

# European Grids Package: ENTSO-E's position

Regulation proposal for a new TEN-E, Directive proposal on permitting &  
Regulation proposal on faster environmental assessments

27 February 2026

---

## EXECUTIVE SUMMARY

The European electricity system is undergoing unprecedented changes with a fast deployment of carbon neutral power plants and an expected surge in the electrification of end-uses in the coming years. **At such a pivotal moment, improving cooperation at regional level, accelerating permitting, securing adequate financing and strengthening supply chains will be key to ensuring that infrastructure can keep pace with this transformation.** ENTSO-E therefore welcomes the recognition in the European Commission's (EC) proposal for a European Grids Package ('Package') of the importance of electricity grids to meet EU security, climate and competitiveness objectives. At the same time, ENTSO-E believes the Package must focus more clearly on the real implementation barriers to timely grid infrastructure delivery, where **European planning is not the bottleneck.**

Since the first Ten-Year Network Development Plan (TYNDP) in 2010, in fact, more than 16 000 km of new transmission lines have been built, twenty-three Member States have developed at least one additional interconnection, and two are currently working on new ones. By 2045, over 100 000 additional km of new transmission lines are planned, including all the Electricity Priority Highways identified in the Package and more interconnectors, proving the effective translation of national and EU targets into robust European planning processes built on TSOs' expertise and regulators' oversight.

The currently uneven focus of the proposal on planning processes, suggesting deep revisions of governance and roles both at European and at national level (e.g. on scenarios and methodologies definition), will increase uncertainty in decision-making outcomes and thus won't help solve the barriers to timely infrastructure implementation. Whereas the EC can play a more central role in mediating political negotiations among Member States and providing consistent guidelines, **planning and methodological design should be led by technical experts capable of developing feasible, future-proof solutions, while regulatory and political functions remain clearly separated to ensure balanced and effective governance.**

When considering the real barriers faced by project deployment, **the EC's proposals to accelerate permitting procedures and simplify the related framework provide helpful elements to improve implementation. ENTSO-E also supports the enhanced regional approach embedded in the Trans-European Networks for Energy (TEN-E) review.** To date, regional cooperation has reduced isolation, strengthened security of supply and narrowed the gap between identified needs and planned projects towards 2040. An even stronger cooperation among Member States, regulators, TSOs and EU institutions through Regional Groups is the solution to improve efficient system planning and accelerate grid development, investment and cost-sharing decisions grounded on consistent technical basis and political consensus.

Nevertheless, the other key bottlenecks in electricity infrastructure projects deployment, like **adequate financing and supply chain constraints**, are not addressed in the current Package and **will need serious consideration through future, dedicated initiatives.**

Overall, the EC proposals in the Package foresee an extensive use of delegated and implementing acts. Relying on such acts for core elements such as planning methodologies, governance arrangements and key procedural obligations risks creating legal uncertainty and reducing the institutional balance, democratic legitimacy and transparency in the legislative process, which discourage the long-term capital needed for the energy transition and risks placing Europe at a structural competitive disadvantage. **ENTSO-E therefore recommends reducing the use of delegated and implementing acts and ensuring that essential methodological and governance provisions are anchored in the basic legislative acts** (specifically, Art. 11 and 19).

# ENTSO-E'S PROPOSALS TOWARDS A MORE EFFECTIVE GRIDS PACKAGE

## PROPOSAL FOR A REGULATION ON GUIDELINES FOR TRANS-EUROPEAN ENERGY INFRASTRUCTURE (TEN-E)

### Chapter IV: Cross-Sectoral Infrastructure Planning

Ensuring that Europe's energy infrastructure is future-proof is a responsibility shared among TSOs, national authorities and EU institutions. Decisions need to be taken considering checks and balances, efficiency, accountability, and technical knowledge.

#### ➤ **Art. 11: Shared responsibility to develop multiple scenarios for the future**

Scenario building sits at the core of infrastructure planning. Clear political guidance at EU level is necessary but alignment between national and EU level is key to keep scenarios anchored in national realities. The current proposal needs further clarification on the respective roles of Member States, National Regulatory Authorities (NRAs), the EC and TSOs on the basis of the technical, regulatory and policy capabilities.

ENTSO-E therefore proposes that:

- **The EC acts as coordinator by defining the overall scenario framework**, setting key policy assumptions and ensuring cross-sector consistency. This guarantees alignment with EU objectives and provides a stable reference for all actors involved in planning.
- **ENTSO-E is responsible for the technical modelling of the scenarios** within the policy framework defined by the EC (11.4). TSOs possess detailed system knowledge, adequate tools, resources and practical experience in national, regional, and European planning. Through ENTSO-E, TSOs are also expected to apply these scenarios in subsequent TYNDP steps. Conducting modelling separately from other entities would generate unnecessary duplication of work, inconsistencies in the reinterpretation, and increased cost. A structured process, where the EC is responsible for political steering and coordination and ENTSO-E remains responsible for the technical modelling under the scrutiny of the EC, secures both legitimacy and operational effectiveness (11.5). **ENTSO-E should also complement the 4-year central scenario with additional scenarios and sensitivities** to strengthen the robustness of system planning and increase its resilience against fast-evolving realities (11.9 – new).
- **Member States play a more central role in approving scenarios through the TEN-E Regional Groups** (Art. 11.6). Scenarios must be consistent with National Energy and Climate Plans (NECPs) to ensure political ownership and alignment with national strategies (Art. 11.2).

#### ➤ **Art. 2, 12, 13 & ANNEX VII: Identifying future system needs and solutions**

Based on the EU-wide scenarios, ENTSO-E is currently entrusted with the outline of an infrastructure needs identification report to show where new solutions are needed so that they can contribute to reaching EU decarbonisation targets in an economically-efficient way. ENTSO-E's Regional Investment Plans also perform a comparison between the needs and the presented projects.

The EC proposal foresees, on one hand, to change the governance for the methodology underlying the needs report from ENTSO-E to ACER and, on the other, to extend the scope of the report to also include the identification of solutions to address the needs. Lastly, the EC is asking for the power to call on TSOs or even third parties to propose additional projects. To mitigate the underlying risks posed by the current proposal, ENTSO-E recommends that:

- **ENTSO-E should be responsible for drafting the methodology for the infrastructure needs identification report and submit it for ACER's opinion and the European Commission's approval.**

This establishes clear checks and balances between the technical experts, the public service and the regulatory authority: ENTSO-E ensures technical robustness and consistency with planning practice, while ACER provides independent regulatory scrutiny, confirms legal compliance and validates the methodology without duplicating the technical work (Art. 12.11, Annex VII).

- **The scope of the system needs study should be clarified**, so that it identifies economic opportunities and structural system bottlenecks without defining solutions or predetermining investment decisions. (Art. 2(20) - new, Annex VII). Treating the system needs study as a decisional tool risks blurring the distinction between European coordination and Member States' competence over investment decisions, while further technical assessment must take place at national or regional level before any commitment is made.
- **The TEN-E Regional Groups should be responsible to build their regional list of needs** – based on ENTSO-E's system needs study, Regional Investment Plans and the National Development Plans – **and to call for new projects** in case of gaps (Art. 13).

## Chapters VI-VII: Regulatory Framework & Financing

### ➤ **Art. 14, 17, 18, 21, and Annex V: Cost-sharing and political responsibility**

Within the TYNDP process, ENTSO-E carries out a Cost-Benefit Analysis (CBA) to assess the costs and benefits of electricity transmission and storage projects that also informs the selection of Projects of Common and Mutual Interest (PCI/PMIs) based on their value from a pan-European perspective. The EC proposes to use the results of the CBA as a basis for the Cross-border Cost Allocation (CBCA), a mechanism used to ensure that the costs of major infrastructure projects (specifically PCI/PMIs) are fairly distributed among the European countries that benefit from them. ENTSO-E there recommends that:

- **The CBA performed by ENTSO-E remains a voluntary analytical tool to provide transparency on system-wide benefits and impacts.** It can inform CBCA discussions but cannot serve as the basis to predetermine cost-sharing decisions taken at the political level (Art. 14, 17). The EC proposal would effectively anchor CBCA decisions in a technical assessment and reduce the space for political negotiation. It would also reinforce a mechanism that has not delivered effective results in practice.
- **CBCA must not be a precondition for access to EU funding.** Linking funding eligibility to a binding CBCA outcome would create unnecessary barriers and delay project implementation. (Art. 21)
- **Early engagement on cost-sharing within regional configurations is strengthened.** Governments, regulators and TSOs should discuss expected benefits, system impacts and financing options at an early stage of project development, before positions harden and projects reach advanced maturity.

### ➤ **Art. 19: Congestion income**

The existing EU legislation (Article 19 Regulation (EU) 2019/943) already sets the framework for TSOs to collect and use congestion rents. Congestion rents are in fact currently directed – under the supervision of national regulatory authorities – towards purposes that maximise consumer welfare and system efficiency in each Member State, such as guaranteeing the availability of allocated capacity, increasing cross-zonal capacities, covering costs resulting from network investment that is relevant to reducing interconnector congestion or tariff mitigation where it is most needed. The EC proposal on the ringfenced congestion rents risks undermining the effectiveness of existing national regulatory frameworks. By imposing a specific earmarking at European level, the EC proposal can create an investment bias by favouring a certain type of investments and lead to sub-optimal outcomes.

ENTSO-E recommends that:

- **The framework governing congestion income must remain clear and stable.** Any revision must avoid overlapping or conflicting provisions between Article 19 of the TEN-E Regulation and Article 19 of Regulation (EU) 2019/943. The objective should be to clarify, and where necessary update, existing

rules instead of introducing parallel regimes or ambiguous mandates. For this reason, **ENTSO-E recommends deletion of the text proposals in Art. 19**. To prevent any undesired redistribution effects, co-legislators should at least specify that the congestion rents ringfenced by a Member State shall be allocated to projects of the same State.

## **PROPOSAL FOR A DIRECTIVE ON ACCELERATION OF PERMIT-GRANTING PROCEDURES (PERMITTING DIRECTIVE) & PROPOSAL FOR A REGULATION ON SPEEDING-UP ENVIRONMENTAL ASSESSMENTS (ENVIRONMENTAL OMNIBUS)**

ENTSO-E welcomes the overall EC ambition aimed at simplifying permitting processes and addressing delays in building the required infrastructure, while recommending to carefully avoid legislative complexity and inconsistencies in the provisions regarding national planning processes. In particular, ENTSO-E recommends to:

- Give priority to transmission (and distribution) projects where they compete with other Overriding Public Interest infrastructure and introduce a presumption that electricity grid infrastructure does not cause deterioration of water bodies under the Water Framework Directive. This would remove significant regulatory barriers and unnecessary efforts to timely grid development (art. 2 of Permitting Dir. amending art. 8 of Electricity Dir.);
- Extend the applicability of the Environmental Impact Assessment exemption to all transmission infrastructure in need of refurbishment, modernisation or repowering, even if their construction predates the introduction of environmental assessment requirements under EU or national law (art. 2 of Permitting Dir. amending art. 8 of Electricity Dir.);
- Extend the permission for compensatory measures (e.g., habitat creation) to run in parallel with construction significantly beyond Natura 2000 sites to any national requirement for compensatory measures (art. 2 of Permitting Dir. Amending art. 8a of Electricity Dir. and art. 16g of RED).
- Allow flexibility in EU legal framework to reflect national specificities concerning national planning, while avoiding unrealistic timelines and disproportionate requirements (art. 2 of Permitting Dir. amending Art. 40a and 59(1) of Electricity Dir.);
- Develop a mandatory, shared species data repository fed by authorities and environmental NGOs, accessible across sectors. This would address one of the most persistent data bottlenecks in permitting procedures (art. 10 of Environmental Omnibus).

Overall, the adoption of central Regulations at EU level is recommended to overcome the legislative fragmentation across RED, TEN-E, Electricity Directive, and the Environmental Omnibus. Key concepts such as the data portal, tacit approval, time limits for screening, provisions on overriding public interest, exemptions in environmental assessment, and rules on reasonable alternatives, appear with different wording across several laws—causing legal uncertainty and risking slower, not faster, permitting.