



Brussels, 29 November 2023

European Commission Action Plan on Grids

GEODE welcomes the release by the European Commission of its Communication “Grids, the missing link - An EU Action Plan for Grids” that brings grids to the center of EU agenda.

“The Communication represents an important recognition of the key role distribution grids play in ensuring security of supply, integration of renewables and the achievement that the ambitious EU 2030 climate targets set out by the Green Deal and REPowerEU initiatives are met “, stated GEODE’s Chairman Hans Kreisel.

The energy transition has led to a new energy system with a major focus on distribution grids that need to be adequately prepared for the new challenges – to connect large amounts of decentralized renewable generation and new flexible demand.

As acknowledge in the Communication, massive investments in grids are needed for European grids rapidly upgrade and expand and for that purpose, GEODE’s fully supports the proposal on the Action plan of *“Introducing regulatory incentives for forward-looking grid build”* together with *“Improving Access to Finance”*. We also welcome the recognition of the need to review the tariff’s methodology to ensure that network tariffs evolve with the energy system, introducing a correct balance between grid investment needs (including CAPEX and increase OPEX costs as well as anticipatory investments) and affordability for the final customers. Moreover, it is essential that the challenges and actions identified in the Communication urgently land at the national level and in particular for NRAs to apply and implement them. For that purpose, GEODE particularly welcomes the proposed Guiding Document for NRAs that will be prepared jointly by Commission, ACER, ENTSO- E and the EU DSO Entity. We believe that these actions will decisively contribute to establishing a European grid that is truly fit for purpose.

Finally, GEODE welcomes the launch of a “**Pact for Engagement** to ensure early, regular and meaningful stakeholder engagement in grid development”, and we look forward to adhering to the Pact and actively contributing and participating in the implementation of the relevant four pillars of the pact, more specifically:

- Promoting and communicating the DSOs key roles as enablers of the energy transition.
- Fostering cooperation in highlighting best practices in terms of permitting procedures across the Union for grid projects at local, regional, national and EU level.
- Contributing to an open dialogue with Ministries, NRAs and relevant authorities to ensure forward-looking regulatory support to accompany grid investment planning.
- Participating in ensuring that all organizational conditions are reunited in terms of smooth permitting procedures linked to grid deployment.

GEODE is the voice of local energy distributors across Europe, representing the interests of 1400 private and public energy companies for both electricity and gas from 15 European countries, serving more than 100 million customers.

