



Commission sets out actions to accelerate the roll-out of electricity grids

Brussels, 28 November 2023

Interconnected and stable **energy networks are the backbone of the EU's internal energy** market and key to enable **the green transition**. To help deliver the <u>European Green Deal</u> the Commission is proposing today an <u>Action Plan</u> to make sure our **electricity grids will operate more efficiently and will be rolled out further and faster.** The Commission has already put in place a supportive legal framework for the rollout of electricity grids across Europe. With the EU markets fully integrated, a modernised infrastructure network will ensure citizens and business can benefit from cheaper and cleaner energy.

Electricity consumption in the EU is expected to increase by around 60% between now and 2030. Networks will have to accommodate a more **digitalised**, **decentralised and flexible system** with millions of rooftop solar panels, heat pumps and local energy communities sharing their resources, more offshore renewables coming online, more electric vehicles to charge, and growing hydrogen production needs. With 40% of our distribution grids more than 40 years old and cross-border transmission capacity due to double by 2030, €584 billion in investments are necessary.

An Action Plan to address the missing links of the clean energy transition

The Action Plan aims to address the main challenges in expanding, digitalising and better using EU electricity transmission and distribution grids. It identifies concrete and tailor-made actions to help unlock the needed investment to get European electricity grids up to speed. The actions focus on implementation and swift delivery to make a difference in time for our 2030 objectives:

- Accelerating the **implementation of Projects of Common Interest** and developing **new projects** through political steering, reinforced monitoring and more proposals;
- Improving the **long-term planning of grids** to accommodate more renewables and electrified demand, including hydrogen, in the energy system by steering the work of system operators as well as national regulators;
- Introducing **regulatory incentives** through guidance on anticipatory, forward-looking investments and on cross-border cost sharing for offshore projects;
- Incentivising a better usage of the grids with **enhanced transparency and improved network tariffs** for smarter grids, efficiency, and innovative technologies and solutions by supporting the cooperation between system operators and recommendations by the Agency for the Cooperation of Energy Regulators (ACER);
- Improving **access to finance for grids** projects by increasing visibility on opportunities for EU funding programmes, especially for smart grids and modernisation of distribution grids;
- Stimulating **faster permitting for grids** deployment by providing technical support for authorities and guidance on **better engaging stakeholders and communities**;
- **Improving and securing grid supply chains**, including by harmonising industry manufacturing requirements for generation and demand connection.

Background

The EU has one of the most extensive and resilient networks in the world, delivering electricity to millions of citizens. Our well-interconnected energy markets proved to be an important asset to ensure stable supplies during the energy crisis. The EU has put in place a legal framework to support grids rollout, with the <u>revised TEN-E regulation</u>, the <u>revised Renewable Energy Directive</u> and proposals for a <u>Net-Zero Industry Act</u> and a <u>reformed electricity market design</u>.

To fulfil the objective set in the <u>REPowerEU Plan</u> to end imports of Russian fossil fuels, and the recently agreed target to reach a 42.5%, with an ambition for 45%, renewable energy share by 2030, the EU needs upgraded grids and strengthened energy infrastructure. The EU Action Plan for Grids was announced in the <u>European Wind Power Action Plan</u> tabled by the Commission last month. It follows the first High-Level Electricity Grids Forum that was hosted by the European Network of

Transmission System Operators for Electricity (ENTSO-E) under the patronage of the European Commission in September.

Today's Action Plan is presented alongside the selection of key cross-border energy infrastructure projects for the <u>first Union list of Projects of Common and Mutual Interest</u> which will help bring the EU's energy infrastructure in line with its climate goals. It is also accompanied by a <u>Pact for</u> <u>Engagement</u> to ensure broad stakeholder engagement in grids development.

For more information

Questions and Answers

Factsheet

EU Action Plan for Grids

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Quotes:

Grids are the backbone of our energy system. Our Action Plan will ensure better support to infrastructure planning, development and operation, central steps to connect Europe's growing renewable energy sources to the end-users that need them – from households to hydrogen producers. Through concerted efforts, we can develop more efficient, smarter and more integrated energy infrastructure, thereby making sure that we deliver the clean energy that we need to succeed in the green transition. Maroš Šefčovič, Executive Vice-President for European Green deal, Interinstitutional Relations and Foresight - 28/11/2023

Europe will only ensure its energy security and deliver on its climate ambitions if our power infrastructure expands and evolves to be fit for a decarbonised energy system. Grids need to be an enabler, not a bottleneck in the clean energy transition. That way we can integrate the vast amounts of renewables, electric vehicles, heat pumps and electrolysers that are needed to decarbonise our economy. Today's Action Plan sets the scene, and I count on the support of all players in the sector to help turn the Plan into concrete actions.

Kadri Simson, Commissioner for Energy - 28/11/2023

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