



European Union Agency for the Cooperation
of Energy Regulators

Electricity infrastructure development to support a competitive and sustainable energy system

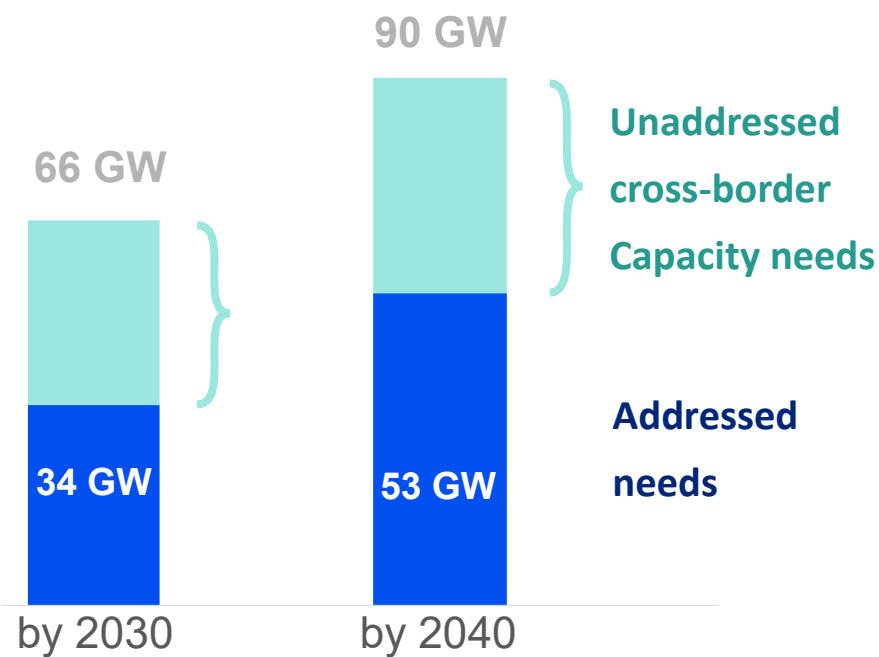
Getting the signals right: Electricity network tariff methodologies in Europe

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27 May 2025, GEODE Spring Seminar 2025. Roundtable
Discussion: Regulatory innovations to incentivise grid
investments, Brussels

The cross-border needs are larger than the planned investments

A complement to current bottom-up planning of investments better addresses cross-border needs



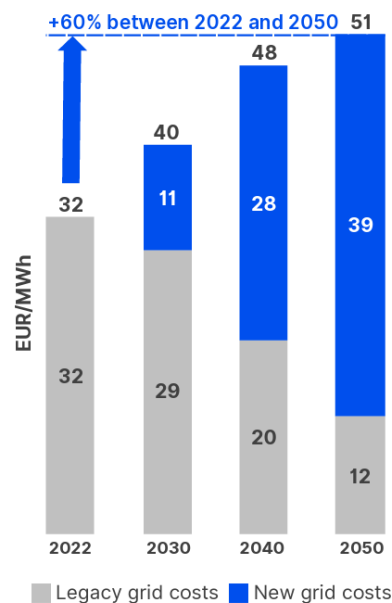
- Addressing capacity needs delivers benefits;
- **National needs** drive bottom-up grid planning,
- **Cross-border capacity needs** only account for about 50% of investment included in the pan-European grid planning

Solution: better, integrated planning based on robust needs assessment and project identification methodologies

Accommodating demand and generation while keeping grid cost down

Annual **grid costs expected to increase**
(by 50-100% by 2050) while pursuing
decarbonisation goals

Economic signals to all actors are
key to enhance efficiency and mitigate
cost increase



*Evolution of total grid costs**

System operator revenues

Fair return (risk/reward)
No CAPEX (or any) bias
Regulatory incentives

Network tariff design

Cost recovery
Cost reflectivity
Applicability

Key recommendations on electricity network tariff structures

