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NOTE

From:	General Secretariat of the Council
To:	Delegations
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Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2019/943, as regards future-proofing electricity bills in the Union, through reducing system costs and fostering electrification and digitalisation - Revised Presidency compromise text

Delegations will find in the Annex a second revision (REV2) of the above-mentioned proposal.

Compared to the Commission proposal (doc. 12071/26), new texts are marked in **bold** and deletions are marked in ~~*strikethrough italics*~~. Compared to the first revision (doc. 13029/26), new texts are marked in **bold underline** and deletions are marked in ~~strikethrough underline~~.

2026/0203 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (EU) 2019/943, as regards future-proofing electricity bills in the Union, through reducing system costs and fostering electrification and digitalisation

(Text with EEA relevance)

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 194(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee,

Having regard to the opinion of the Committee of the Regions,

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) High electricity costs are adversely affecting households and businesses across the Union, thereby undermining the competitiveness of the internal market and social cohesion. While the ~~cost of the~~ commodity cost component in the electricity bill is determined by supply and demand, regulatory cost components of electricity bills, namely network charges and taxation, may be further aligned with the Union energy and climate objectives. To provide tangible relief to electricity consumers, it is necessary to adopt a coherent set of measures targeting those components of electricity bills.

(2) The measures concerning network charges set out in this Regulation aim to optimise grid costs through a number of measures including increased efficiency of the network, improved cost allocation mechanisms, and enhanced demand flexibility. Moreover, in order to further enhance demand flexibility, the deployment and effective use of smart grids, smart metering systems and interoperable data improve observability and controllability of the electricity system. These tools enable more efficient grid operation and planning, and the activation of flexibility resources at the lowest cost. By reducing inefficiencies in the transmission and distribution of electricity, including through more data-driven grid management and more accurate price signals for flexible consumption and generation, these measures will ultimately lower the network charges component of electricity bills, thereby contributing to the overall objective of reducing energy costs for final consumers.

(3) The provisions on taxation contained in this Regulation are ancillary to the measures concerning network charges and are necessary to support the objective of reducing electricity bills. Reductions in network charges may not fully translate into lower electricity bills for final consumers, if electricity remains subject to higher taxation than fossil fuels. Such a discrepancy risks offsetting the benefits of lower network charges and undermining the Union's broader objectives of affordability and electrification.

(4) Accelerating the electrification of the Union's energy system can help reduce energy costs and exposure to fossil-fuel price volatility by enabling greater use of domestic renewable and low carbon electricity, in particular where electrification is supported by appropriate tariff design, efficient technologies and flexibility. Smart meters and smart grids, supported by secure and interoperable data exchange between system operators, market participants and final customers, are key enablers of such flexibility, as they allow electricity consumption, generation and storage to respond more efficiently to system needs and price signals. However, the transition to electrification is hampered where national taxation frameworks continue to favour fossil fuels over electricity, thereby disincentivising the shift to lower-cost, renewable and low-carbon energy solutions.

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(5) In order to effectively lower electricity bills and support the Union's energy and climate objectives, it is necessary to adopt a dual approach comprising both increasing the efficiency of electricity networks and the alignment of taxation principles. The measures concerning taxation set out in this Regulation do not harmonise tax rates or levels but ensure that electricity is not subject to a higher tax burden than gas. By removing regulatory barriers that could otherwise impede the affordability of electricity and the transition to electrification, these provisions support the primary objective of this Regulation while respecting the competence of Member States in the area of taxation.

(6) The primary objective of these measures, i.e. increased efficiency of the network through smarter network charges, smart and digital technologies and streamlined data exchanges, should, in turn, also ensure efficient expansion of the electricity grid. Grid expansion is often necessary to accelerate grid connections and accommodate rising demand for electricity by system users such as data centres, energy intensive industries or market participants in the transport sector.

(7) Network charges or tariffs comprise connection charges and use charges. Connection charges are typically payable on a 'one-off' basis for connecting to the electricity network. Use charges are linked to the use of the electricity network. Use charges include charges for building, upgrading, maintaining and operating the transmission and distribution infrastructure, charges for transmission and distribution losses, charges for system operators' procurement of system services and charges for withdrawing or injecting electricity. Considering that network charges are a considerable factor in electricity costs and are an important driver for ensuring a cost-optimal energy system, ~~harmonised~~ **a common framework for** ~~rules~~ **tariff methodologies** can support a level playing field and extend good practices to all Member States. This promotes a more efficient approach, which can bring down costs and have a positive impact on the affordability of electricity for Union consumers and on the competitiveness of the European economy. To that end, network charges should be cost-reflective, transparent and non-discriminatory, and should provide the right incentives to both system operators and system users for the cost-efficient functioning of the electricity system.

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(8) Cost-reflective network charges should reflect the costs incurred by system operators to develop and operate a cost-efficient network, insofar as such costs correspond to those of an efficient and structurally comparable network operator, considering operational and capital expenditures. Network charges should also include an appropriate return on investment. To achieve a cost-efficient use of the network and in line with the energy efficiency first principle, tariffs should incentivise system operators to minimise electricity losses and to optimise the use of existing grids, including through the use of flexibility services and the deployment of non-wire and digital solutions, smart electricity grids and smart metering systems. Moreover, network charges should be designed in such a way as to provide the **appropriate** ~~necessary~~ incentives to system users to contribute to a higher flexibility of the network, and to avoid inefficient curtailment while allowing energy to be used where the cheapest energy sources are available and when it is the most cost efficient for the overall system. **Where relevant for the cost-effective operation of the system, n**~~N~~etwork charges should also provide ~~locational investment~~ signals **to efficiently steer new investments to the right locations** and contain capacity, as well as time-of-use elements. **Where capacity-based charges are determined by individual measured demand peaks, such peaks should be assessed in light of the relevant network situation and should not result in higher charges where they do not contribute to network constraints.** ~~The latter~~**Time-of-use elements** could be of a static or dynamic nature to incentivise system users to make more efficient use of the network **and are without prejudice to Article 11 of Directive (EU) 2019/944 and consumer rights to dynamic tariffs**. Furthermore, costs created by system users who either inject or withdraw electricity to and from the grid should also be considered in the overall network charges methodology.

(9) To ensure a level playing field for all market participants in the interconnected European electricity markets, network charges should be applied in a way which does not discriminate between production connected at the distribution level and production connected at the transmission level. Moreover, network charges should not disincentivise aggregation, energy communities, self-generation, self-consumption, storage or participation in demand response and should enable effective and timely third-party access. With respect to storage, network charges should be used to incentivise grid-friendly behaviour, and they should reflect the **impact** ~~benefits to~~ **on** the ~~grid~~**system**~~, without discouraging deployment of storage assets~~. **Storage can contribute to the cost-efficient functioning of the electricity system by shifting electricity between periods of surplus and scarcity and facilitating the integration of variable renewable generation in areas where there is high renewable penetration. Where operation without causing additional network constraints or reinforcement needs is demonstrably ensured, in particular through flexible connection agreement, network charges should take into account the wider system value provided by storage. T**~~Moreover,~~ ~~t~~ariff regimes **applicable to storage** should account for the particularities of storage facilities, by avoiding 'double charging'**, or overcharging between the sum of injection and consumption tariffs, so as to** ~~while~~ reflect~~ing~~ the overall cost**s and benefits** ~~impact~~ of ~~the~~ storage on **the** network~~ costs~~.

(10) Any special tariff regimes for specific categories of system users~~, such as energy-intensive industries and data centres,~~ should respect the principle of cost-reflectivity **and should be based on objective, transparent and verifiable evidence of a different impact on network costs. The underlying assessment and justification should be publicly available.**~~.~~ While the electricity consumption of ~~data centres is~~**certain system users is** expected to grow significantly in the coming years, increasing pressure on electricity grids and tariffs, their optimal location, time-of-use and consumption profile can support their efficient connection and integration into the electricity system and should be incentivised in network tariffs~~, in particular when data centres can render services to the energy system, for example by bringing flexibility services, additional energy storage and clean energy production to the grid~~.

(11) Regulatory authorities play a crucial role in ensuring that tariffs are designed in the most appropriate way to ensure cost efficiency of the network and ensure there is sufficient investment for the necessary grid operation and development. In view of the need to guarantee a level playing field and to ensure an efficient use of European electricity networks, regulatory authorities should apply consistent and objective benchmarking criteria. In this context, regulatory authorities should ~~set~~ **apply a minimum common set of** performance indicators, including smart electricity grid indicators, to assess the extent to which system operators operate and develop the network cost-efficiently. Given its expertise and experience, the European Union Agency for the Cooperation of Energy Regulators (ACER) should assist regulatory authorities in **determining a common minimum set of performance indicators**~~this task~~, including through carrying out an efficiency comparison among transmission system operators. Given the very diverse landscape of distribution systems across the Union, with more than 2600 distribution system operators owning a licence, regulatory authorities are best placed to perform efficiency comparisons among distribution system operators at the national level. **Any such comparison by the regulatory authorities should take into account, inter alia, the size and voltage levels of the distribution network, the customer base and the quality of the services provided by the system operators in question, the relevant investment needs, and the geographical conditions of the Member State concerned.**

(12) Given the pressure on electricity bills, the need for significant investments in the grid and the necessity to ensure the affordability of electricity and the competitiveness of European industry, Member States should be able to allocate funding to the **operators of** electricity network**s** from their general budget, including by allocating specific parts of Cohesion funds or other available Union funding to investment support of grid development. Such injections of public funds to support overall network costs should only be allowed insofar as they are non-discriminatory, in line with the applicable legal requirements and the principle of cost-reflectiveness**, do not distort the level playing field between Member States** and are not undermining the internal market. Moreover, it is important to ensure that such public support is targeted and temporary and provides overall benefits ~~through~~ **of network security, or** the acceleration of decarbonisation, for example, through electrification of industrial consumers, and market integration such as investments into interconnectors, major network upgrades or offshore grid connection infrastructure and meets certain specific needs in the network, such as investments that reduce waiting times for grid connections. However, the use of public

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funds should not delay investments in necessary infrastructure or distort the optimal location of power generation units.

(13) The ability to compare tariffs is instrumental for system users to act in a system-friendly way. Not only does this improve their understanding of the applicable tariffs, but it also helps them understand how to adjust their behaviour vis-à-vis the system accordingly to pay lower tariffs. To increase comparability in tariff setting, more transparency is necessary. Additional transparency will also enable regulatory authorities to adopt best practices and carry out their respective cost-effectiveness assessments when fixing or approving tariff methodologies. This is particularly important for the different elements that need to be considered in the tariff methodologies, as well as for the complex trade-offs underlying the assessment on the basis used to fix or approve tariff methodologies. **Public consultations with relevant stakeholders should be held before** ~~Prior to~~ fixing or approving tariff methodologies, regulatory authorities should publicly consult relevant stakeholders. Regulatory authorities should take into account the short-term distributional impacts of any changes in the tariff methodologies and consider whether a gradual approach is necessary so as to give system users time to adjust their behaviour and consumption patterns.

(14) Since 2019, ACER has issued several best practices reports on tariff methodologies. Those reports provide insight into the challenges and recent developments in network tariff setting and specific analyses of national tariff setting practices. The reports have also increased transparency and allowed for the sharing of good practices and comparability in tariff setting. Given these positive outcomes, ACER should continue to issue such reports. Those reports should be separate from ACER's reports comparing the efficiency of transmission system operators and their costs, because of their different subject matter.

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(15) In order to lay down the necessary details to ensure **uniform conditions for implementing** ~~the effectiveness of~~ Regulation (EU) 2019/943, the power to adopt acts in accordance with Article 29**1(2)**~~0~~ of the Treaty on the Functioning of the European Union should be ~~delegated~~ **conferred** ~~to~~ **on** the Commission~~, in respect of supplementing this Regulation~~ by establishing guidelines on a common structure and ~~harmonised~~ methodology on tariffs, detailed conditions under which regulatory authorities may introduce separate network charge regimes for specific categories of system users and ~~harmonised~~ rules on the procedural and substantive requirements for the public consultations that need to be carried out for the relevant draft tariff methodologies. Given the long-standing experience and expertise of regulators in approving tariff methodologies and in the supervision and control of related activities, ACER should provide a recommendation to the Commission before the Commission ~~issues~~ **submits its draft** ~~delegated~~ **implementing** acts on a common structure and ~~harmonised~~ methodology on tariffs. ~~It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.[1] In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.~~

~~[1] OJ L 123, 12.5.2016, p. 1.~~

(16) The deployment of non-wire, smart and digital solutions should be promoted whenever they efficiently enhance the usable capacity, flexibility and reliability of electricity transmission and distribution networks. Complementing the framework for smart electricity grids provided under Directive (EU) 2019/944 of the European Parliament and of the Council[2] and under Regulation (EU) 2022/869 of the European Parliament and of the Council[3], transmission and distribution system operators should ensure that non-wire, smart and digital solutions, alongside non-fossil flexibility such as demand response, storage and other solutions, are **given equal** consider**ationed** ~~with priority~~ in network planning as well as system operation. The efficiency-enhancing effects of these solutions should be demonstrated on the basis of objective and transparent criteria, such as their impact on usable network capacity, congestion, resilience, quality of supply or integration of renewable energy and flexibility, and cost-efficiency in achieving these goals in comparison to physical grid development. Regulatory authorities should be able to rely on network development plans including related cost-benefit assessments, and relevant performance indicators for that purpose.

(17) Efficient use of electricity infrastructure increasingly depends on the ability of transmission and distribution systems to develop the grid efficiently for future power system needs, including renewable acceleration areas and industrial areas and to integrate flexibility, digitalisation and data-driven solutions. In this context, common indicators should provide a consistent basis for measuring the performance of system operators in deploying smart electricity grid functionalities and making effective use of existing infrastructure. A limited set of common indicators should be recommended by ACER, building on its existing analytical work and that of national regulatory authorities, in order to achieve a more coherent monitoring framework, support convergence of regulatory approaches, facilitate the identification of best practices for regulatory approaches and measure progress in the development of smart electricity grids, as defined in Article 2, point (9), of Regulation (EU) 2022/869.

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2 Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (OJ L 158, 14.6.2019, p. 125, ELI: http://data.europa.eu/eli/dir/2019/944/oj).

3 Regulation (EU) 2022/869 of the European Parliament and of the Council of 30 May 2022 on guidelines for trans-European energy infrastructure, amending Regulations (EC) No 715/2009, (EU) 2019/942 and (EU) 2019/943 and Directives 2009/73/EC and (EU) 2019/944, and repealing Regulation (EU) No 347/2013 (OJ L 152, 3.6.2022, p. 45, ELI: http://data.europa.eu/eli/reg/2022/869/oj).

(18) In order to improve the efficiency and adaptability of electricity networks and provide a consistent analytical basis for the development of regulatory approaches that better reflect system performance, benefits for the broader energy system and the uptake of innovative solutions, regular Union-level reporting should be carried out based on those indicators. ACER should receive data on deployment of smart electricity grid technologies as well as on enabling regulatory practices and national smart grid indicators in order to enable ACER to assess existing practices to identify best case examples from national regulatory authorities. Currently, smart electricity grid indicators are not being implemented in a harmonised manner across the Union, and divergent approaches lead to a differing regulatory environment, undermining the consistent measurement of the uptake and performance of smart and innovative grid technologies and digital solutions in transmission and distribution networks. In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred to the Commission to establish smart electricity grid indicators to measure the uptake and performance of smart and innovative grid technologies and digital solutions in transmission and distribution networks. The Commission should consider ACER's recommendation.

(19) To reduce system costs and improve the functioning of the internal energy market, thereby contributing to lower electricity prices, it is necessary to make better use of existing grid infrastructure via seamless data exchange and use of digital tools. This requires a more effective and timely exchange of relevant electricity grid data between system operators, which will enable a higher level of grid observability by better coordination across transmission and distribution levels. Depending on the use case, electricity grid data can include network topology, grid parameters and asset characteristics, connection and capacity data, real-time measurements from Supervisory Control and Data Acquisition (SCADA) systems and other operational measurements, state estimation and power flow data, voltage, load flow and congestion data, outage and maintenance data, dispatch, redispatch and curtailment data, flexibility needs, and operational forecasts, as well as limits and constraints relevant for transmission and distribution system operation.

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(20) System operators should improve the productivity of network infrastructure through the deployment of innovative technologies, supported by interoperable grid data exchange arrangements**, building on arrangements where these are in place**. This is because data-driven tools for grid operation will contribute to reducing system constraints, thereby limiting the scope of grid reinforcements and alleviating system stress. **Operational grid data exchange should be supported by a dedicated framework, jointly established by the ENTSO for Electricity and the EU DSO entity, building on existing European and national arrangements. It should establish governance, safeguards and procedures for developing and updating separate technical documentation.** Where electricity grid data contains personal data, any processing of such data should be in line with the applicable data protection rules, in particular Regulation (EU) 2016/679 of the European Parliament and of the Council**.**[4] ~~and, where applicable, Directive 2002/58/EC of the European Parliament and of the Council[5].~~ For the purposes of this Regulation, system operators should in principle only exchange aggregated or anonymised data. Personal data should only be shared when anonymised data are not sufficient for the objective pursued. Where such electricity grid data falls within the scope of Chapter II of Regulation (EU) 2023/2854 of the European Parliament and of the Council[6], the rights and obligations laid down in that Chapter apply. This Regulation should not create a parallel or conflicting regime for access to and sharing of that data.

[4] Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1, ELI: http://data.europa.eu/eli/reg/2016/679/oj).

[5] ~~**Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (OJ L 201, 31.7.2002, p. 37, . ELI: http://data.europa.eu/eli/dir/2002/58/oj).**~~

[6] Regulation (EU) 2023/2854 of the European Parliament and of the Council of 13 December 2023 on harmonised rules on fair access to and use of data and amending Regulation (EU) 2017/2394 and Directive (EU) 2020/1828 (OJ L, 2023/2854, 22.12.2023, ELI: http://data.europa.eu/eli/reg/2023/2854/oj).

(21) The efficient and secure operation of electricity networks increasingly depends on developing and deploying advanced digital and data-driven solutions. Availability and accessibility of relevant electricity grid data are crucial for the ability to develop, test and scale innovative solutions for grid operation and optimisation. In particular, the use of electricity grid data for analytical, research and innovation purposes is constrained by legal uncertainty, high transaction costs and the absence of common arrangements for secure data access, processing and governance. It is therefore appropriate to **require the ENTSO for Electricity and the EU DSO entity to establish a framework for secure electricity grid data exchange, while allowing transmission system operators and distribution system operators to participate in that framework on a voluntary basis. The framework should enable participating transmission system operators and distribution system operators** ~~provide for a framework enabling transmission system operators and distribution system operators to cooperate, on a voluntary basis and through a coordinated Union-level arrangement,~~ to cooperate **amongst each other and** with relevant stakeholders in pooling data, expertise and computing resources to develop, test, integrate and deploy innovative digital tools for electricity system operation and optimisation.

(22) The framework for **secure electricity grid data exchange for research and innovation purposes** ~~cooperation between transmission system operators and distribution system operators~~ should **provide for common governance rules and data standards to be applied by participating system operators and** support the wider availability of the solutions developed to benefit system operators across the Union. It should also ensure appropriate safeguards for data protection, confidentiality, safety, cybersecurity and system security. **The framework should not require system operators to make electricity grid data publicly available, but should enable its lawful, secure and controlled reuse for research and innovation purposes within trusted environments, subject to appropriate confidentiality and security requirements established under the framework.** The Commission stands ready to provide informal guidance to companies on the compatibility of cooperation projects contributing to the achievement of Union priorities with antitrust rules, in particular projects related to innovation, decarbonisation and AI development

(23) To support the consistent development of the **secure electricity grid data exchange for research and innovation purposes** ~~coordinated arrangement~~ at scale, common requirements on data models, data formats, data ontologies, access procedures, governance, transparency and secure grid data exchange should be established at Union level. These should build on existing standards such as the Common Grid Model Exchange Standard. In order to ensure uniform conditions for the implementation of the **secure electricity grid data exchange for research and innovation purposes**~~coordinated arrangement~~, implementing powers should be conferred on the Commission to establish those requirements as well as rules for the lawful, secure and controlled reuse of data for research and innovation purposes supporting the operation and optimisation of the electricity system.

(24) The efficient use of the electricity network relies on the availability of accurate and granular consumption data and on final customers' ability to access and act upon such data. Smart metering systems are a key enabler of demand response and dynamic electricity price contracts, which can help improve the use of existing electricity network infrastructure, including by reducing the curtailment of renewable energy and facilitating electrification. By enabling consumers to adjust their consumption to periods of lower prices and to benefit from more efficient use of the electricity system, smart metering systems can contribute to more affordable and predictable energy bills. **In this context, final customers should have access to clear and transparent information to make informed choices when participating in flexibility services, in line with the relevant provisions of Directive (EU) 2019/944.** In order to achieve sufficient deployment across the Union and to support more efficient network usage, including across borders within the internal energy market, Member States should ensure that at least 50 % of final customers have access to a smart meter to establish critical mass for consumer participation and flexibility services, and progressively increase this level to at least 75 % by 31 December 2033. To ensure feasible rollout timelines while keeping the overall EU ambition, Member States with deployment levels below 30 % at the date of entry into force of this Regulation should be given additional time to reach these targets. This addresses the current uneven state of deployment across the Union, with overall penetration at around 60 % and several Member States lagging behind or not yet having initiated large-scale rollouts, in a proportionate way. Cost-benefit assessments under Directive (EU) 2019/944 should apply only to deployment beyond the 75 % level, ensuring proportionality while meeting the Union's digitalisation and flexibility objectives. In order to support the effective implementation of these obligations as laid down in Article 18b of this Regulation, Member States are encouraged to make

appropriate use of available funding and financing opportunities under relevant Union programmes and instruments, in accordance with the rules governing those programmes and instruments. **The deployment targets laid down in this Regulation are without prejudice to the transitional provisions for existing smart metering systems laid down in Article 19(6) of Directive (EU) 2019/944.**

(25) Given the critical role of deployed and operated smart metering systems in an increasingly digitalised electricity system, a high level of cybersecurity and operational and supply chain resilience should be ensured throughout their lifetime, taking into account relevant European cybersecurity legislation, including Regulation (EU) 2024/2847 of the European Parliament and of the Council[7], in particular where smart metering components fall within the scope of critical products, certification schemes established under Regulation (EU) 2019/881 of the European Parliament and of the Council[8], as well as the need to avoid supply chain security risks and dependencies that could undermine continuity and security of essential metering functionalities and data protection. As smart metering systems form part of the broader electricity grid technology ecosystem, relevant sustainability, resilience and security of supply considerations reflected in Regulation (EU) 2024/1735 of the European Parliament and of the Council[9] also need to be taken into account, including, where appropriate, in procurement practices.

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7 Regulation (EU) 2024/2847 of the European Parliament and of the Council of 23 October 2024 on horizontal cybersecurity requirements for products with digital elements and amending Regulations (EU) No 168/2013 and (EU) 2019/1020 and Directive (EU) 2020/1828 (Cyber Resilience Act), (OJ L, 2024/2847, 20.11.2024, ELI: http://data.europa.eu/eli/reg/2024/2847/oj).

8 Regulation (EU) 2019/881 of the European Parliament and of the Council of 17 April 2019 on ENISA (the European Union Agency for Cybersecurity) and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013 (Cybersecurity Act), (OJ L 151, 7.6.2019, p.15, ELI: http://data.europa.eu/eli/reg/2019/881/oj).

9 Regulation (EU) 2024/1735 of the European Parliament and of the Council of 13 June 2024 on establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724 (OJ L, 2024/1735, 28.6.2024, ELI: http://data.europa.eu/eli/reg/2024/1735/oj).

(26) The uptake of electrification is intrinsically linked to electricity costs, which in turn are impacted not only by network charges by also by the taxes levied on electricity bills. To support the affordability of electricity, its uptake as an energy source and the transition to a low-carbon economy, Member States should ensure that electricity is taxed more favourably than natural gas, thereby providing a pricing signal to support the electrification of the Union. This principle is in line with the Union's climate goals and can be enacted by Member States under the current Union harmonised framework as established by Council Directive 2003/96/EU[10]. However, where this is duly justified by a Member State, based on specific national circumstances, including in view of the fiscal situation of the Member State, the Commission should have the possibility to authorisze Member State, by means of an implementing act, to defer the application of the first subparagraph until a point in time which strikes a balance between the specific national circumstances concerned and the need to reach the Union's electrification objectives.

(27) This price signal is particularly relevant for energy-intensive businesses, where the cost-differential to natural gas can hinder the transition to cleaner energy sources. Article 17 of Directive 2003/96/EU permits Member States to apply a reduced level of taxation, including a rate of zero, to electricity used by energy-intensive businesses, subject to certain environmental, water and energy efficiency conditions. As electrification is a key pillar of the Union's strategy to reach net-zero greenhouse gas emissions, as recently reaffirmed in the Clean Industrial Deal, accelerating the electrification of the economy will not only contribute to climate objectives but can also help reduce energy costs and support the competitiveness of the Union's manufacturing sector. Consequently, electricity used by energy-intensive businesses should be considered as meeting the environmental objectives and increased energy efficiency conditionality set out in Article 17(4) of Directive 2003/96/EU.

[10] Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity (OJ L 283, 31.10.2003, p. 51, ELI: http://data.europa.eu/eli/dir/2003/96/oj).

(28) **To anticipate or address** ~~In case of~~ scarcity in the available capacity of the grid, regulatory authorities should be allowed to approve measures to deter speculative requests for connection to the grid and manage connection queues, to ensure that access to the grid is done in an objective, transparent and non-discriminatory manner in line with Article 3 of Regulation (EU) 2019/943 and Article 6 of Directive (EU) 2019/944. In addition, Member States and regulatory authorities should ensure the applicability of other available measures to address insufficient grid capacity like flexible connection agreements or cross-sectorial network planning. Member States can also explore further options for considering maturity and progress of grid connection requests in line with the first ready first serve principle or anticipatory network planning, as explained under the Guidance on efficient and timely grid connections[11].

(28a) The prioritisation of grid connections in situations of scarce network capacity may have important implications for Member States' energy, economic, social and security policies. Relevant policy objectives may include reducing greenhouse gas emissions, accelerating the deployment of renewable energy, facilitating the electrification and decarbonisation of strategically important economic sectors, ensuring the provision of essential public services and meeting housing needs. To this end, Member States should be **able to establish general principles and policy objectives in these areas through policy or legislative measures, for possible consideration by regulatory authorities. Such measures should not prejudice the independence of regulatory authorities or their responsibility to determine grid connection criteria in accordance with their regulatory powers and duties under Directive (EU) 2019/944 and shall not provide detailed provisions concerning elements which are at the discretion of the national regulatory authorities.[12] In this regard, Member States could inter alia** ~~allowed to~~ create conditions to establish specific areas with available or planned grid capacity upgrades to enable accelerated access of **certain** network users**.** ~~like for instance industrial customers and data centres to networks.~~ When approving measures and conditions on access to grid, and especially for special categories of system users ~~like data centres or energy intensive industry considering their network impacts~~, regulatory authorities**,** should also be allowed to prioritise users within the same category with flexible consumption patterns contributing to

[11] Commission notice of 10 December 2025, Guidance on efficient and timely grid connections, C(2025) 8473 final.

[12] See also judgment of the Court of Justice of 6 March 2025, Alajärven Sähkö and Others, C-48/23, ECLI:EU:C:2025:144, paragraphs 39 to 43.

on-site storage and on-site generation of additional clean energy and sustainable use of resources.

(29) Regulation (EU) 2019/943 should therefore be amended accordingly.

(30) Since the objective of this Regulation, namely to achieve the cost effectiveness of the system operation and foster electrification of the grid, cannot be sufficiently achieved by the Member States, but can rather be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary to achieve those objectives.

(31) The European Data Protection Supervisor was consulted in accordance with Article 42(1) of Regulation (EU) 2018/1725 of the European Parliament and of the Council and delivered an opinion on [date].

(32) The provisions of this Regulation are without prejudice to the right of Member States to notify State aid measures, according to the applicable procedures and conditions laid down in State aid rules. Member States may for example introduce measures to support industrial electrification projects where an effective decarbonization effect is confirmed and in line with the guidelines on State aid for climate, environmental protection and energy (CEEAG)[13] and the Clean Industrial Deal State Aid Framework (CISAF)[14]. Such State aid measures may also provide support for the additional expenditure related to the connection to the electricity grid or to the extension of a pre-existing electricity grid connection, including both upfront costs, for example “last-mile” grid connection, and yearly costs, i.e. regular grid tariff, while preserving incentives provided to system users to choose their location and adjust their consumption to lower the overall costs of the transmission and distribution systems,

HAVE ADOPTED THIS REGULATION:

[13] Communication from the Commission – Guidelines on State aid for climate, environmental protection and energy 2022, C/2022/481.

[14] Communication from the Commission – Framework for State Aid measures to support the Clean Industrial Deal (Clean Industrial Deal State Aid Framework), C/2025/7600.

Article 1

Regulation (EU) 2019/943 is amended as follows:

(1) Article 18 is replaced by the following:

'Article 18

Network charges

1. Network charges shall be cost-reflective, transparent and non-discriminatory, shall provide incentives to system operators to develop and operate the transmission and distribution networks in a cost-efficient **and secure** way, and shall provide incentives to system users to adjust their use of the electricity system to support its cost-efficient functioning.

2. Tariff methodologies shall**:** ~~include the design of network charges applied to system users and the determination of the remuneration that transmission and distribution system operators receive through those network charges.~~

   ~~They shall:~~

   (a) reflect the costs of transmission and distribution system operators, insofar as those costs correspond to those of an efficient and structurally comparable system operator, considering both capital and operational expenditure, including costs related to anticipatory investment, but not costs supporting unrelated **to network** policy objectives~~.~~ ~~*Regulatory authorities shall set common performance indicators as regards the efficient operation and development of the network, including smart electricity grid indicators in accordance with Article 18a*~~;

   (b) take account of the payments and receipts resulting from the inter-transmission system operator compensation mechanism, including actual payments made and received as well as payments expected for future periods, estimated on the basis of previous periods;

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(c) provide appropriate incentives to transmission and distribution system operators for the cost-efficient operation and development of the network over both the short and long term and for the optimisation of the existing grids across all voltage levels, inter alia through the use of flexibility services, the deployment of non-wire and digital solutions, smart electricity grids and smart metering systems, including**, for transmission system operators,** incentives to reach the minimum levels of available capacity for cross-zonal trades set out in Article 16(8);

(d) reflect the costs created by system users which withdraw electricity from and inject electricity into the transmission or distribution networks~~;~~

(e) provide appropriate incentives to system users to withdraw electricity from and inject electricity into the transmission or distribution networks in a way which supports the efficient functioning of these networks;

(f) where relevant for the cost-effective operation and development of the system, provide locational investment signals, appropriate incentives for the reduction of peak network use in relevant areas ~~consumption~~, including through adding a capacity element to the tariff structure; and contain time-of-use elements to reflect the use of the network;

(i) not discriminate between system users connected at the distribution level and system users connected at the transmission level;

(j) not disincentivise effective and timely third-party access, aggregation, energy communities, self-generation, self-consumption, storage or the participation in demand response;

(k) enable the integration of renewable energy through the development and facilitation of non-fossil-flexibility such as storage and demand response, as well as innovation, non-wire solutions, smart electricity grids and digitalisation;

(l) enable the use of flexible connections, while ensuring this does not delay needed network reinforcements;

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(m) not impose specific network charges on individual transactions for cross-zonal trading of electricity;

(n) ensure that network charges applicable to storage installations reflect ~~any~~ **measurable** benefits created for the network and **that charges** are limited to the ~~**total benefits and**~~ costs that these installations create for the transmission or distribution networks**, avoiding unjustified charges;**

(o) contribute to the achievement of the objectives set out in the integrated national energy and climate plans and in the network development plans;~~.~~

Regulatory authorities shall ensure that tariff methodologies include all the design principles in points (a) to (o~~n~~) set out in the second subparagraph when fixing or approving tariff methodologies for the first time after the entry into force of this Regulation and at the latest by [*4 years from the date of entry into force of this Regulation*]. Those design principles shall be applied in a proportionate manner to different system operators and system users and network levels. In particular, regulatory authorities shall consider ~~to which~~ whether and to what extent each of the design principles shall be reflected in the actual tariffs applicable to the different system users, taking into account the ability of each system user to support the efficient functioning of the electricity system.

3. Special tariff regimes may apply to specific categories of system users~~, *such as energy-intensive industries or data centres and energy communities,*~~ provided that the regulatory authorities can demonstrate **in a publicly available and reasoned assessment based on objective, transparent and verifiable criteria,** that the ~~consumption~~ **network use** profile of the users in question has a proportionally lower or higher impact on the overall cost of the transmission or distribution network and that the principle of cost-reflectivity is respected. **The assessment shall be published before the special tariff regime enters into force and shall explain the relevant network use profile, the methodology applied and the resulting impact on network costs.**

4. Member States may partially cover network costs through **the provision of** State funds to **system operators <u>or owners</u> to** lower the overall amount of network charges billed to system users provided that the following requirements are met:

   (a) the State funds ~~*to transmission or distribution system operators*~~ are provided in a non-discriminatory manner, without selectively favouring, directly or indirectly, specific categories of ~~*system users*~~ **undertakings**;

   (b) the provision of State funds does not undermine any incentives provided to system operators for the efficient operation and development of the network and to system users to adjust their consumption to lower the overall costs of the transmission and distribution systems;

   (c) the State funds are temporary, **being provided for as long as necessary to achieve the purpose for which they are granted and phased out once that purpose is achieved,** and cover only the ~~additional~~ costs resulting from measures to accelerate decarbonisation, electrification ~~*of production processes*~~**, network security** and market integration;

   (d) the provision of State funds is not to the detriment of competition or the effective functioning of the internal market for electricity.

   This paragraph is without prejudice to the right of Member States to notify under applicable State aid rules measures aimed to reduce energy costs, including network charges, for specific categories of users while preserving incentives provided to system users to choose their location and adjust their consumption to lower the overall costs of the transmission and distribution systems.

5. From *[first day of the month of entry into force plus 13 months]*, regulatory authorities shall ensure the transparency of the methodologies, parameters and values used to determine or approve the costs that are to be recovered by transmission and distribution system operators. From that date, regulatory authorities shall publish, or require that the relevant transmission system operators or distribution system operator publishes, at least the following information:

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(a) transmission infrastructure costs, such as capital expenditure, including return on capital and depreciation, and operational expenditure;

(b) distribution infrastructure costs, such as capital expenditure, including, return on capital and depreciation, and operational expenditure;

(c) costs of transmission losses;

(d) costs of distribution losses;

(e) costs of metering services;

(f) costs of withdrawing or injecting reactive power outside the allowed limits; and

(g) costs of system operators purchases of ancillary services and congestion management services, including re-dispatching costs.

Regulatory authorities shall furthermore publish at least the following information, or shall require its publication by the relevant transmission or distribution system operator:

(a) the assessment underlying the detailed transmission and distribution tariff methodologies;

(b) the cost categories and the amounts of such costs recovered by each type of tariff they apply;

(c) where applicable, the amount of network charges covered through State funds or other public funds pursuant to paragraph 4 and their share of the total network charges**, including the duration of the funding**;

(d) the annual transmission and distribution tariff values for each system user group;

(e) any studies relied upon for the available choices for tariff design;

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(f) any special tariff regimes provided to system users together with a justification for those regimes;

(g) the performance indicators as regards the efficient operation and development of the network referred to in paragraph ~~7~~2, ~~point (a)~~.

The information referred to in this paragraph shall be made available in a freely accessible, downloadable and read-only format and, to the extent possible, in one or more commonly understood languages, while preserving the confidentiality of commercially sensitive information.

6. Prior to fixing or approving the applicable tariff methodologies in accordance with Article 59(1), point (a), of Directive (EU) 2019/944, regulatory authorities shall carry out one or more public consultations on the relevant draft methodologies.

7. **Regulatory authorities shall set performance indicators as regards the efficient operation and development of the network, including smart electricity grid indicators in accordance with Article 18a.**

ACER shall assist regulatory authorities in determining **a common minimum set of** performance indicators ~~*in accordance with paragraph 2, point a),*~~ and **ACER** shall carry out an efficiency comparison among transmission system operators, and their costs, considering ~~those~~ **the common minimum set of performance** indicators. The regulatory authorities and the transmission system operators shall provide ACER with all the data necessary for that comparison. By *[first day of the month of entry into force plus 25 months]* and every four years thereafter, ACER shall publish a report with the efficiency comparison among transmission system operators and their costs set out, while protecting commercially sensitive data.

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Regulatory authorities**, in the Member States with more than one distribution system operators** shall carry out the efficiency comparison among distribution system operators in their respective jurisdictions, and their costs, insofar as there is more than one distribution system operator and taking into account national **and regional** specificities. The relevant distribution system operators shall provide regulatory authorities with all the data necessary for that comparison. By *[first day of the month of entry into force plus 37 months]* and every four years thereafter, regulatory authorities shall publish a report building on the results of national efficiency comparison among distribution system operators and their costs.

8. ACER shall by *[first day of the month of the entry into force plus 25 months]* provide a best practice report on transmission and distribution tariff methodologies while taking account of national specificities. That best practice report shall address at least the following:

   (a) the ratio of tariffs applied to producers and tariffs applied to final customers;

   (b) the costs to be recovered by tariffs;

   (c) time-differentiated network tariffs;

   (d) locational signals;

   (e) the relationship between transmission tariffs and distribution tariffs;

   (f) methods, to be determined after consulting relevant stakeholders, to ensure transparency in the setting and structure of tariffs, including anticipatory investment, that are in line with relevant Union and national energy objectives and taking into account the acceleration areas as established in accordance with Directive (EU) 2018/2001;

   (g) groups of network users subject to tariffs including, where applicable, the characteristics of those groups, forms of consumption, and any tariff exemptions;

(h) losses in high, medium and low-voltage grids;

(i) incentives for efficient investment in networks, and for efficient use of the existing network, including resources providing flexibility and flexible connection agreements, and use of non-wire, digital and smart solutions~~.~~**;**

(j) special tariffs regimes set in accordance with paragraph 3.

ACER shall update the best practice report at least once every two years.

9. Regulatory authorities shall duly take the best practice report into consideration when fixing or approving transmission tariffs and distribution tariffs or their methodologies in accordance with Article 59 of Directive (EU) 2019/944.';

(2) the following Articles 18a, 18b,18c and 18d are inserted:

'Article 18a

Smart electricity grid indicators and innovation

1. Regulatory authorities shall promote the deployment of non-wire, smart and digital solutions, whenever such technologies and solutions efficiently enhance the usable capacity, flexibility and reliability of electricity transmission and distribution networks, via regulatory incentives pursuant to Article 18 as well as by considering **equally both** ~~those~~ **infrastructure and non-wire** solutions ~~with priority~~**,** under the network development plans pursuant to Articles 32 and 51 of Directive (EU) 2019/944.

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2. By [*first day of the month following 12 months after the date of entry into force of this Regulation*], ACER shall, in close cooperation with the Commission, the ENTSO for Electricity, the EU DSO entity and relevant stakeholders, issue a recommendation addressed to regulatory authorities on smart electricity grid indicators to measure the uptake and performance of smart and innovative grid technologies and digital solutions in transmission and distribution networks. **Those indicators shall constitute a common minimum set; regulatory authorities may establish additional indicators reflecting national network conditions.** Transmission system operators and distribution system operators shall provide, or ensure the provision of ~~,~~**such data to ACER and regulatory authorities as is necessary and duly justified for the development of the indicators referred to in this paragraph.** ~~the data requested for that purpose to the regulatory authorities and to ACER.~~ This data shall not include any personal data.

3. At least every three years after the publication of ACER's recommendation referred to in paragraph 2, ACER shall publish a Union-level progress report assessing the development and uptake of smart electricity grid solutions and the efficient use of electricity infrastructure, based on the indicators referred to in paragraph 2 of this Article and on national reports under Article 59(l) of Directive (EU) 2019/944. ACER's report shall identify best practices and, where appropriate, recommend further measures to the regulatory authorities and the Commission.

4. Transmission system operators and distribution system operators shall manage and exchange grid data to enable the development, deployment and effective use of smart electricity grids in order to ensure the efficient, secure and flexible operation of the electricity system. **They shall develop and operate digital data-driven solutions to support the monitoring, optimisation and coordination of network operation, including the integration of demand response, renewable energy sources and non-fossil flexibility.** For that purpose, they shall cooperate **at Union level**, ~~including via establishing data sharing agreements,~~ to make use of electricity grid data in a harmonised manner**, building on existing national arrangements for operational grid data exchange between transmission and distribution system operators where these are in place**.

To implement these obligations, by [*first day of the month following 12 months after the date of entry into force of this Regulation*] the ENTSO for Electricity and the EU DSO entity, in close cooperation with ACER and the Commission, shall establish a harmonised framework for data exchange relevant to the operation and optimisation of the electricity system.

That framework shall:

(a) define the governance structure and decision-making procedures, the respective roles and responsibilities of the involved parties, including, where the framework entails the processing of personal data, the respective data protection roles and responsibilities of the parties, and the arrangements for stakeholder involvement;

(b) set out technical and operational measures to comply with Union law on data, such as Regulation (EU) 2023/2854 where grid data would fall in scope of Chapter III, data protection and cybersecurity, including technical and operational measures to comply with Regulation (EU) 2016/679, in particular on the measures to ascertain that sharing of anonymised personal data would not be sufficient for the objective pursued, and measures to be put in place to ensure that any residual risk of (re)identification are adequately mitigated;

(c) establish a process for identifying and prioritising relevant use cases and determining the data categories and exchange procedures required for their implementation;

(d) establish procedures for developing, adopting, implementing and regularly updating common or interoperable technical specifications, including data models, formats and interfaces, drawing on existing specifications;

(e) provide, where relevant for a specific use case, common interface specifications and template arrangements for data exchanges between system operators and market participants;

(f) include measures to protect commercially sensitive information and exclude data exchanges that could affect defence or national security.

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For each use case identified pursuant to the framework, the ENTSO for Electricity and the EU DSO Entity shall, in cooperation with relevant stakeholders, jointly develop a proposal for common terms and conditions or methodologies governing the data exchanges necessary for that use case, and shall submit those proposals to ACER for approval.

~~They shall do so in compliance with chapter III of Regulation (EU) 2023/2854 of the European Parliament and of the Council*. Where electricity grid data falls within the scope of Chapter II of Regulation (EU) 2023/2854 of the European Parliament and of the Council*, that Chapter shall apply. They shall also develop and operate *state-of-the arts* digital data-driven solutions to support the monitoring, optimisation and coordination of network operation, including the integration of demand response, renewable energy sources and non-fossil flexibility. Personal data shall be shared only when anonymised data are not sufficient for the objective pursued.~~

5. ~~By [*first day of the month following 12 months after the date of entry into force of this Regulation*] transmission system operators and distribution system operators shall, in cooperation with other system operators through a coordinated arrangement jointly facilitated by t~~**T**he ENTSO for Electricity and the EU DSO entity **shall**~~,~~ establish a voluntary secure electricity grid data exchange framework **t**~~. T~~hat ~~framework shall~~ enable**s** the lawful, secure and controlled reuse of data for research and innovation public-interest purposes of developing, testing, integration and deployment of ~~*state-of-the arts*~~ technologies supporting the efficient and safe grid operation and optimisation.
Participation in that electricity grid data exchange framework shall be open on the voluntary basis to all transmission system operators and distribution system operators. ~~In applying the provisions in this paragraph, the transmission system operators and distribution system operators~~ shall:

That framework shall:

(a) ensure compliance with confidentiality and security requirements;

(b) **facilitate** cooperat**ion**~~e~~ with relevant European stakeholders, including research and technology organisations and industrial solutions providers to consolidate in expertise, data and digital resources;

(c) allow the use of the ~~developed *state-of-the arts*~~ solutions **developed under the framework**, by all European transmission and distribution system operators filing a request **under the framework** via the ~~coordinated arrangement of the~~ ENTSO for Electricity and the EU DSO entity;

(d) define governance, decision-making rules and rules of participation of transmission system operators and distribution system operators, the allocation of roles and responsibilities, including where the framework entails the processing of personal data, the respective data protection roles and responsibilities of the parties, intellectual property management and the means of accessing the developed solutions;

~~The ENTSO for Electricity and the EU DSO entity shall, in close cooperation with those transmission system operators and distribution system operators wishing to establish the coordinated arrangement, draw up, and communicate to the Commission, the following:~~

~~(a) governance, decision-making rules and rules of participation of transmission system operators and distribution system operators, including those joining at a later stage, the allocation of roles and responsibilities, intellectual property management and the means of accessing the developed *state-of-the arts* solutions;~~

(~~c~~**b**) **specify** technical and operational measures to comply with relevant energy, cybersecurity and data legislation, in particular Regulation (EU) 2023/2854 ~~,~~ ~~Regulation (EU) 2016/679~~ and Regulation (EU) 2024/1689 of the European Parliament and of the Council[**];

(f) specify technical and operational measures to comply with Regulation (EU) 2016/679, in particular on the measures to ascertain that sharing of anonymised personal data would not be sufficient for the objective pursued, and measures to be put in place to ensure that any residual risk of (re)identification are adequately mitigated;

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(**g**~~c~~) **specify** safety and cybersecurity measures to ensure the safe integration of developed solutions within the internal processes and operations of transmission and distribution system operators;

(**h**~~d~~) **specify** technical and operational measures to ensure the operation, maintenance and updates of the digital tools resulting from the data exchange framework throughout their overall lifecycles towards deployment and operational integration into the grid;

(**i** ~~e~~) **establish** common frameworks for testing, benchmarking and validation of outputs.

By [*first day of the month following 12 months after the date of entry into force of this Regulation*] the ENTSO for Electricity and the EU DSO entity shall submit the draft framework to the Commission. The Commission shall deliver an opinion on the elements communicated ~~pursuant to points (a) to (e)~~ within six months from the day of the receipt of the information. Where these elements concern processing of personal data, the Commission shall consult the European Data Protection Supervisor. The ENTSO for Electricity **and**~~,~~ the EU DSO entity ~~and the transmission system operators and distribution system operators concerned~~ shall take utmost account of that opinion when establishing and implementing the ~~coordinated arrangement~~**framework within six months after receipt of the Commission's opinion**. The ENTSO for Electricity and the EU DSO entity shall inform the Commission how that opinion has been taken into account.

All transmission system operators and distribution system operators **which voluntarily** engage~~d~~ in the ~~coordinated arrangement~~**framework** shall, upon the adoption of implementing acts by the Commission pursuant to Article 61(5), point (b), fully comply with the technical, operational, cybersecurity, and transparency requirements set out therein. This requirement does not affect the voluntary nature of participation.

Article 18b

Smart metering systems

1. Member States shall ensure the deployment in their territories of smart metering systems covering at least 50 % of all final customers by 31 December 2030 and 75 % of all final customers by 31 December 2033. Where a Member State's deployment level is below 30 % at the date of entry into force of this Regulation, the deadline for the 50 % target shall be 31 December 2031 and the deadline for the 75% target shall be 31 December 2034. The functionalities of these smart metering systems shall meet the requirements set out in Article 20 of Directive (EU) 2019/944.

2. For the purposes of Directive (EU) 2019/944, any reference to a cost-benefit assessment in relation to the deployment of smart metering systems shall be understood as applying exclusively to deployment beyond the 75 % coverage level referred to in paragraph 1 of this Article.

Article 18c

Electricity taxation

1. Member States shall promote the uptake of electricity as an energy source by adopting a supporting taxation framework.

2. Member States shall apply a tax differential on the excise duties regulated under Council Directive 2003/96/EC*** between electricity and natural gas, such that electricity is taxed at a rate that is not higher than the rate applied to natural gas, in accordance with the principle set forth in paragraph 1. The Commission may, upon a duly justified request from a Member State, based on specific national circumstances, including in view of the fiscal situation of the Member State, authorise that Member State, by means of an implementing act, to defer the application of the first subparagraph until a point in time which strikes a balance between the specific national circumstances concerned and the need to reach the Union's electrification objectives.

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3. Electricity supplied to energy intensive businesses as defined in Article 17)1), point (a), of Directive 2003/96/EC shall be deemed to meet the requirements in paragraph 4 of that Article.

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* Regulation (EU) 2023/2854 of the European Parliament and of the Council of 13 December 2023 on harmonised rules on fair access to and use of data and amending Regulation (EU) 2017/2394 and Directive (EU) 2020/1828 (OJ L, 2023/2854, 22.12.2023, ELI: http://data.europa.eu/eli/reg/2023/2854/oj).

** Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (OJ L, 2024/1689, 12.7.2024, ELI: http://data.europa.eu/eli/reg/2024/1689/oj).

***Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity (OJ L 283, 31.10.2003, p. 51, ELI: http://data.europa.eu/eli/dir/2003/96/oj.’;

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Article 18d

Grid connection measures in case of network congestion

1. **Member States may, by means of policy or legislative measures, establish general principles and ~~policy~~ guidelines to be considered, where appropriate, by regulatory authorities when setting the prioritisation criteria pursuant to this Article, while respecting the independence of regulatory authorities pursuant to Articles ~~and~~ 57 of Directive (EU) 2019/944 as well as their duties and powers under Article ~~and~~ 59 of Directive (EU) 2019/944.**

In order to provide market participants with access to the transmission and distribution networks pursuant to Article 3, point (q), **to prevent observed or anticipated** ~~in case of~~ scarcity in the available grid capacity, regulatory authorities may **adopt or** approve measures **of system operators** to deter speculative requests for connection to the grid, ensure sufficient maturity of projects requesting grid connection and prioritise categories of system users ~~such as public sector, social services, energy communities, households, small and medium enterprises, data centres, energy intensive industries or market participants in the transport sector~~ as well as set conditions to allow prioritising users within a specific category as necessary, based on objective, transparent and non-discriminatory criteria. These criteria ~~*may*~~ **shall be published in advance and shall** consider the impact of potential projects on **preventing or** solving network congestion **and may consider** ~~*as well as*~~ economic, environmental**, security** and social **costs and** benefits.

2. Member States and regulatory authorities shall ensure that other relevant measures to address insufficient grid capacity are applied, including use of non-wire, smart and digital solutions pursuant to Article 18a, flexible connection agreements pursuant to Article 6a of Directive (EU) 2019/944, and cross-sectorial network planning with involvement of stakeholders pursuant to Article 55 of Regulation (EU) 2024/1788 and Article 51 of Directive (EU) 2019/944.';

(3) Article 61 is amended as follows:

(a) the following paragraphs 5a and 5b are added:

‘5a. The Commission is empowered to adopt ~~delegated~~ **implementing** acts in accordance with Article **67** ~~68~~ ~~supplementing this Regulation~~ by setting out guidelines on a common structure **of tariff methodologies** ~~*and harmonised methodology on tariffs*~~ pursuant to Article 18. **Those guidelines may be adopted only where necessary to ensure comparability of tariff methodologies across the Union. They shall establish common structural elements of tariff methodologies for electricity, ~~harmonised~~ rules on the procedural and substantive requirements for the public consultations referred to in Article 18(6) and rules on the application of a reference tariff methodology for electricity. The rules on the application of a reference tariff methodology for electricity shall allow regulatory authorities to deviate from the reference tariff methodology in duly justified cases and insofar as the relevant tariff methodologies comply with Article 18.** Prior to **submitting the draft implementing act** ~~the adoption of such acts, or any amendment thereof~~, ACER shall, upon request of the Commission**,** issue a recommendation as referred to in Article 2, point (c), of Regulation (EU) 2019/942 ~~*for a common structure and harmonised methodology on tariffs. Those guidelines shall set out the rules on harmonised tariff structures for electricity, including detailed conditions under which regulatory authorities may introduce separate network charge regimes for specific categories of system users as referred to in Article 18(3) and harmonised rules on the procedural and substantive requirements for the public consultations referred to in Article 18(6)*~~.

Those implementing acts shall be adopted in accordance with the advisory procedure pursuant to Article 4 of Regulation (EU) No 182/2011.

The Commission is empowered to adopt implementing acts setting out, for the purpose of Article 18a, smart electricity grid indicators to measure the uptake and performance of smart and innovative grid technologies and digital solutions in transmission and distribution networks. The Commission shall consider ACER’s recommendation issued pursuant to Article 18a(2), when preparing, amending or adopting such implementing acts. **Those implementing acts may be adopted only where necessary to ensure consistency across the Union. The indicators shall constitute a common minimum set and shall be without prejudice to additional indicators established by regulatory authorities.**

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 67(2).~~’~~

5b. The Commission is empowered to adopt implementing acts setting out detailed requirements to enable the lawful, secure and controlled reuse of data for research and innovation -interest purposes of public interest, supporting the operation and optimisation of the electricity system pursuant to Article 18a. These requirements shall:

(a) specify and update technical data models, formats, ontologies, interfaces, and data interoperability;

(b) specify conditions of transparent and accountable operations of secure processing environments enabling data exchange for innovation purposes and requirements for publishing of periodic activity reports, including the use cases supported and any identified barriers to data sharing;

(c) specify liability, cybersecurity, risk mitigation and incident reporting requirements, in accordance with existing Union legislation, in particular Regulation (EU) 2024/1689.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 67(2). The Commission may request data, information and documentation generated or exchanged within the coordinated arrangement established in accordance with Article 18a(5) to the extent necessary and proportionate to prepare those implementing acts.'

Article 2

Entry into force

This Regulation shall enter into force on the [*xxx*] day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament	*For the Council*
The President	*The President*

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