ACER

European Union Agency for the Cooperation of Energy Regulators

Position on the European Commission's EU Grids Package Proposal

11 February 2026

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1. Introduction

ACER welcomes the Commission's publication of the European Grids Package[1], which aims to modernise and expand the European energy infrastructure to unleash its full potential to lower energy system costs. The proposed revision of the Regulation on trans-European energy infrastructure (TEN-E) introduces changes to the governance of grid planning. It sets out a new infrastructure scenario development process led by the Commission as well as a new approach for identifying infrastructure needs. The TEN-E proposal calls for more coordinated grid planning and acknowledges the role of non-wire solutions to support a cost-efficient grid development and efficient use of existing infrastructure.

Efficient grid planning plays an important role in delivering a cost-effective and resilient energy system. It should primarily focus on promoting competitive energy prices, in combination with other measures pursuing the same goal, such as the better use of existing infrastructure and unlocking flexibility, including by removing the barriers to the participation of flexible resources.

ACER and National Regulatory Authorities (NRAs) play an established role in grids planning and effective, independent oversight of network development processes. They contribute to transparent, efficient and independent planning in line with the EU energy policy goals and network users' needs. The proposed revision of the TEN-E recognises the important role of ACER and NRAs in infrastructure planning. **It is, therefore, essential that both ACER and NRAs are granted the necessary competences, and resources, to effectively oversee and contribute to these activities.**

In September 2025, ACER published a position paper on improving the EU grid framework (the ACER paper on Grids). ACER issued several recommendations aimed at:

- **Strengthening regulatory oversight,** by enhancing ACER's role in overseeing key methodologies for scenario development and infrastructure planning at European level.
- **Improving identification and prioritisation of infrastructure needs,** by establishing effective mechanisms to identify and address critical infrastructure gaps with the most suitable solutions, leveraging the benefits of a sector integrated approach.
- **Streamlining and simplifying the TEN-E processes,** by drawing from lessons learned from network development, PCI selection and PCI monitoring aiming at more efficient and transparent processes.

In this paper, ACER provides insights on key elements from a regulatory perspective of the Commission's proposal (**Chapter 2**) and suggests potential improvements in a few key areas (**Chapter 3**) which could be considered during the legislative process.

[1] In terms of proposed legislation, it includes a Proposal for revised Trans-European Network for Energy (TEN-E) Regulation and a Proposal for revised Directive to accelerate permit-granting procedures of infrastructure projects.

2. Assessment of the Commission's proposal

This section assesses the Grids Package considering previous ACER's positions, focusing primarily on the TEN-E proposal.

Scenario Process (Article 11 of TEN-E)

Assessment: ACER understands that the European Commission aims at addressing the shortcomings identified in the scenario building process and its governance, including those identified by ACER. The proposal envisages a role for the Commission, rather than the ENTSOs, in coordinating the scenario development process for network planning. At the same time, the new process must address the associated challenges, such as the reliance on a single scenario, the need to take due account of national circumstances, and the need to strike a balance between political ambition and a more realistic view of energy systems evolution. This should ensure that priority projects are identified first, while still recognising other projects needed for meeting long-term climate objectives. To this end, ACER provides the following considerations:

First, ensuring an inclusive process duly considering Member States', Regulators' and stakeholders' inputs would improve the robustness of the outcomes. This requires appropriate verification of scenario data and assumptions. However, ACER notes that under the TEN-E proposal, the European Commission only provides for the possibility to request ACER and NRAs to verify national data submitted by ENTSOs or other actors.

Second, ACER underlines the importance of systematically developing sensitivities and additional scenarios based on national circumstances and data. This is essential to ensure robustness of infrastructure assessments and to facilitate regulatory reality checks that align with national realities. The use of sensitivities and alternative scenarios will allow project evaluators and decision-makers to assess infrastructure needs and the value of projects under different circumstances.

Third, ACER notes that the proposed four-year cycle for developing the central scenario is not aligned with the five-year cycle of national energy and climate plans (NECPs), which may lead to inconsistencies. Moreover, significant changes in energy policy or in the energy markets may also call for more frequent updates of scenarios.

Finally, ACER emphasises the need to ensure consistency across scenarios used in different planning exercises, such as the TYNDP and the European Resource Adequacy Assessment (ERAA), which is not explicitly addressed in the current proposal.

Proposed improvements: ACER recommends that **sensitivities and additional scenarios be systematically developed**. The TEN-E Regulation should further require **consistency of scenario building with other planning exercises beyond EU network planning**, including adequacy and flexibility assessments. In this regard, ACER also suggests including the requirement for a 'trends and projections scenario´ in line with ERAA practices.

ACER also stresses the importance of a participatory, transparent and inclusive scenario-building process, considering national practices and inputs. In this context, the Regulation should clearly require that the **scenario process duly considers NECPs and other national scenarios approved by NRAs** for network planning. The currently optional **verification step of scenario data by ACER and NRAs should be made mandatory** to ensure proper regulatory oversight and consistency with national policies.

Furthermore, the **Governance Regulation could be enhanced to improve the transparency of NECP data and its suitability for use in developing scenarios**, and consideration should also be given to aligning the scenario cycle with the NECP and National Development Plans (NDPs) timeline (or vice versa). It is also recommended to allow for **sufficient flexibility to allow for more frequent scenario updates (e.g. biennially)** in response to major policy or market developments and in coherence with the frequency of most NDP scenarios.

Infrastructure Needs Process (Article 12 and Annex VII of TEN-E)

Assessment: ACER welcomes the new process for identifying infrastructure capacity needs where ACER will develop a binding methodology with the involvement of the Board of Regulators. This represents a change towards more transparent, coherent and robust infrastructure planning under stronger 'ex-ante' regulatory oversight. It hence supports a transparent and trustworthy identification of needs. However, the proposed endorsement process by the Regional Groups, combined with the possibility for the European Commission to request updates, seems overly complex. The report endorsement should be simplified and the timeline of some of the proposed steps should be more realistic.

While the TEN-E proposal seems to align the infrastructure needs with the four-year scenario cycle, ACER considers that needs assessments should be performed more frequently as projects and the reference networks more rapidly evolve.

Finally, ACER supports the requirement for the inclusion of grid enhancement technologies (GETs) in the needs assessment.

Proposed improvements: To ensure effective oversight and implementation of ACER's methodology, ACER's role under Article 12 in verifying the compliance of ENTSO-E and ENNOH's draft reports with ACER's methodology should be complemented by **ACER power to request amendments to the draft reports in case of non-compliance.** Given that the infrastructure needs report provides primarily a technical analysis, **a formal endorsement – beyond the consultation of the Regional Groups** before ACER requesting any amendments**- does not appear necessary.** Such an approach will more clearly differentiate technical processes such as the assessment of needs from decision-making by the Regional Groups on PCI projects.

The **timeline of several processes should be made more realistic**. As regards the **infrastructure needs methodology**, ACER should have 12 months (instead of the 9 months in the proposal) after the entry into force of the Regulation. As regards the **infrastructure needs preparation**, ENTSO-E and ENNOH should have at least 9 months (instead of 6 months in the proposal) to develop the respective infrastructure needs reports. ACER should have at least 4 months (instead of 2 months) for its review and compliance assessment. Finally, the **needs assessments should also be performed more frequently** (i.e., every 2 years, as today, instead of the proposed 4 years).

Needs Matching Process (Article 13 of TEN-E)

Assessment: The introduction of a European process to call for projects addressing unmatched infrastructure capacity needs aims to address issues previously identified by ACER (gaps between planned investment and grid needs) and confirmed in recent ACER infrastructure monitoring. Further assessment is required to determine how the newly proposed process fits within existing national, regional, and European planning processes. For example, the proposed call for projects by the Commission may raise questions regarding its consistency with the NRAs existing powers '*to organise a tender procedure open to any investors […]*' as indicated in the Electricity Directive.

Furthermore, the proposed 6-month timeline for TSOs to develop viable project proposals may need to be reconsidered. The preparation of feasibility studies and technical assessments, as well as the involvement of NRAs and Member States for cross-border coordination, typically requires more time. In any case, any new process should focus on the most critical infrastructure gaps, based on the highest European or regional benefits and involve NRAs.

Proposed improvements: The **selection and adoption of projects matching needs should ensure complementarity with existing national and European network planning processes (TYNDP & PCI processes) in order to avoid duplications or conflicts**. This process shall also be compatible with NDPs and consider the relevant competences of Member States and NRAs.

First, the ENTSOs infrastructure needs reports, subject to an independent scrutiny, should at least include: i) an estimation of the benefits of addressing each need by border, and ii) an identification of whether those needs are adequately covered by the proposed projects, including the quantification of remaining infrastructure gaps.

On this basis, existing processes and structures may be used to address the issues that the proposed European call for projects rightly intends to resolve. On the one hand, the Regional Groups, under Article 3 of the proposed TEN-E Regulation with the supervision of the European Commission and Member States, verify the remaining infrastructure gaps. A regional-level discussion and thorough assessment of the remaining infrastructure gaps would be essential to reflect regional specificities.

A provision can then be added in Regulation to estipulate that the Regional Investment Plans, as referred to in Article 34(1) of Regulation (EU) 2019/943, identify and include project proposals to address such gaps, after duly considering alternative non-wire solutions. Such provision should consider the involvement of TSOs, third-party project promoters and NRAs, in coordination with Member States and the European Commission. These project proposals would then feed into subsequent iterations of the TYNDP and the PCI selection process, thereby ensuring coherence and continuity and avoiding parallel EU planning frameworks.

Should the process described above fail to identify solutions to fill identified gaps, the European process described in the European Commission proposal could then be used as a last resort measure.

Cost-benefit Analysis Methodologies (Article 14 and Annex V of TEN-E)

Assessment: The TEN-E proposal keeps the existing development and approval process for the single sector-consistent cost-benefit analysis methodologies (CBA), with the hydrogen CBA being prepared by ENNOH instead of ENTSOG. Experience shows that this process can be complex and lacks agility, with delays being systematic rather than exceptional. Moreover, regulatory involvement remains limited to issuing an opinion on the ENTSOs' CBA proposals.

At the same time, the proposal brings some improvements. The inclusion of a clear provision in the TEN-E proposal requiring ENTSO-E and ENNOH to calculate and publish, within the TYNDPs, the CBA results for all projects, including the distribution of benefits across countries is welcome. This clear requirement will provide full transparency of projects' CBA outcomes in the TYNDP context.

Finally, the TEN-E proposal increases the update frequency for unit investment costs for energy infrastructure to every two years (rather than the current three-year cycle). While this higher frequency ensures that the information used is more up-to-date, it will increase the project promoters' reporting obligations.

Proposed improvements: **ACER should be mandated to approve, or where necessary request amendments to the draft CBA methodologies developed by ENTSO-E and ENNOH**. At national level, many NRAs already have significant experience in designing or reviewing CBA methodologies for project assessment. Where this responsibility does not currently lie with NRAs, the mandate to ensure their involvement should be provided. It is, therefore, appropriate that at the EU level ACER be entrusted with comparable powers to assess European projects[2].

To avoid unnecessary steps, the process for updating the CBA methodology should be made more agile. ACER or the European Commission would consult stakeholders on proposed updates to the CBA methodology, which ENTSOs would then have to implement.

Finally, ACER proposes **maintaining a three-year update cycle for unit investment costs** for energy infrastructure.

Selection of Projects of Common Interest (PCIs) (Article 5 and Annex I and III of TEN-E)

Assessment: ACER welcomes that the TEN-proposal simplifies the PCI application process for projects already on the PCI list that have obtained regulatory approval or a final investment decision. ACER also takes note of the removal of the ACER Opinion on the draft PCI list, which currently comes late in the PCI process, and its replacement in Annex III (8) with an assessment by ACER and NRAs of the

[2] In this regard, a paper by the Florence School of Regulation and the Copenhagen School of Energy Infrastructure highlighted that '*it is worth considering transferring the responsibility to approve (and possibly amend) a single or a set of harmonised CBA methodologies to ACER'*.

consistent application of CBA methodologies, the cross-border relevance of projects, and their progress.

Proposed improvements: ACER welcomes the removal of the ACER Opinion on the draft PCI list, which currently comes late in the process, and its replacement in Annex III (8) with an assessment by ACER and NRAs of the consistent application of CBA methodologies, the cross-border relevance of projects, and their progress. This simplifies the process and ensures that NRAs' regulatory scrutiny and ACER's monitoring can provide timely and relevant input and recommendations to the Regional Groups when selecting PCIs.

Monitoring of PCIs (Article 5 of TEN-E)

Assessment: To make it better aligned with decision-making needs, the PCI monitoring process, including the framework for project promoters to report to ACER, could be further streamlined and better aligned with the needs of the PCI selection process. Currently, project promoters must submit data four times over a two-year cycle (biennially for TYNDP and PCI selection, plus annually for PCI monitoring), which ACER sees as an unnecessary administrative burden.

Proposed improvements: **PCI monitoring should take place biennially, with project promoters submitting the data validated by the relevant National Competent Authority (NCA) to ACER and Regional Groups every two years,** by November following the year of adoption of the most recent PCI list. The monitoring should cover both projects applying for the next PCI list and those already on the PCI list. This approach ensures that all PCI projects remain subject to monitoring until they officially lose their PCI status with the adoption of the new final list. Since covering also projects applying for the next PCI list, the same data collection could also be used for the PCI selection process. ACER should then be granted sufficient time (e.g. at least 4 months) to prepare its consolidated PCI monitoring report.

Cross-border Cost Allocation (CBCA) and financing (Articles 17, 18 and 21 of TEN-E)

Assessment: ACER welcomes the request to update ACER's recommendation on CBCA. In addition, the TEN-E proposal tasks ACER to set up a central repository of all cross-border cost allocation (CBCA) decisions to increase transparency and accessibility which is valuable. ACER also notes that the proposal maintains the mandatory and sequential step between CBCA and Connecting Europe Facility (CEF) grants for works. In ACER's view, there should not be a mandatory link between the two instruments; otherwise, CBCA decisions may become an administrative step with limited added value (e.g. when benefits, according to the results of the CBA, outweigh costs in all hosting countries). In such cases, a direct request for CEF support should be possible.

Also, the TEN-E proposal introduces some criteria for CBCA decisions. However, maintaining a flexible framework would allow NRAs to adopt proportionate and context specific approaches.

Proposed improvements: **The mandatory and sequential step between CBCA and CEF grants for works should be removed**, allowing the two processes to be run in parallel; it should be possible for project promoters to directly apply for CEF under the condition of a positive statement of the hosting NRA(s). In addition, **some guidelines and technical criteria for taking CBCA decisions may be better addressed in the ACER recommendation** rather than codified in legislation.

Ring-fenced Congestion income (Article 19 of TEN-E)

Assessment: ACER understands that the proposed requirement for TSOs to set aside a percentage of the congestion income towards network investments of European cross-border relevance aims at addressing the challenge of financing electricity cross-border projects that relieve congestion and increase European socio-economic welfare. However, the proposal raises a number of concerns, related to the clarity on its operational and systemic implications alongside possible distributive effects. For example, customers located in a given Member State may find it unfair that 'their' congestion rents are used to finance PCIs rendering benefits elsewhere in Europe. Additional concerns arise from the interaction of the proposal with internal bidding zones, as this could penalise Member States who opted for a more granular definition of bidding zones.

The proposal should also be assessed in conjunction with the PCI selection process to examine whether the current TEN-E framework sufficiently ensures the identification of electricity projects with EU-wide and regional cross-border relevance[3]. Additionally, the proposed solution should be analysed together with other instruments to allocate infrastructure costs across borders such as the CBCAs or the inter-TSO compensation mechanisms.

Proposed improvements: ACER recommends prudence when considering amendments to the existing provisions on congestion income and calls on the European Commission to carefully consider whether the proposal can effectively contribute to finance PCI projects that are beneficial for European consumers. ACER stands ready to further discuss alternative or complementary proposals aimed at supporting the financing of cross-border infrastructure. At the same time, the monitoring framework on the use of congestion income could be strengthened. ACER should be provided with suitable information for enhanced monitoring of the use of congestion income in accordance with the TEN-E regulation and report to the European Commission each year.

NRAs to approve or amend electricity National Development Plans (Article 40(a) of Directive 2019/944)

Assessment: ACER welcomes the proposal to confer power on the NRAs to approve or request amendments to the electricity national development plans. At the same time, ACER notes that some NRAs still lack the necessary powers and competences over network planning, which should be granted **through proper national implementation and transposition of the EU Directives**.

Promotion of Infrastructure Efficiency (Articles 11, 14, 29 and Annex II of TEN-E)

Assessment: The Proposal emphasises infrastructure efficiency and the optimised use of existing grids as key principles[4]. Solutions such as grid-enhancing technologies (GET), digital tools, demand response, and other flexibility options could improve network performance without requiring costly grid expansion projects. **ACER welcomes that the efficiency principles are further emphasised in the TEN-E proposal, for the development of scenarios, electricity infrastructure needs, cost-benefit analysis, electricity TYNDP, and PCI infrastructure categories**[5].

The strengthened recognition of non-wire solutions in the revised TEN-E framework is consistent with ACER's paper on Grids. Non-wire solutions should contribute toward more efficient and timely grid development across Europe.

European Commission Guidelines on Grids Connections

Assessment: ACER welcomes the Grid Connection Guidelines, as connection queues remain a major barrier to integrating renewables and advancing electrification. The proposed procedural toolbox

[3] Today the PCI and PMI selection process is based on a voluntarily application by project promoters interested in their projects to become PCI or PMI and typically includes cross-border infrastructures, with few internal infrastructure projects considered.

[4] Recital (10) highlights that non-wire solutions should play a prominent role in addressing system needs alongside physical grid reinforcement.

[5] Article 11 (central scenario) requires system planning to optimise efficiency by considering alternatives to physical expansion. Article 12 (infrastructure needs) explicitly states that, for electricity, the assessment of infrastructure needs must take non-wire solutions into account. Article 14 (Cost-Benefit Analysis) additionally mandates that the CBA methodologies enable the evaluation of non-wire solutions in the electricity sector. Article 29 updates the legal requirements for the electricity TYNDP by requiring that it give priority consideration to alternatives to grid expansion, including non-wire solutions and non-fossil flexibility. At the same time, the Proposal introduces new infrastructure categories in Annex II to enhance the safety, security, and efficiency of energy networks. These include investments in monitoring, control, and digitalisation equipment for existing high-voltage network elements to support safe operation and improved efficiency, as well as equipment and installations designed to protect and strengthen the resilience of critical network elements against risks such as sabotage, natural hazards, and climate impacts.

(including hosting-capacity maps, digital portals, maturity gates, and flexible connection options) has the potential to shorten grid-connection waiting times. Guidelines are instrumental in supporting the move from a "first-come, first-served" approach to a "first-ready, first-served" or other feasible allocation models, to manage connection requests.

The guidelines also helpfully list key inputs for system planning, such as electrification trends (e-mobility, heat pumps, industrial processes), the expected build-out of renewable energy sources, historical network congestion and utilisation, data from connection queues, planned grid developments, and the requirements of cross-sector integration.

3. Conclusion

Overall, ACER considers that the Commission's proposal may bring improvements to the TEN-E framework. ACER notes that these efforts address limitations identified in the scenario building process and in the identification of infrastructure needs. In particular, the ACER methodology on the identification of infrastructure needs is expected to play a central role in EU grid planning.

However, further refinements are needed to strengthen regulatory oversight of EU grid planning and to further improve, streamline, and simplify processes to maximise the effectiveness of the TEN-E framework. Key areas for improvement include:

1. **Systematically developing sensitivities and additional scenarios around the central scenario** to ensure consideration of different possible futures. The process must clarify and strengthen the roles of ACER and NRAs in the verification of scenario data to check consistency against national realities, following a participative and transparent stakeholders engagement process.
2. **Empowering ACER with amendment rights over ENTSOs' reports on infrastructure needs and CBA methodologies**. ACER's role should extend beyond verifying the compliance of ENTSOs' draft reports with the methodology for identifying infrastructure needs. ACER should be granted the power to amend ENTSOs' reports to support effective oversight and full compliance. In addition, ACER should be empowered to approve and request amendments to the draft CBA methodologies developed by ENTSO-E and ENNOH.
3. **Improving, streamlining, and simplifying several TEN-E processes**, drawing on lessons learned from the implementation of the current TEN-E Regulation.

ACER stands ready to clarify, explain, and discuss these improvements with the co-legislators and stakeholders to help ensure a cost-effective and resilient energy system for Europe.