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THE **POWER** BRIEF

Your briefing on the energy transition.

DELIVERING THE GRIDS PACKAGE

MAKING GRID PLANNING WORK IN PRACTICE

Grid expansion starts with planning — but it is not Europe's main bottleneck. The European Commission's Grids Package introduces far reaching changes to European infrastructure planning. While these proposals aim to strengthen coordination at EU level, the main constraints to grid expansion lie elsewhere: in permitting, implementation capacity, financing conditions, and delivery on the ground. Any reform of grid planning must therefore support implementation, not add new layers of complexity.

Scenario diversity for futureproof European Grid Planning

Europe's electricity system is evolving at unprecedented speed. Electrification across all sectors, rapidly growing connection requests, industrial transformation, and the integration of storage, hydrogen, and flexibility are continuously reshaping system needs. Grid planning frameworks must adapt to a dynamic and rapidly evolving energy system.

The Grids Package proposes a stronger reliance on a centralised planning scenario. While a common reference can support coordination, a single planning pathway cannot robustly reflect the diversity of implementation pathways across Member States. **Reliance on a single central scenario undermines resilient infrastructure planning, in times when** the energy systems must be able to respond to climate risks, security-of-supply challenges, and rapidly evolving system conditions. A single, central scenario, based on European policy goals could ultimately disconnect European modelling from implementation reality.

Effective grid planning therefore requires the **parallel use of complementary scenarios**, combining European coordination with ENTSOE's European and TSOs' national system expertise. Planning cycles must also reflect system dynamics: **biennial scenario updates are essential** to ensure infrastructure planning remains aligned with real world developments and supports timely investment decisions.

System Needs must inform decisions, not replace responsibility for Delivery

The Identification of System Needs (IoSN) is an important strategic planning instrument, but it must not be treated as a substitute for implementation decisions. Model based system needs can identify economic signals and structural gaps, but they cannot capture technical feasibility, regulatory constraints, grid constraints, political priorities, permitting realities, or public acceptance on their own.
Treating IoSN results as binding infrastructure mandates **risks producing projects that are technically sound in models but unviable in practice**. Grid expansion is ultimately delivered through national planning, permitting, financing, and political decision making.
For this reason, IoSN should remain a **guidance tool**, not a prescriptive blueprint. Its results must be systematically refined through national and regional assessments that consider all elements of grid planning, not only economic opportunity.

Effective Grid Planning requires European coordination, robust Cost-Benefit Analysis, and national accountability

Europe's energy transition depends on stronger coordination and cooperation at European level. Integrated electricity markets, cross-border flows, and system functioning all require coherent European planning frameworks. Common methodologies, shared scenarios, and coordinated assessments are essential to ensure consistency and a genuinely European perspective on infrastructure needs.
Cost-Benefit Analysis (CBA) plays a central role in this context. To support effective European coordination, CBA must remain focused on overall European welfare. Country-specific benefit reporting risks distorting planning decisions, as national results fluctuate strongly with scenario assumptions and can politicise cross-border discussions. European-level assessments are more robust, comparable, and better suited to guide coordinated infrastructure development.
At the same time, effective grid planning ultimately depends on national responsibility for delivery. National Network Development Plans reflect country-specific system structures, regulatory frameworks, financing conditions, and public acceptance dynamics. Grid investments are primarily financed by national grid users, and TSOs are accountable to national regulators and stakeholders for timely and efficient implementation.
European coordination and European-level CBA should therefore support national planning, not replace it. Common principles and assessments can strengthen decision-making, but approval, prioritisation, and investment responsibility must remain anchored at national political and regulatory level to ensure accountability and delivery.

Planning for Delivery

Europe does not lack planning frameworks; it lacks delivery speed. **Infrastructure planning should serve a clear purpose: enabling timely, feasible, financeable and resilient grid expansion.** Planning reforms only add value if they support implementation on the ground. Only if planning remains firmly focused on enabling delivery can it effectively support Europe's energy transition, security of supply, and competitiveness objectives.

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