- **Member States** being signatories to this tripartite agreement submit **ambitious pledges for national storage deployment** for the period 2026-2028, contributing to an indicative pace of annual storage deployment at EU level of approximately 30 GW indicated in AccelerateEU.

- **The European Investment Bank (EIB) Group is assessing opportunities to strengthen its support for energy storage investments, with a view to:**
    - adapting the EUR 500 million pilot programme for corporate Power Purchase Agreements to also cover storage solutions, including through flexible and hybrid PPAs;
    - extending the EUR 1.5 billion Grids manufacturing package for the European supply chain to provide counter-guarantees also to manufacturers of storage components;
    - supporting the development and manufacturing of storage technologies in the EU, through its equity, quasi-equity and venture debt instruments.
- The **European Bank for Reconstruction and Development (EBRD)** is expanding the support to energy storage investments and providing financing for energy storage solutions over the 2026-2028 period. The EBRD is providing advisory support to Member States on establishing enabling regulatory frameworks for energy storage.

- **The Commission is working with the EIB Group regarding its support to energy storage investments**, including as regards its corporate PPA counter-guarantee, the Grids manufacturing package, and the development and manufacturing of storage technologies.

In 2026-2028, all signatories work together to achieve these objectives by **advancing the following specific commitments[4]:**

a) Energy storage and renewable energy project developers commit to:
- Provide annual indicative **numbers on new energy storage and hybrid projects and their volumes, for a more robust pipeline for the period 2026-2028**.

b) Energy-consuming industries commit to:

- Follow the model of the deals between industrial consumers and energy storage and renewable energy developers at the time of the signature by **developing energy storage projects for industrial premises**.
- **Improve visibility of the sector's electricity demand profile**/long-term demand forecasts, and planned electrification and flexible energy consumption.

[4] These commitments do not create any legal obligation for its signatory parties.

c) **Member States** commit to:
   - Frontload the removal of barriers to energy storage deployment, in particular to support the conclusion of **PPAs with storage assets**[5] and other long-term contracts, and barriers preventing access to markets and remuneration for energy storage, across all relevant timeframes and system services. They advance enabling National Regulatory Authorities to set or approve **cost-reflective** and **non-discriminatory** network tariffs that **stimulate flexibility and grid-friendly** behaviour.[6]
   - **Support energy storage deployment and manufacturing** as needed in line with the national pledges, by making use of national and EU funds[7], and in line with State aid rules, such as the **Clean Industrial State Aid Framework (CISAF).**

d) **The European Commission** commits to:
   - Assist Member States in designing efficient support schemes open to storage and ensuring the **swiftest possible State aid approval** for relevant measures.
   - Support the decarbonisation of energy-intensive industries through the **Industrial Decarbonisation Bank**.
   - Explore ways of valorising energy storage deployment in the context of the 2026 Innovation Fund Heat Auction.
   - Update the **Requirement for Generators network code** and the **Demand Connection Code** to support the roll-out of storage.
   - In the review of the **Taxonomy Disclosure Delegated Act** planned for Q1 of 2027, the Commission will assess possible ways to address issues with the limited use of the EU Taxonomy for certain public sector transition investments relying on general purpose financing for activities that may contribute to Taxonomy environmental objectives, while ensuring that the objectives of the Taxonomy Regulation are met.

e) **National and regional banks, including promotional ones** commit to:
   - Jointly improve the knowledge of storage projects to enhance their bankability.
   - Collaborate with the EIB Group and with each other to ensure maximum reach and economic impact of their funding programs for storage solutions.

The signature of the tripartite and its implementation contributes to energy security, energy affordability and industrial competitiveness as well as sustainability, and will result in:

1) **A more robust project pipeline** of energy storage and hybrid projects underpinned by **Member State pledges for storage deployment** and **aggregated demand forecasts** by energy consuming industry for more predictability of supply and demand.
2) An **enlarged de-risking and project development toolbox**.
3) **Increased EU manufacturing base** of energy storage and storage components, matching the tripartite agreement.

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[5] Where efficient.
[6] In line with the Recommendation (C(2025)4024) and Guidance (C(2025) 4010) on future-proof network charges to reduce energy system costs.
[7] Such as CEF, Cohesion Policy, regional policy funds, Social Climate Fund.

Annex to the agreement: Monitoring the implementation of this agreement

The Commission will lead and coordinate the achievement of the goals of this tripartite agreement. It will monitor progress and facilitate exchange between the signatories on challenges and best practices related to energy storage.[8]

Progress will be monitored on a yearly basis, until 2028, against the following performance indicators, linked to the aims of this tripartite agreement:

- *Storage installed capacity in EU [GW installed].*
- *Share of peak demand supplied by energy storage [% of peak demand].*
- *PPAs with storage assets signed between signatory parties [GW].*
- *In the commercial and industrial sector:*
    - *Thermal storage capacity [GWh].*
    - *Share of storage installations co-located with renewables [percentage of co-located installations compared to total installed capacity].*
    - *Battery installations [GWh].*

[8] Through the Energy Union Task Force, the regional groups and other existing fora such as the Concerted Action for Renewable Energy Sources (CA-RES).