

ENTSO-E Recommendations for the Update of Regulation 2018/1999 on the Governance of the Energy Union and climate action

ENTSO-E welcomes the [European Commission's initiative to revise Regulation 2018/1999 on the Governance of the Energy Union and Climate Action](#). The evaluation published in October 2024 shows that the existing framework has been effective but must now evolve to reflect a rapidly changing geopolitical, technological, and climate environment.

As the association of European electricity transmission system operators (TSOs) entrusted with the development of the grid infrastructure and secure system operations, ENTSO-E strongly supports efforts to improve coordination, strengthen planning, enhance resilience, and streamline reporting. We stand ready to contribute with our technical expertise and operational insights to the revision process.

In view of the upcoming review of the Governance Regulation, ENTSO-E would like to highlight the following recommendations:

1. The Revision of the Governance Regulation should promote electrification and energy efficiency while maintaining the balance between EU-level coordination and national responsibilities.

Direct electrification, a growing share of renewable generation, and energy efficiency of the whole energy system are the primary tools for decarbonizing Europe and achieving the EU's climate and energy objectives. The Revision of the Governance Regulation should encourage the Member States to adopt measures addressing those priorities.

It should however be noted that the Treaty on the Functioning of the European Union makes energy a shared competence, with the EU responsible for Internal Energy Market rules and Member States retaining authority over their energy mix and security of supply, investment decisions in critical infrastructure, and national security. A revised governance model must reflect this constitutional structure.

ENTSO-E therefore calls for a strengthened EU-level framework for coordination, reporting, and target setting, while preserving Member States' ultimate accountability for system security, resource adequacy, grid maintenance and development (including investment decisions), as well as service provider's obligations.

A future-proof governance model must therefore balance appropriate European coordination with flexibility, empowerment and oversight at national and local levels. This balance is essential to ensure coherence, efficiency, and inclusivity in building Europe's integrated energy future.

2. The revision of the Governance Regulation should strengthen regional cooperation, rather than centralising grid planning and operations.

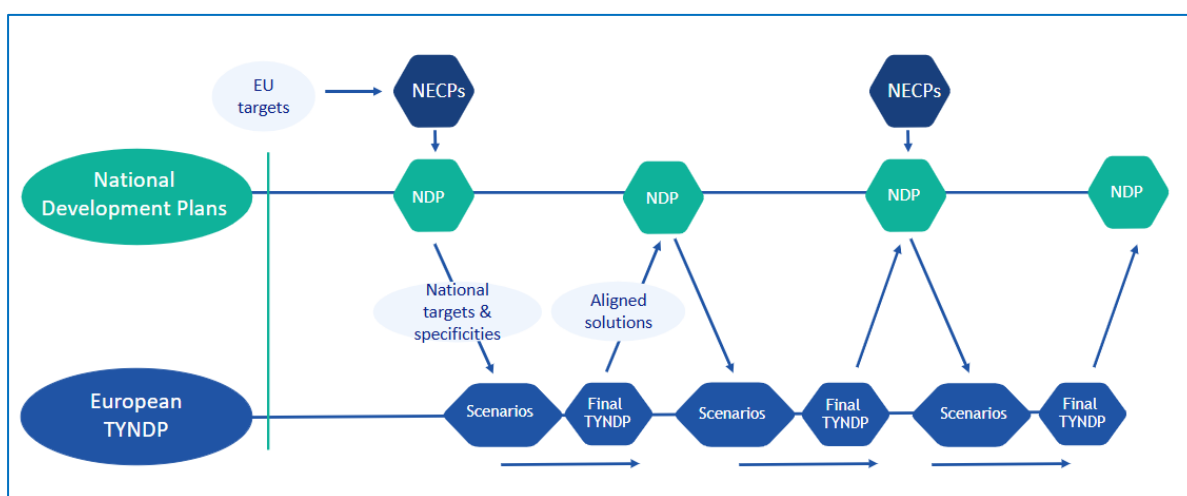
Centralisation of grid planning and operations should be avoided, since it risks slowing implementation, weakening security responsibilities, and disconnecting governance from operational realities.

To overcome fragmented approaches and leverage system interdependence, ENTSO-E recommends the revised Governance regulation to leverage on the mandated roles of Regional Coordination

Centres (RCCs) to support electricity TSOs in their responsibility to plan and operate the cross-border infrastructure. Regional Investments Plans should be refocused as a tool for the monitoring of grid project implementation and identifying solutions corresponding to system needs. Regional Coordination on Risk Preparedness and NECP elements is essential for security of supply, resilience, and cost-effective investments.

3. The revision of the Governance Regulation should ensure that NECPs clearly demonstrate how they contribute to achieving EU climate and energy targets, ensuring consistency and timely publication.

As illustrated in the figure below, National Development Plans (NDPs) draw on the NECPs developed by Member States. In turn, those NDPs feed the Ten-Year Network Development Plan (TYNDP) scenarios and the European Resource Adequacy Assessment (ERAA), both developed by ENTSO-E at the European level.



To ensure coherence between the TYNDP and the EU climate and energy targets, and to further reinforce TYNDP/ERAA scenario consistency, it is key that NECPs are in line with the EU climate and energy objectives. Additionally, the publication of NECPs should be aligned and strictly adhere to established deadlines. This is necessary to ensure clear visibility on the energy system pathways and for TYNDP/ERAA scenarios to remain the reference pathways for industry and decision makers. The upcoming revision of the Regulation on the Governance of the Energy Union should be used to improve this consistency.

To that end, ENTSO-E recommends that the NECP should be assessed solely under two scenarios: a Current Policy Scenario, reflecting the trajectory based exclusively on policies already in place, and a Target Scenario aligned with 2040/2050 objectives. A clear separation between energy carriers (power, gas, etc) should be adopted. For each energy carrier, the NECP could show the evolution of the sectoral consumption (industry, building, transport), as well as the policy measures required to meet the targets.

ENTSO-E also sees value in establishing some feedback loops from studies such as the TYNDP Scenarios, ERAA outcomes, FNAs to be able to feed and update NECPs. Indeed, all these studies provide further information (constraints, total costs, other benefits) that can support and guide policy decisions.

4. The revision of the Governance Regulation should help harmonise the content and format of NECPs to allow for more comparability of data.

NECPs still differ a lot among them in terms of format, content, definitions, etc. Besides, the quality of the data varies across all NECPs and those data are not always consistent. All this creates substantial difficulties when comparing data among countries. Simply plugging these NECPs into a single pan-European data set (e.g. the TYNDP National Trends scenario) reveals numerous challenges and inconsistencies.

The upcoming revision of the Governance Regulation should improve the situation: defining common templates for data tables, aligned scenarios and interoperable digital tools would already help take away a lot of interpretation or ambiguity (e.g. on Final Energy Consumption per sector and carrier, Installed Capacities of electricity, methane and H2 generation mixes, Interconnections, etc.). Another improvement could be to ask Member States for more transparency on underlying (modelling) assumptions, including efficiencies, costs, macro-economic parameters, etc.

ENTSO-E can support that harmonisation effort, for example by providing a standardised data system.

5. The revision of the Governance Regulation should help reduce administrative burden and streamline procedures wherever possible.

The evaluation report identifies duplication across energy, climate, resilience, and sectoral reporting. ENTSO-E supports the Commission's goal to reduce the reporting burden by 25% and believes that the upcoming revision of the Governance Regulation should be an opportunity to consolidate and harmonise reporting streams to integrate overlapping or redundant reporting obligations (NECPs, progress reports, Recovery and Resilience Plans, National Air Pollution Control Programmes, etc.).

It is also relevant to point out that the NECPs are currently organised according to five central dimensions of the Energy Union. However, this structure causes information being repeated across several sections, which makes it harder to identify key elements. For example, electrification contributes to both the decarbonisation as well as the energy efficiency of the system. We therefore recommend simplifying the structure of the NECPs, creating a more streamlined narrative, for example by eliminating the concept of dimensions.

6. Network Development Plans (NDPs) should remain the investment plans for grids at national level. However, the revision of the Governance Regulation can help improve these NDPs by making NECPs more concrete and detailed.

About the suggestion from the European Commission to strengthen the role of NECPs to include robust and up-to-date investment roadmaps, ENTSO-E would like to underline that Network Development Plans (NDPs) should remain the investment plans for grids at national level and that NECPs should not replace or duplicate NDPs. However, the revision of the Governance Regulation could help enhance the quality and usefulness of NDPs by requiring NECPs to be more concrete and detailed, allowing TSOs to use them as input when developing their NDPs.

The Commission and co-legislators should also ensure that appropriate national and European measures, in parallel to NDPs, are taken to deal with adequacy or stability issues, when and where identified in flexibility needs assessments and adequacy assessments. Such measures could, for example, include further review of NECPs and implementation of capacity mechanisms where needed.

At the same time, the update of the Governance Regulation should make sure to maintain a balance between EU-level coordination and national responsibilities. ENTSO-E therefore calls for a strengthened EU-level framework for coordination, reporting, and target setting, while preserving Member States' ultimate accountability for system security, resource adequacy, grid maintenance and development (including investment decisions), as well as service provider's obligations.

7. The revision of the Governance Regulation should require Member States to consider the security dimension when developing their NECPs (security by design).

TSOs are legally responsible for ensuring operational security as well as the resilience of their grid infrastructure, thereby contributing to the security of supply. The Commission rightly notes that the post-2018 landscape is shaped by hybrid threats, geopolitical crises, climate-related impacts and digitalisation. ENTSO-E therefore recommends that the revised Governance Regulation require Member States to consider security aspects (such as the secure operation of the electricity grids, security of energy supply, security against physical and cyber threats, etc.) when developing their NECPs. More concretely, this means:

- Requiring the inclusion of resilience and security investment in NECPs and Long-Term Strategies.
- Ensuring alignment with horizontal legislation, such as the CER and the NIS2 Directives, as well as sector legislation like the NCCS, and the upcoming Risk Preparedness Regulation review.
- Introducing a framework for harmonised risk assessments and coordinated resilience planning.

This being said, it is important that operational security management remains anchored locally. The governance reform should therefore focus on strengthening coordination, while preserving national competence for operational functions. For example, decisions related to needs assessment or design parameters for capacity mechanisms should remain in the hands of Member States, as they ultimately bear the financial consequences of these decisions.

Conclusion

The revision of the Governance Regulation represents a major opportunity to accelerate Europe's energy transition while strengthening security, competitiveness, and resilience. ENTSO-E supports the Commission's objectives and believes that with those recommendations, we can achieve a governance model that delivers a sustainable, secure and resilient energy system for all European citizens.

ENTSO-E stands ready to contribute with its expertise, planning tools, and operational insights as the Commission develops its impact assessment and legislative proposal for 2026.