NORDENERGI

October 27, 2026

Nordenergi position on art. 18 and 61 in the Electricity Regulation

Europe is entering a period in which substantial investment in the expansion and modernisation of electricity grids is essential to enable electrification and deliver on the EU's energy and climate ambitions. At this critical juncture, it is more important than ever to ensure that policy and regulatory incentives across the Union are coherent and mutually reinforcing. In the annex to this position paper, you will find Nordenergi's text-specific amendments.

The Commission's proposed electrification target of 46%, on the one hand, and the introduction of unprecedentedly detailed EU-level regulation of grid operators' regulatory frameworks, without a corresponding impact assessment, on the other, risk pulling in opposite directions. A regulatory framework intended to accelerate electrification should enable, rather than constrain, the timely and forward-looking grid investments required to deliver it.

While Nordenergi supports the overall objectives of cost-reflective network tariffs, efficient grid use and lower system costs, we are not convinced that the significantly more prescriptive EU-level framework proposed by the Commission demonstrates this. On the contrary, we see a significant risk that it could lead to less innovative and cost reflective tariff design and a less efficient and slower grid expansion.

In this regard, Nordenergi has concerns about the proposed amendments to Articles 18 and 61 of the Electricity Regulation (Regulation (EU) 2019/943).

Article 18 on Network Charges should provide sufficient flexibility to allow for well-functioning national regulatory frameworks, reflect national and local circumstances in tariff design, as well as explicitly allowing tariff structures to vary across customer categories and voltage levels where necessary to ensure optimal tariff design. Easiest this could be done by retaining the existing Article 18 to the greatest extent possible and remove most of the newly proposed provisions.

For text-specific amendments, please see them in the annex. In particular, we suggest to remove or scale back the following parts of Article 18, 18a, 18d and 61a:

1. the inclusion of the determination of TSO and DSO remuneration within tariff methodologies in Article 18(2). Remuneration/revenue regulation and tariff design serve different purposes and should remain clearly separated.

In Denmark the responsibility for the design of the revenue regulation for DSOs is set by law. Oversight and administration of the regulation rests with the regulatory authority. Setting the revenue cap regulation by law has made it possible to develop a regulation where DSO's have been given the ability to operate the grids effectively while also developing and building out the grid according to societal priorities;

2. the new empowerment in Article 61(5a) allowing the Commission to establish a common structure and harmonized methodology for network tariffs through delegated acts. We see no justification for centralizing detailed DSO tariff design at EU level beyond current best practices and ACER guidance;

3. regulation on grid connection prioritization in article 18d granting regulatory authorities the decision to approve prioritization criteria. Such regulation must be under national democratic control.

Denmark and Finland are at the moment adopting legislation to establish priority categories for grid connection in the current situation of scarce grid capacity. This nationally grounded legislation designed to meet specific national needs is essential to be able to connect the most critical grid users first and to speed up grid connection overall;

4. the prescriptive tariff-design requirements in Article 18(2)(f, g, h, k, l, n) including locational investment signals, peak-load reduction/capacity elements and mandatory time-of-use elements. These may all be relevant tariff instruments, but their use and design should be determined nationally according to local grid conditions and consumer behavior. The provisions should therefore be framed as optional rather than mandatory;

5. mandatory EU-level performance indicators where these could influence tariff methodologies, benchmarking or the remuneration of network operators. Indicators may support national tariff setting, transparency and possibly support NRAs while evolving national regulatory frameworks, but they should not lead to EU level harmonization of either tariff structures or regulatory models.

6. the mandatory efficiency comparisons/benchmarking of DSOs in Article 18(7). Benchmarking may be a useful national regulatory instrument, but at DSO-level it should not become a mandatory EU requirement, particularly it should not affect regulatory frameworks at a time when very significant anticipatory grid investments are needed;

7. provisions that risk turning ACER best-practice reporting into de facto harmonization of national tariff methodologies, including an obligation on NRAs to follow or systematically take such recommendations into account;

8. unnecessary additional EU-level prescription regarding transparency and consultation procedures, where well-functioning national processes already exist;

9. new data-collection requirements unless they are supported by a transparent and proportionate assessment of their benefits for consumers, administrative burden, system-development needs and associated costs.

Duplicative reporting obligations should be avoided, and national authorities should be adequately resourced to provide system operators with clear implementation guidance;

10. the proposal to allow Member States to partially cover network costs through State funds to lower the network charges.

    Nordenergi generally believes grid costs should be covered through grid charges. Vulnerable consumers should be protected by other means such as social policy. State funding should be limited for the sake of transparency and to ensure price signals and incentives for grid users are not distorted.

11. provisions that promote non-wire alternatives and flexibility solutions at the expense of necessary network reinforcements.

Such solutions should complement grid investments and may provide transitional capacity while reinforcements are being completed. They cannot substitute the need for investment in grids. Their use must not delay the timely development of the grid or undermine network companies' ability to finance anticipatory investments, safeguard security of supply and preparedness, and deliver the capacity required for electrification.

More broadly, the direction of the proposal risks creating additional regulatory uncertainty precisely when Europe needs unprecedented investment in electricity grids. Regulatory predictability and investment incentives should therefore be strengthened rather than weakened.

Nordenergi is the joint collaboration between the Nordic associations for electricity producers, suppliers and distributors. Members are Swedenergy, Green Power Denmark, Renewable Norway, Finnish Energy and Samorka. Overall, Nordenergi represents more than 2,000 market actors (member companies), most of them active in the electricity sector, but also in other areas such as district heating, gas and services. For more information regarding Nordenergi please visit www.nordenergi.eu. EU Transparency register number: 85161125283-02.