

THE POWER BRIEF

Your briefing on the energy transition.

Industrial Accelerator Act

STRONG GRIDS FOR A COMPETITIVE EUROPE

The proposed Industrial Accelerator Act pursues an important objective: strengthening Europe's industrial competitiveness. Yet this ambition can only be realised if the expansion of electricity grids is not undermined by additional procurement requirements, increased costs, or an uneven playing field between public and private companies. As the backbone of electrification, decarbonisation and industrial growth, grid infrastructure must remain deliverable and affordable.

Transmission System Operators (TSO) rely on stable energy technology supply chains. As a publicly owned transmission system operator, TransnetBW operates in a specific regulatory context. The operational lifetime of our assets – often exceeding 30-40 years – requires a procurement framework that systematically safeguard spare part availability, compatibility, and long-term supplier continuity.

Keep an appropriate procurement framework for grid infrastructure to maintain system security

The grid sector is facing significant challenges, including growing physical and cyber threats, a highly concentrated supplier market, limited manufacturing capacity, and rapidly rising costs. Procurement practices must evolve to address these challenges. However, new legislative requirements should not result in higher costs, greater complexity or delays in project delivery. Any additional non-price criteria under the IAA create a structural competitive disadvantage for public companies related to the private sector. Public procurement procedures should serve the purpose of efficient and competitive procurement and should not be overburdened with additional requirements that distort competition.

The success of Europe's energy transition depends on the rapid and cost-efficient expansion of electricity grids. TSOs procure large quantities of steel, aluminium and concrete for grid infrastructure projects, often under tight timelines and across multiple projects simultaneously. Extending additional procurement requirements to these materials risks increasing costs and increase supply constraints. Given the regulated nature of TSO investments, such costs can translate into higher network tariffs. Grid-related construction materials should therefore remain outside the scope of Annex II to avoid unintended impacts on electricity consumers and the pace of grid

expansion. Also sourcing requirements risk increasing costs, limiting equipment availability and delaying grid expansion. It is therefore the right choice not to apply Union Origin criteria to the most crucial grid components in their final form. Maintaining procurement flexibility is therefore critical to delivering the energy transition at speed and scale.

Clarify grid connection provisions

The IAA's accelerated permitting framework should not create uncertainty regarding grid connection procedures. Grid connections are already governed by established EU and national rules that balance grid capacity, security, environmental and technical considerations. Introducing additional requirements at EU level without addressing the specific challenges of a stable, efficient and cost-competitive grid would risk interfering with well-defined national competences and existing regulatory frameworks. Therefore, it is necessary to ensure legal certainty by confirming that grid connection permits fall outside the streamlined permitting provisions under the IAA.

Ensure consistency with existing grid planning framework

Industrial electrification requires timely grid investments, but new planning obligations under the IAA should be avoided. Existing planning frameworks, including National Development Plans and the TYNDP, already provide the tools to anticipate future demand and identify necessary grid reinforcements. Anticipatory investments should be implemented through these established processes and backed by reliable cost-recovery mechanisms to avoid stranded assets and ensure efficient grid development. The IAA should also be aligned with the Grids Package to facilitate permitting for anticipatory grid infrastructure.

Further details are available in [the position paper on our homepage](#).

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