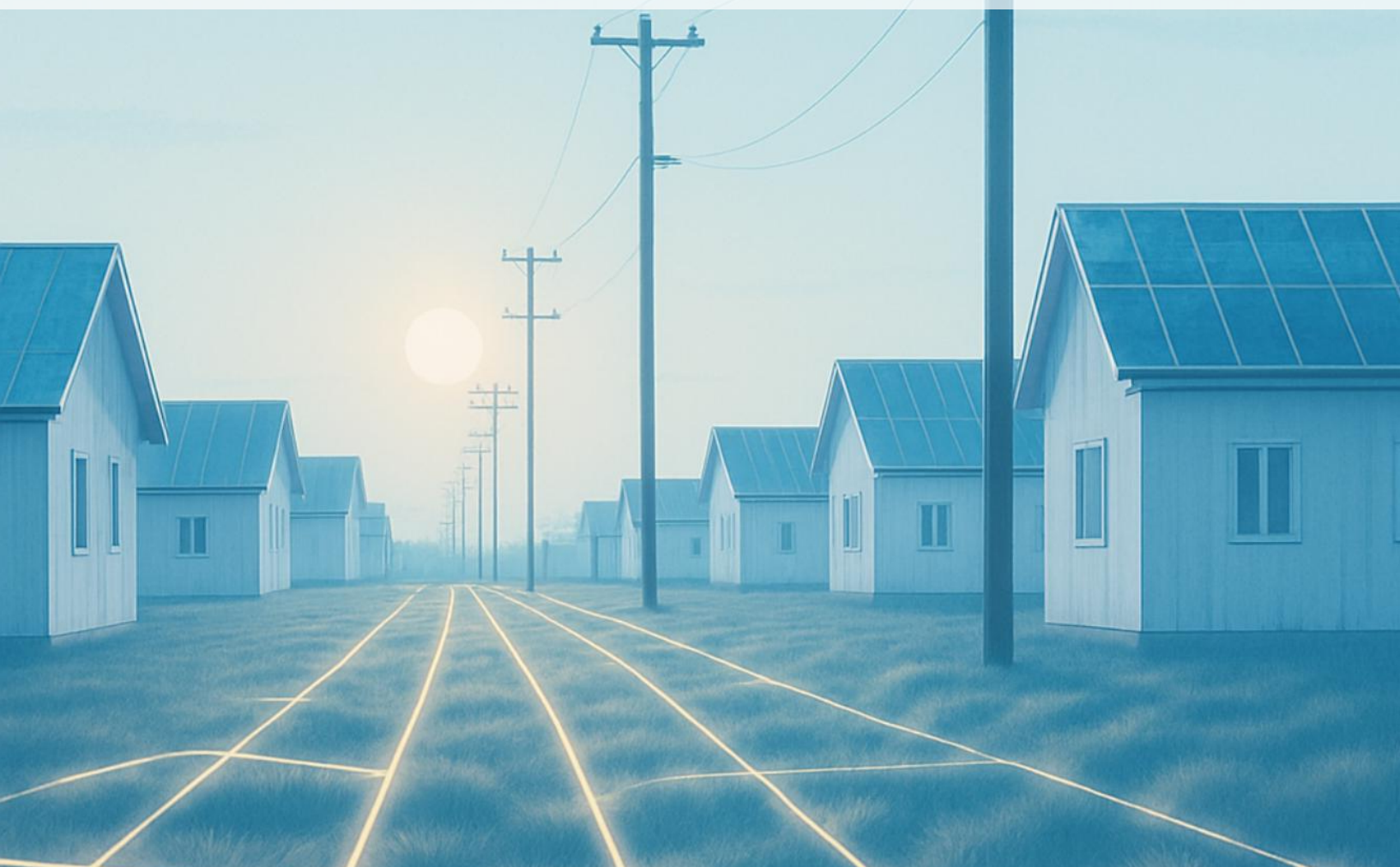


European Grids Package

Joint statement for the better integration of electricity distribution challenges



Joint statement of the European DSO associations on the Grids Package

CEDEC, DSO Entity, E.DSO, EURELECTRIC and GEODE, the European associations representing Distribution System Operators (DSOs), welcome the publication of the European Grids Package on 10 December 2026. By focusing on key areas such as planning, permitting, and grid connections, the Package builds on the Grid Action Plan (2023) and places energy grid infrastructure at the heart of the EU's political agenda.

The five associations positively acknowledge the proposal's efforts to accelerate permitting procedures for grid infrastructure, revise the current TEN-E framework, and address grid connection challenges through a holistic approach including an emphasis on anticipatory investments. However, they regret the neglect of the decentralised level and the failure of the Package to provide a sufficiently enabling framework for the development of electricity distribution networks. In particular, concerns persist regarding the continued absence of dedicated DSO funding mechanism, the insufficient attention to bottom-up planning – going into the complete opposite direction with the proposed centralised scenario development approach - and the lack of clarity and feasibility of some proposed permitting measures such as the introduction of short timelines or tacit approval mechanisms.

The relevance of Distribution System Operators for the EU

DSOs play a crucial role in driving the energy transition on the ground, delivering tangible benefits to European citizens, businesses and industries alike:

The real backbone of the energy system: The distribution network represents ten out of the eleven million km of electricity grids, spread over the EU Member States. This impressive, yet often invisible infrastructure is estimated to require EUR 730 billion investment between 2024 and 2040, driven by the shift to renewable energy and electrification, which require extensive modernisation and expansion of networks.

A guarantor of secure energy distribution: Distribution networks are essential in preventing, preparing and reacting to more frequent extreme weather events and potential physical attacks on their infrastructure. As digitalisation accelerates, distributed control systems become targets for malicious actors, with the energy sector targeted by 15% of cybersecurity incidents reported in 2024.

Managing increasingly diverse grid connection needs: More than 250 million consumers (households and industries) are connected to the electricity distribution grid, alongside an electric vehicle fleet expected to reach 30 million units by 2030, an additional 10 million heat pumps by 2027 and 70% of renewable installations. Together with TSOs, DSOs will need to accommodate the connection of data centres, with total electricity demand projected to grow by around 15% annually between 2023 and 2030.

A cornerstone of social and economic development: DSOs connect most industrial consumers in Europe, create and support 835,000 direct and indirect jobs, and enable 1.5 million citizens to participate in energy communities across the EU. European grid reliability, among the highest in the world, is itself a competitive advantage.

Key Recommendations for the Grids Package I

Proposal as regards the acceleration of permit-granting procedures amending Directives 2018/2001/EU, 2019/944/EU and 2024/1788/EU under the Grids Package.

The proposed new EU permitting regime is welcome as it puts in place streamlined and simplified permitting for grid asset projects (Art. 8 of Electricity Market Directive (EMD)) and sets a two-year timeline objective (Art. 8(2)). The proposals on the designation of grid projects as of overriding public interest (Art. 8(8) of EMD), exemptions from environmental impact assessment (Art. 8(9, 11-12) of EMD), and further provisions on local authorities (e.g. tacit approval, lack of resources – Art. 8(2) of EMD) are of high significance for DSOs. Yet some measures related to grid connection procedures (Art. 17 of RED) raise concerns from DSOs about the risk they entail in terms of technical feasibility and grid safety, system security conditions and supply to the existing customers.

Key Recommendations:

- ⇒ **Amend the definition of grid connection procedures (Art. 2(10f)):** Grid connection procedures differ from permit-granting procedures facilitated by public authorities and respond to technical, economic and safety conditions, resulting in a grid connection offer and if agreed, in a bilateral grid connection contract. Therefore, grid connection procedures should not be designated as permits and the definition should be amended accordingly as well as related references across the Directive (incl. the definition of permit-granting procedures in Art. 16(1)).
- ⇒ **Align all grid connection deadlines to 3 months (Art. 17(1) of RED):** The 3-month deadline for granting grid connections set under point (b) should be extended to all projects regardless of their size to give sufficient time to DSOs to meet technical and safety requirements. The 1-month deadline for granting grid connections set for smaller projects under point (a) is assessed as too challenging for grid operators. It should be taken into consideration that, in some projects, there is the involvement of other operators/entities (road, rail, navigation, for instance), or the need of additional studies, which are not under the control of DSOs. The connection of smaller distributed generation can also have an impact on the grid because of the cumulative amount of capacity requiring connection to the DSO grid.
- ⇒ **Introduce additional safeguards to the tacit approval mechanism to guarantee grid safety and system security (Art. 17(4) of RED):** The lack of safeguards to tacit approval in the absence of DSO response represents a risk for system security. Grids operators are responsible for ensuring the safety and reliability of the grid and stability of the overall power system. Safeguards for justified safety concerns and technical incompatibility should be added to ensure grid safety and reliability remain of utmost considerations.
- ⇒ **Some already positive proposals can be further strengthened:** The presumption of overriding public interest can be extended to refurbishment, modernisation, repowering, etc. And, the streamlining of the EIA could be extended to cover digitalisation (sensors, smart meters) and Low-Voltage reinforcement, which are crucial for the energy transition.

Key Recommendations for the Grids Package II

Proposal for a Regulation on guidelines for trans-European energy infrastructure, amending Regulations (EU) 2019/942, (EU) 2019/943 and (EU) 2024/1789 and repealing Regulation (EU) 2022/869, COM(2025) 1006 final.

While the revision of TEN-E, the proposed five-fold increase of the CEF-E budget (2028–2034) and the introduction of a new resilience category are welcome, the proposal still largely overlooks DSOs, despite around two-thirds of projected grid investments being at the distribution level¹. The proposal continues to prioritise transmission infrastructure, perpetuating the funding gap for DSOs. Also, the introduction of an overly centralised top-down approach to scenario development does not reflect the realities and needs of a more decentralised energy system.

Key Recommendations:

- ⇒ **Avoid introducing an overly centralised, top-down approach to scenario development (Art. 11):** Effective EU-wide grid development depends on strong bottom-up national planning, with systematic inclusion of DSO data forecasts and distribution network development plans in TSO-led processes. An overly centralised scenario-approach risks to overlook local realities and needs.
- ⇒ **Make lower voltage levels eligible for the Smart Electricity Grids category (Annex II(1)(g)):** This category currently limits eligible projects to those at transmission and medium- and high-voltage distribution levels. This would risk excluding projects such as the connection of renewable energy sources, storage, and digital upgrades, even though they can have impacts on cross-border flows and are vital for the energy sovereignty and decarbonisation of Europe.
- ⇒ **Enable Smart Electricity Grid projects (SEG) to qualify as Projects of Mutual Interest (PMIs) (Art. 2(6)):** To ensure a level playing field across all categories, the current exclusion of SEG projects from PMIs and thereby limited participation of DSOs, should be addressed.

¹ Proposal for a Regulation on guidelines for trans-European energy infrastructure, amending Regulations (EU) 2019/942, (EU) 2019/943 and (EU) 2024/1789 and repealing Regulation (EU) 2022/869, COM(2025) 1006 final, p.1. / European Commission (2022): Implementing the REPower EU Action Plan, SWD(2022) 230 final.

DSO representation in Brussels



CEDEC, the European Federation of Local Energy Companies, represents the interests of 2000 local and regional energy and broadband companies across Europe, close to citizens and businesses. With predominantly local authorities and citizens as shareholders, they serve 100 million electricity, gas and district heating customers and broadband connections. Active in every part of the value chain – local generation, distribution grids and supply - these companies provide products and services which are reliable, resilient, sustainable and close to the customer.



DSO Entity is the legally mandated EU body for European Distribution System Operators (DSOs), uniting all sizes of electricity DSOs in Europe. It was formally established in June 2021 and mandated by the EU's Electricity Market Regulation (2019/943/EU) to promote the functioning of the electricity market and to facilitate the energy transition. DSO Entity represents more than 800 DSOs of every size, connecting more than 250 million electricity households across all 27 EU Member States. In line with the Regulation on the internal market for gases and hydrogen (EU 2024/1789) DSO Entity is currently facilitating the integration of gas and hydrogen DSOs into its structure.



European Distribution System Operators (E.DSO) brings together 36 of Europe's leading distribution system operators (DSOs), electricity only, which jointly serve the majority of Europe's electricity customers. E.DSO, which also includes two national associations, promotes and enables customers empowerment and the increase in the use of clean energy sources through electrification, the development of smart and digital grid technologies in real-life situations, new market designs and regulation. E.DSO also focuses on guiding EU research, demonstration and innovation (RD&I), policy and Member State regulation to support smart grids development for a sustainable energy system. E.DSO members cooperate to ensure the reliability of Europe's electricity supply for consumers and enabling their active participation in our energy system.



Eurelectric is the industry association representing the European power sector, covering the full value chain from generation to wholesale and retail market participants, as well as distribution system operators. It represents more than 3,500 electric utilities across Europe through 34 national associations in 32 countries. This broad membership provides access to over 1,000 utility experts through its Structure of Expertise.



GEODE is the premium European association representing local electricity and gas distribution networks across the continent committed to sustainable, efficient and reliable management of the backbone of the energy system - the grids. Thanks to the technical expertise of its members, GEODE's mission is to pilot the energy transition towards decentralised, decarbonised and digitalised energy systems.