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FORTUM'S COMMENTS ON THE REVISION OF THE EU PUBLIC PROCUREMENT DIRECTIVES

Background

The European Commission will propose a revision of the EU rules on public procurement in Q2 2026. Given that public authorities spend over EUR 2.6 trillion annually on the purchases of services, works and supplies (EC, 2025), procurement is one of the most powerful policy tools for the public sector to achieve the EU's strategic goals, especially decarbonisation of industries and electrification. However, the implementation of the current rules remains fragmented between the Member States, representing a barrier to the single market and an unnecessary administrative burden. Additionally, tenders often prioritise lower price over quality, innovation and sustainability, missing the potential of using public procurement rules to boost demand for green products¹. Therefore, Fortum welcomes the upcoming revision of the rules and the opportunity to respond to the public consultation.

Key comments

Ensuring the required flexibility of the Public Procurement framework

Enabling the purchase of products and equipment through streamlined processes is essential for ensuring security of supply and advancement of the clean energy transition. Thus, Fortum supports the Commission's wish to simplify the public procurement framework and enable faster procurement procedures.

The current framework enables the possibility of Member States to exempt certain sectors if they are exposed to sufficient competition. In various Member States, including Finland and Sweden, the production and sale of electricity have been exempted from the Utilities Directive (2014/25/EU) due to the activity being exposed to competitive markets. The current application of exemptions has proved appropriate given the market conditions, thus Fortum finds it crucial that the granted sector-specific exemptions are maintained. From a simplification and harmonisation point of view, a general exemption from the public procurement requirements for the energy sector across the EU could be envisaged.

Using public procurement as a tool for green demand creation

Public procurement can play a key role in both developing European industries and creating new jobs, strengthening European resilience, and driving decarbonisation. One important part hindering

¹ Lappe, M. and F. Nicoli (2025) 'Advantages and pitfalls of green public procurement as a European strategic tool', Working Paper 21/2025, Bruegel

investments in the production of new low-carbon materials and products is the lack of demand signals and the lack of willingness to pay a green premium. In many cases, the green premiums remain too high and the demand outlooks too uncertain to make the necessary investments. For example, investments in renewable hydrogen and green steel have stagnated in recent years. Facilitating demand creation through public procurement offtake agreements could reduce this uncertainty and increase the demand for low-carbon products.

Setting clear criteria for products and sourcing will enable clean industry investments to happen in Europe. Introducing a sustainability and/or resilience (Made in EU) criterion to the public procurement framework should naturally be done in a manner that is easy to implement, does not distort competition, lead to overly complex or longer procurement processes or excessive price increase. An adequate and realistic timeline and gradual implementation for introducing such criteria should be taken into account to allow for markets to develop and attract investments. As an example, the criteria could come into force after five years and over a time period be ramped up from 10% to 50%. Increased costs would likely be perceived in the beginning; however, the possible benefits in societal well-being, e.g. through green job creation and boosted climate action, should not be downplayed and can be seen as partly offsetting the increased cost for green premium. The urgency of strengthening the European supply chains should not be forgotten either.

For additional information

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Fortum

Fortum is a Nordic energy company. We generate and deliver reliable energy to our customers and the Nordic energy system while at the same time helping industries decarbonise their processes and grow. Our core operations comprise efficient and best-in-class low-carbon power generation, customer services, and heating and cooling. Fortum's power generation is already 99% from renewable or nuclear sources with one of the lowest specific CO₂ emissions in Europe. We are guided by our ambitious SBTi-validated emission reduction targets on our way towards net-zero by 2040. For our ~4,500 employees, we commit to be a safe and inspiring workplace. Fortum's share is listed on Nasdaq Helsinki. [fortum.com](https://www.fortum.com)