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#### **ENER 601**

From:	General Secretariat of the Council	
To:	Delegations	
Subject:	AOB for the meeting of the Transport, Telecommunications and Energy Council on 16 December 2024	
	Follow up to the Action Plan on Grids	
	- Information from the Commission and the Presidency	

# Follow up to the Action Plan on Grids

#### PART 2: Information from the Commission

This note aims to update Member States on the status of the implementation of the Grid Action Plan and to highlight areas where further progress is necessary.

### State of play

Last 28 November marked the first anniversary of the adoption of the Grid Action Plan, published for the PCI Energy Days 2023 together with the first Union list of Projects of Common Interest and Projects of Mutual Interest under the revised TEN-E Regulation. The Grid Action Plan provided an answer to the worsening of the readiness of electricity grids across Europe for them to handle a decarbonised, affordable and secure energy system. Investment on electricity networks needs to increase substantially to complete the Internal Energy Market and to be able to timely connect new renewables, electrified demand such as infrastructure for electromobility recharging and heating and cooling, and new demand and businesses such as data centres or electrolysers for hydrogen production. Queues for grid connection requests are mounting rapidly, and the European networks are not yet sufficiently interconnected.

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TREE.2.B EN The Grid Action Plan proposed 14 non-legislative actions to enhance the investment framework for electricity grids, to be pursued by the Commission and key stakeholders (esp. ACER, ENTSO-E, EU DSO Entity). Hereby an update of the main measures:

- Accelerating the implementation of PCIs and developing new projects. High-Level Group
  ministerial meetings addressing infrastructure needs and projects were organised during end2023 and 2024 for all EU regions. Moreover, the Commission is conducting a study on
  investment needs of European energy infrastructure.
- 2. Improving grid planning. At transmission level, the Commission is engaging with ENTSO-E on improvements to the next cycle of Ten-Year Network Development Plan. At distribution level, EU DSO Entity collected good practices on distribution network development planning, published at the Energy Infrastructure Forum 2024. ACER-CEER have initiated work on informing the regulatory authorities' expectations regarding distribution planning. The Commission has just launched a dedicated study.
- 3. <u>Introducing regulatory incentives for forward-looking grid build-out</u>. For the last Energy Infrastructure Forum, the Commission adopted <u>Guidance</u> on collaborative investment frameworks for offshore energy projects. The Guidance aims to support Member States and regulatory authorities in reaching cost sharing agreements by improving modelling analyses, cooperation frameworks and proposing innovative solutions for further exploration.

  Moreover, the Commission has conducted stakeholder workshops and a questionnaire to inform the upcoming new Guidance on anticipatory investments, to come in early 2025.
- 4. <u>Incentivising a better usage of the grids</u>. ENTSO-E and EU DSO Entity have initiated a joint workstream to agree on an aligned understanding of how available grid hosting capacity is calculated by system operators, and to establish a pan-EU overview. EU DSO Entity, in cooperation with ENTSO-E and stakeholders, is working on mapping and increasing visibility on the available grid enhancing and innovative technologies. ACER is currently working on a network tariff report to be published next year.

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- 5. Improving access to finance. The Commission encourages Member States with high need for distribution grid modernisation and smartening to consider available options if modifying operational programmes for regional and cohesion funds. The Commission has made available a <u>Technical Support Instrument</u>, which will be extended to 2025, and was open to support authorities in improving access to funding for DSOs, improving digitalisation and procedures of grid permitting, supporting DSOs in their network planning, and others. The Commission has also organised dedicated sessions on grids at the Investors Dialogue for Energy, with the EIB, investors, credit rating agencies, regulatory authorities and system operators.
- 6. Accelerating deployment through public engagement and faster permitting. The Commission has launched a Pact for Engagement, with a new signatory round conducted at the PCI Energy Days 2024 as well as the publication of a set of guiding principles regarding early involvement, education and awareness, transparency, meaningful engagement and local benefit sharing. The Commission is currently conducting a study on the national permit-granting processes applicable to energy transmission infrastructure projects with a focus on PCIs. The Commission has also intensified work of the Platform of National Competent Authorities for permitting.
- 7. Strengthening grid supply chains. System operators and technology suppliers are collaborating on how to streamline technology specifications used in tenders of grid equipment. ENTSO-E is assessing how to increase visibility of future equipment needs to better inform the supply chain. ACER is conducting dialogues with market actors and suppliers regarding technological developments relating to grid connection requirements.

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## Way forward

In the next months, the Commission services will dedicate efforts to complete the implementation of the Grid Action Plan in 2025, together with the respective stakeholders.

Areas of attention for Member States are the possible inclusion of distribution grid investments in any modifications of operational programmes for regional and cohesion funds, the renewal of the call to request a Technical Support Instrument to support national action in areas like grid permitting; the ongoing collection of best practices for DSO planning, which can support action at national level; the upcoming Commission Guidance on anticipatory investments; and the organisation of the Copenhagen Energy Infrastructure Forum 2025, which will be a key milestone on the implementation of the Grid Action Plan.

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