

Executive Vice-President Timmermans
European Commission
Rue de la Loi 200
1049 BRUSSELS

21 April 2022

Dear Executive Vice-President,

Having carefully read the Versailles Declaration adopted by the Heads of State or Government at their informal meeting on the 10th and 11th of March as well as the European Council Conclusions of the 24th and 25th of March 2022, we offer you our full support in the shared mission to reduce Europe's energy dependencies while at the same time building a more robust economic base. As the providers of technology for Europe's electricity networks we will be able to make concrete contributions in short-, medium-, and long-term.

Transmission and distribution infrastructure is vital for both direct electrification and indirect electrification with hydrogen electrolysis, a key enabler to reduce gas dependencies. T&D Europe's members enable the energy transition to a climate-neutral Europe by 2050. Over 200,000 people in our industry manufacture, innovate and supply smart systems for the efficient transmission and distribution (T&D) of electricity. Our technologies and services future-proof the grid and make clean electricity accessible to all Europeans. The T&D industry is critical in maintaining and supporting the resilience of the electricity network, while also servicing the electrification of industrial sites and infrastructures. We put our collective expertise to work to craft a brighter, electric future.

We fully support the decision to accelerate the reduction of our overall reliance on fossil fuels, to speed up the development of renewables and to complete and improve the interconnection of European electricity networks. For the EU to be successful we will need to dramatically scale up and speed up investments, not just in renewable energy generation and electrification in heating and transport, but also in future-proofing the infrastructure that connects both: Europe's transmission and distribution networks.

Although the current challenges are formidable, Europe can approach them with confidence. Europe has probably the best and at the same time most intricate electricity system in the world. At the same time Europe is also home to a strong clean energy eco-system that is capable to deliver on Europe's needs. For transmission and distribution of electricity, Europe is home to a world-leading grid technology sector, providing conventional, digital and innovative solutions for a future-proof electricity network that is more and more decentralised and more and more digital. The strength of the sector lies in the combination of large,

multinational corporations and a large variety of specialised SMEs. Together they form a strong industrial base in Europe.

Europe's grid technology sector is calling on the European Commission and Governments to take decisive measures to step up and accelerate the much needed investments in electricity networks, taking into account the local, regional, national and European energy system needs. The technology for future-proofing the network is already available. It just needs to be deployed at a much wider scale than it is today.

In view of the urgency of the situation we have identified 4 measures that can swiftly contribute to the future-proofing of the grid:

1. Include the manufacturing of equipment and systems for the management of electricity in the EU Taxonomy draft Delegated Regulation on climate change mitigation to enable infrastructure investments to modernize and future-proof Europe's electricity transmission and distribution network where physically required
2. Prioritise projects on the basis of their contribution to increasing the hosting capacity for renewable energy generation and efficient electric loads and improving the smartness of the network. System Operators need regulatory certainty that they can recover investments via network tariff and that their remuneration will remain predictable and at a market-based level.
3. For this, immediately transition from the current regulatory CAPEX bias to a TOTEX approach, which supports the digitalization of the network enabling the fast integration of decentralized energy resources and new loads into the existing infrastructure
4. Ensure the timely implementation of existing EU legislation around National Recovery and Resilience Plans as well as the implementation of measurement points in the networks to support the decision-making processes.


We are ready to engage with you, energy regulators and network operators to coordinate a swift roll out of these measures.

To enable the industry to manufacture and deliver the necessary equipment, systems and solutions we'd like to work together with the Commission and Governments to secure the availability and affordability of the necessary inputs, such as, *inter alia*, copper, grain oriented electrical steel, mineral oil, paper, aluminium, cold steel and hot steel. We ask your help to ensure access to these critical inputs for the T&D industry.

T&D Europe, from its technical experts all the way to the business leaders of our members, is available to continue our already excellent cooperation with the European Commission. We ask you for an opportunity to meet and to discuss our proposals in more detail .

By 2050 the EU's electricity network will support and connect sustainable cities and communities, where prosumers can manage their energy production and consumption with microgrids, where transportation can be powered by electricity and where an increasing share of decentralised renewable energy production can be easily integrated. This requires a futureproof, smart, digital network with easy and cybersecure data interoperability and with the necessary interconnections to manage the seasonal fluctuations in renewable generation. Over the coming months we can already make a big step in the right direction. We are ready to take that step with you.

Sincerely Yours,



Diederik Peereboom,

Secretary General