
ENTSO-E position on the European Commission Proposal for a Regulation on Future-proofing Electricity Bills in the Union

28 September 2026

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ENTSO-E welcomes the Commission's legislative proposal to future-proof electricity bills. As advanced in its [recent paper](#) on the Commission's Electrification Action Plan, ENTSO-E believes that the energy transition needs a much more electrified economy, powered by all carbon-neutral generation and enabled by timely grid deployment. For this, TSOs need predictable and forward-looking regulatory regimes, anchored on stable and realistic policy goals, complemented by strengthened supply chains and shorter permitting processes. ENTSO-E supports well-designed principles for network charges, fair remuneration frameworks for grid operators, accelerating grid connections, as well as rapid smart meter deployment, and fair taxation for electricity. **However, to ensure the final proposal fully achieves its goals, it requires amendments to strike the right balance between affordability and financeability**, by providing measures to enable affordable electricity for consumers, while allowing TSOs to attract capital and finance the unprecedented grid investments required for an energy transition delivering competitiveness and security. Therefore, ENTSO-E recommends co-legislators to amend the proposal to:

- **Ensure that remuneration frameworks for TSOs provide investors with adequate risk-return profiles**, appropriately reflecting market conditions, to attract the capital needed for grid investment.
- **Provide incentives that support a wider range of policy objectives**, beyond just cost efficiency, that deliver tangible societal benefits and ensure that these are defined at the right level.
- **Entrust National Regulatory Authorities to assess, in cooperation with TSOs, appropriate performance frameworks** instead of mandating ACER to apply top-down, one-size-fits-all efficiency comparisons.
- **Rely on subsidiarity and flexibility** for the design of cost-reflective network tariffs and remuneration frameworks.
- **Ensure that any EU grid data exchange framework fostering innovation remains voluntary, secure, focused, and adequately financed.**

ENTSO-E supports:

- **Sound design principles for network charges for system users**, including cost-reflectiveness, transparency and non-discrimination (within Art. 18(1)), and provisions encouraging system users to contribute to the optimal use of grids (for instance, in Art. 18(2) points (d), (e), (f), (g), (h), (i)), while ensuring flexibility in implementation. Existing EU legislation for certain system users should not conflict with these principles.
- **Well-designed principles for remuneration frameworks**, including the recognition of CAPEX and OPEX as well as costs for anticipatory investments (within Art. 18(2)(a)), while providing incentives for the cost-efficient operation and development of networks and optimising grids (Art. 18(2)(c)).
- **Further enabling TSO-DSO grid data exchange**, and the development of data-driven tools, contributing to the efficient, secure and flexible operation of the electricity system (Art. 18a(4)).
- **Accelerating grid connections** (Art. 18d), by enabling regulators and MS to take measures, including to deter speculative applications, ensure project maturity and prioritise amongst user categories requesting grid connections while ensuring that grid prioritisation is consistent with scenarios of relevant network development plans.
- **Rapid smart-meter deployment** (Art. 18b), while promoting mechanisms allowing to modulate residential profiles, when necessary to preserve grid security and reliability; and a **fair taxation for electricity** (Art. 18c).

ENTSO-E recommends amending the proposal in order to:

- **Ensure that remuneration frameworks for TSOs provide investors with adequate risk-return profiles appropriately reflecting market conditions, to attract the capital needed for investing in grids.** Remuneration frameworks should support efficient access to equity and debt capital markets, the maintenance of financial metrics consistent with efficient access to investment-grade debt markets, without prejudging the capital structure or credit rating of individual system operators as well as preserving the financial flexibility and credit quality required. Since TSOs compete with other industries for capital, competitive remuneration frameworks are key to both attracting investors and keeping capital costs, including debt, low for tariff payers. **Therefore, Art. 18 should: (i) include a dedicated provision** on the requirement for an adequate, risk-reflective and internationally competitive return; **(ii) ensure that TSOs' financial flexibility is not restricted**, by avoiding the penalisation of grants (including CEF funding) and other capital contributions within financing structures; and **(iii) be restructured** to clearly differentiate the provisions corresponding to principles for remuneration from principles for network tariff design, thus ensuring appropriate implementation.
- **Provide incentives to TSOs that support a wider range of policy objectives, beyond just cost efficiency, that deliver tangible societal benefits and ensure that these are defined at the right level.** Incentives should reflect not only performance but also the risk borne by TSOs. They should evolve beyond cost efficiency to also cover operational performance, and be more forward-looking, acting primarily as a reward rather than a penalty. Responsibility for implementation should remain at national level, including whether to introduce performance indicators and how to adapt them to national energy and climate targets. Additionally, **smart electricity grid indicators** should guide national investment decisions tailored to national priorities/context in line with energy system goals. Hence, national regulators, in consultation with TSOs, should remain responsible for tailoring and applying these indicators in a way that aligns with local characteristics and policy objectives. **Therefore, Art. 18 should: (i) set a wider set of incentives**, including missing incentives from existing Art. 18(2) such as fostering market integration and security of supply. Also, the updated Art. 18 should add incentives for grid security (including physical and cybersecurity), stability and resilience, given the current geopolitical situation and increasing scale and speed of threats to the electricity grid; and **(ii) ensure that regulators set, "where appropriate", performance indicators** (cf. existing Art. 18(8)).
- **Entrust National Regulators Authorities to assess, in cooperation with TSOs, appropriate performance frameworks instead of mandating ACER to conduct top-down, one-size-fits-all efficiency comparisons.** As TSOs differ significantly in terms of system size, grid characteristics, geographical and national context, meaningful top-down comparisons remain difficult. Previous international benchmarking studies have shown that TSO efficiency benchmarking models are not reliable and do not produce usable insights, while cost-efficiency comparison with methods like DEA (EC Study June 2026) raise false expectations. National Regulatory Authorities (NRAs) are responsible for tariff design, so they are best placed to ensure cost-efficiency, considering local circumstances. Measuring TSOs' performance should not focus purely on cost-efficiency, but rather on the outputs (e.g. successful and timely implementation of a project considering its national and local context). NRAs should find a balance between short-term efficiency, mid to long-term effectiveness and real contribution to European competitiveness. **Therefore, ENTSO-E proposes amending Art.18 (7) so that NRAs, assess together with TSOs, appropriate performance frameworks.**
- **Rely on subsidiarity and flexibility in the design of cost-reflective network tariffs and remuneration frameworks.** Tariff structures should naturally vary between countries due to

national differences in generation technologies, geographical distribution of generation and consumption, topology, and costs. This is a direct application of the subsidiarity principle (Art. 5 TFEU) and Member States' and NRAs' competences to fix and/or approving network tariffs (Art. 59(1)(a) Directive (EU) 2019/944). While clear and consistent high level common principles for tariff methodologies are welcome, their further harmonisation will hinder cost-reflective tariff setting at the national level, will harm NRAs' independence (Art. 57(4)(b)(ii) Directive (EU) 2019/944), and lead to negative impact in the future. **Therefore, ENTSO-E proposes removing the possibility for the EC to adopt binding guidelines as in new Art. 61(5a)** on common structure and harmonised methodologies on tariffs pursuant to Art. 18, and on smart grid indicators pursuant to Art. 18a. Instead, the EC should provide recommendations.

- **Ensure that any EU grid data exchange framework fostering innovation remains voluntary, secure, focused and adequately financed.** The set-up and participation should remain voluntary and not oblige to set-up/operate an EU data-sharing platform. It should foster innovation in AI-/data-driven digital solutions for electricity grids to address specific use cases, by securely sharing the relevant grid data. Participating system operators/associations should recover their costs via relevant regulatory frameworks/funding mechanisms. It should build on existing standards, interfaces, and sector initiatives to avoid duplication. **Therefore, ENTSO-E proposes to amend Art. 18a(5) in line with the above, and to remove the possibility for the EC to adopt binding guidelines under Art. 61(5b).** Instead, the EC should provide recommendations.