




# THE POWER OF EUROPEAN *electricity grids*

*The Renewables Grid Initiative policy  
priorities for the EU 2024-2029 mandate*

November 2024

Renewables   
Grid Initiative



The **Renewables Grid Initiative (RGI)** acknowledges that the new EU mandate is crucial for the future of the European Union (EU) and its Member States. With the legislative term ending in 2029, the **decisions taken in the coming five years will be catalytic for the EU's pathway to net-zero**, and the achievement of the EU and global climate, energy and biodiversity commitments.

# Electricity grids

should remain at the top of the political agenda as the enablers of the energy transition.

There is a broad consensus on the need to scale up the deployment of electricity grids at all voltage levels, to sustain and enable the pace and magnitude of investments in generation and storage assets for renewables across the EU; a momentum that needs to be maintained. Indeed, electricity grids enable



Electrification



Renewables integration



Market integration

Thus putting Europe on track towards a timely and cost-efficient energy transition, boosting energy security, EU competitiveness, and allowing societies and industries to leverage its multifold benefits.

In the past years, the EU has adopted a comprehensive set of policies to accelerate the transition to net-zero. However, **a large piece of work still lies ahead.**

While new effective policies and actions will be needed to further support the pathway to climate neutrality latest by 2050, the implementation of already agreed policy files will be key to the EU's efforts to decarbonise and speed up renewable energy sources (RES) and electricity grid development.

For this to happen in an efficient and timely manner, the EU should **adopt a holistic approach that tackles jointly the intertwined climate, energy, and biodiversity crises; that encompasses economic factors; and positions societal considerations at the centre of policy discussions.**

We, RGI together with our Members, therefore urge EU policymakers, i.e., the European Parliament, European Commission and Member States, to:

01

*Prioritise renewables-based*  
**direct electrification**

04

*Ensure well-functioning and*  
**sustainable supply chains**

02

*Ensure adequate*  
**financial resources**

05

*Ensure a nature-positive*  
**energy transition**

03

*Adopt a holistic approach in*  
**policymaking & implementation**

06

*Accelerate the energy transition*  
**through societal acceptance**



# 01

## Prioritise renewables-based direct electrification

### Action points:

- Embed system-level efficiency in energy system planning and adopt an optimisation mindset to address resource scarcity and reduce overall costs.
- Introduce a target of at least 35% direct electrification of final energy use across the EU by 2030, alongside an intermediate direct electrification target for 2040, as a means to achieve the binding target of at least 42,5% renewable energy in the final energy consumption across the EU by 2030, aiming for 45%<sup>1</sup>, and the [EU 2030 energy efficiency targets](#). Leverage the upcoming Electrification Action Plan and the Clean Industrial Deal.
- Consider RES and electricity grid development - onshore and offshore - jointly and incentivise forward-looking system planning to anticipate investments, including through the introduction of related mandates for transmission system operators (TSOs).
- Identify and address persisting barriers to unlock flexibility and demand response, including through implementing the new rules on electricity market design (Electricity Regulation and Directive)<sup>2</sup> and issuing new European Commission guidelines for unlocking the potential of flexibility from distributed assets. Specifically regarding demand response, suppliers should be encouraged to offer electricity supply options that support the energy system at large; consumption should be incentivised when renewable electricity production is abundant and cheap, and reduced when it is more limited and costly.
- Leverage the flexibility potential of cross-border electricity grid infrastructure as well as of the residential sector, energy intensive industries, energy communities, aggregators, and foster coordination between TSOs and DSOs to facilitate and increase data exchanges related to production and consumption.
- Stimulate the participation of renewables and demand side management in providing balancing and auxiliary services to support the stability and security of the energy system. This is crucial with the significant increase in the share of variable renewables in the energy mix.

<sup>1</sup> In line with the revised [Renewable Energy Directive EU/2023/2413](#).

<sup>2</sup> Such as, Articles 19e-19h of the [Regulation \(EU\) 2024/1747](#) (Electricity Regulation) that provision a process for Member States to assess their flexibility needs, and an EU Strategy on flexibility, with a focus on demand response and storage.





# 02

## *Ensure adequate financial resources*

### Action points:

- Provide visibility, identify barriers and ease access to existing EU funds for electricity grid development.
- Increase funding volumes and explore the creation of dedicated funds for the expansion and modernisation of electricity grids, within and between Member States, at both transmission and distribution levels, including through a one-stop-shop at EU level, aimed at improving access to finance for electricity grid investments. Ensure alignment with the EU's ambition to reach climate neutrality well before 2050<sup>3</sup> and leverage the upcoming Multiannual Financial Framework 2028-2034.
- Establish financial mechanisms to reduce costs of capital for TSOs and DSOs, to, then, reduce costs for consumers and also maintain the financial ratings of regulated grid operators in the 'investment grade' quality rating category.
- Review tariff setting, and methodologies to reflect the urgency of the energy transition and electricity grid expansion as well as maintain competitiveness and affordability for consumers. Most vulnerable consumers should also be protected, ideally through social policies. Enable a more balanced CAPEX-OPEX approach in tariffs to address the increasing flexibility needs and operational costs, alongside the need for nature- and people-positive measures.
- Ensure, and regularly review, appropriate regulated rates of return for TSOs and DSOs to enable the needed investments.

<sup>3</sup> The [Paris Agreement Compatible \(PAC\) scenario](#) calls for climate neutrality by 2040.

# 03

## *Adopt a holistic approach in policymaking & implementation*

### Action points:

- Strengthen policies integration. Ensure synergies, coherence and consistency between energy-related policies and other policies that have the potential to accelerate the electricity grid development and the energy transition at large, e.g. EU Nature Restoration Law.
- Ensure the effective implementation of EU policies at the Member State level, including the [EU Action Plan for Grids](#) and the [Council conclusions on grids](#), based on robust timelines, including through the creation of a dedicated independent 'Future Grids' Task Force, reporting directly to the Commissioner for Energy and Housing. Introduce clear judicial structures, and strengthen coordination within and between Member States, alongside accountability.
- Introduce a net-zero mandate for National Regulatory Authorities (NRAs) to prioritise 'best-value' over cost-efficiency, and ensure that Member States phase out fossil fuels and related subsidies, against clear deadlines.
- Ensure adequate and skilled staff for TSOs, DSOs and relevant national authorities.



# 04

## Ensure well-functioning and sustainable supply chains

### Action points:

- Implement an ambitious industrial policy and standardise processes in collaboration with TSOs, DSOs and manufactures, to safeguard timely access to necessary electricity grid components and equipment, at affordable prices.
- Streamline public procurement rules to secure supplies for electricity grid operators, to provide more visibility to suppliers, and therefore, to accelerate grid investments.
- Establish EU-level measures to promote eco-designed technologies and the emergence of a re-use and recycling industry, by making it mandatory for any newly manufactured product to contain a high percentage of recycled materials, unless a significant impact on its performance can be demonstrated.
- Introduce and implement sustainability criteria, including with regard to circularity and biodiversity, in public procurement processes, to avoid and minimise negative externalities on nature, to boost EU competitiveness and to strengthen the production capacities of grid equipment within Europe, while ensuring fairness in global supply chains. Leverage the implementation of the Net-Zero Industry Act and the upcoming Clean Industrial Deal to enable manufacturers to develop production capacities for net-zero emission technologies within the EU.

# 05

## Ensure a nature-positive energy transition

### Action points:

- Inform decision-making through robust and holistic spatial planning that encompasses technical, environmental and societal considerations. Avoid deregulation and protect environmental laws and objectives. Leverage the significant potential for acceleration through better implementation, digitalisation, resourcing, funding and coordination.
- Enable and incentivise nature protection and restoration measures at all development phases of renewable energy generation and electricity grid assets; integrate such measures in planning, design, deployment and operations.
- Develop and support common methodologies and benchmarks<sup>4</sup> to assess impacts, including positive contributions towards nature and people, and incorporate them in reporting and monitoring frameworks.

<sup>4</sup> See the [Global Initiative for Nature, Grids and Renewables \(GINGR\)](#).



# 06

## *Accelerate the energy transition and electricity grid development through societal acceptance*

### Action points:

- Implement the EU Pact for Engagement<sup>5</sup> and coordinate efforts with current and future national signatories, including TSOs, DSOs, and NRAs.
- Incentivise granular, early, meaningful and continuous communication and stakeholder engagement processes at the Member State level, including with NGOs and citizens. Ensure active participation of civil society in decision-making processes, including the siting and planning of energy infrastructure, while also safeguarding civil society independency. Towards this, budgets can be allocated in the stakeholders' engagement investment plans.
- Design educational strategies and national narratives for RES, electricity grids and direct electrification.
- Unlock the creation of tangible benefits for local communities and communities affected by electricity infrastructure development.
- Support the transition to open data and open-source modelling, to enhance data transparency, and thus, foster trust, and enable meaningful stakeholder engagement.

<sup>5</sup> In November 2023, the European Commission launched the [EU Pact for Engagement](#) delivering on Action 12 of the EU Action Plan for Grids. Centered around five key actions the Pact aims at ensuring early, regular and meaningful stakeholder engagement in grid development, together with Member States, ACER and national regulatory authorities, ENTSO-E and transmission system operators, EU DSO Entity and distribution system operators, project promoters and civil society.



LEARN MORE ABOUT HOW  
**#GridsEmpower**  
EUROPE, LIVES & OUR FUTURE



# About the Renewables Grid Initiative

RGI is a unique collaboration of NGOs and TSOs from across Europe engaging in an 'energy transition ecosystem-of-actors'.

We promote fair, transparent, sustainable grid development to enable the growth of renewables to achieve full decarbonisation in line with the Paris Agreement.

RGI Members originate from a variety of European countries, from Belgium, Croatia, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain to Switzerland, as well as organisations that operate at the EU level.



## Supporting Members



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