

South-East Europe Energy Outlook 2025/2026

The Energy Transition from a Legal Perspective

Practical Legal Issues and Corporate PPAs

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Four Sources of Delay

Land and planning

The cadastre, local authorities and courts may interpret the same legal relationship differently.

Permits and consents

Interdependent procedures: a delay in one matter affects the entire project timetable.

Secondary legislation

Incomplete implementing rules hinder the practical application of statutory provisions.

Investor and operator deadlines

Strict investor obligations, with insufficiently effective consequences for operator delays.

02

Grid Connection Deadlines

Capacity reservation

A bank guarantee submitted within a strict deadline preserves the investor's right to connect.

System operator requirements

Delayed design and connection requirements hold up the building permit and subsequent procedures.

Consequences for the investor

Deadlines under power offtake, construction, equipment supply and financing agreements continue to run.

Asymmetry of liability

The investor bears the risk of losing capacity and incurring contractual penalties.

03

A Grid Connection Agreement in Practice

Eight days for the investor

Payment of the full connection costs within an exceptionally short period.

Successive operator deadlines

15 days to appoint a committee and carry out an internal inspection, then 15 days to connect after signing the record.

No firm deadline for the record

The connection deadline depends on an action for which the agreement sets no clear time limit.

Construction obligations and risk

The investor secures permits and land rights and builds the connection transferred to the operator, with no specific penalties for operator delay.

04

Tripartite CPPA

Article 186: physical delivery

The model requires a licensed supplier to participate in implementing the agreement.

Article 188: full supply

One delivery point and the same supply period are subject to a single full-supply agreement.

The practical issue

How can direct offtake coexist with full supply, balancing responsibility and billing arrangements?

A lesson from a specific project

Identifying a buyer and a supplier does not, in itself, establish the legal feasibility of the agreed model.

05

The Virtual Model

Physical sale of electricity

The generator sells electricity to the supplier, which supplies the end customer.

Financial CPPA

The generator and end customer agree on financial settlement without physical delivery between them.

Settlement of the price difference

A contract for difference links the agreed strike price to the market price and limits exposure to price movements.

Collection risk

In the model used in practice, the supplier also handles clearing. Its creditworthiness remains material.

06

The Sleeved Model

The supplier's role

A tripartite arrangement governs intermediation, balancing responsibility and supplementary supply.

Invoicing and collection

Who issues the invoice, in whose name and for whose account, and who receives payment?

Concentration of risk

In the model examined, the generator receives payment through the supplier, including for surplus electricity.

A lesson from practice

A direct CPPA does not automatically eliminate supplier risk. The solution involved a more creditworthy counterparty.

07

Billing and Tax Issues

The proposed structure

One full-supply agreement between the customer and supplier, with the supplier assuming balancing responsibility.

The generator's electricity

Consider invoicing and collection through the supplier in the name and for the account of the generator.

Supplementary electricity and services

The supplier invoices its own electricity in its own name and separately itemises intermediation and balancing.

Issues requiring alignment

Separate invoice items, payment flows and the correct treatment of charges, excise duty and VAT.

Proposals for Improvement

Symmetry of liability

Operator deadlines and proportionate statutory and contractual consequences of delay should be clearly defined.

CPPA guidance

Harmonised contract templates and implementing rules could reduce costs and the risk of misinterpretation.

A single digital case file

Operator and authority procedures should be coordinated, with integrated monitoring of deadlines.

Effective supervision

Alerts for missed deadlines and prompt supervisory mechanisms would limit the transfer of losses to investors.

09

Conclusion

Legal analysis at the earliest stage

Involving legal and other advisers before signing term sheets and providing guarantees.

Enforceable contracts and clear permits

Checking the procedural sequence, competent authorities and documentation before assuming key obligations.

Allocation of risk

Aligning contractual deadlines and liability, while assessing counterparties' creditworthiness.

Thank you for your attention

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