

Grids: a key priority for the next Commission

A new power infrastructure deal: driving the expansion and digitalisation of electricity grids

We ask policymakers to:

- Propose a bold new political project – ‘the power infrastructure deal’. The deal should employ innovative regulatory principles reflective of the changing framework and investment conditions and enable anticipatory buildout of electricity infrastructure.

Distribution networks are crucial partners of the energy transition. Roughly 70% of new renewable assets will be connected at distribution level by 2030 according to our [Connecting the Dots](#) study, so if policymakers are serious **to achieve Fit for 55 and REPowerEU targets, we need to strategically reinforce, upgrade, smarten and digitalise Europe’s electricity grid infrastructure as quickly as possible.**

Non-compliance with EU targets and **non-investment come with a price tag.** The European Commission’s 2040 Impact Assessment estimates €1.7 trillion in investment needed between 2031 and 2050 which will be necessary to hedge against higher costs in the future. This should be addressed in a bold new political project – ‘**the power infrastructure deal**’ – that employs innovative regulatory principles to enable faster and more forward-looking anticipatory buildout of electricity infrastructure for the safe power system of the future.

Therefore, we ask policymakers to:

- **Strategically upsize European distribution grids, including through ‘anticipatory investments’.** This expansion must go hand in hand with the deployment of **grid-friendly flexibility.** Investing in a forward-looking manner will help manage increased renewable generation and electricity demand in most geographies.
- **Ensure sufficient capital flows towards strengthening EU electricity networks,** where the uptake needs are expected to almost triple through 2050, from roughly 20 to 60% by:
 - **Establishing new funding tools at EU (and national) level for distribution system operators (DSOs)** – such as a Decentralised Grid Facility dedicated to DSO grid build out – **and improve access to different financing instruments and de-risking tools.**
 - **Mandating national regulators to secure a competitive grid business on capital markets,** via predictable framework and attractive financial returns for investments.
- **Bolster system resilience** in the face of climate change and cybersecurity challenges.
- **Accelerate electrification** to tackle affordability by spreading development costs across more system users.
- **Streamline permitting for grid build-out.** The inception of such facilitation is in the revised Renewable Energy Directive, but stronger measures are needed to synchronise the generation and grid build-out.
- **Secure access to critical materials and reduce lengthy delivery times of network assets for the power system** through standardisation and reasonable regulation based on robust risk assessments and addressing the risk of bottlenecks on the procurement side.
- **Ensure interoperability and cohesiveness of digital regulations.** Efficient data management using artificial intelligence (AI) can support DSOs optimise their planning, investments, maintenance and operations.
- **Ensure a skilled workforce by launching new initiatives to streamline education certificates.** Distribution networks will require massive recruitment in the coming years.