



# CUTTING RED TAPE IN PRACTICE

Practical reform proposals for successfully reducing bureaucracy at European level and accelerating the energy transition

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## **Executive Summary**

- / The rapid **expansion of electricity grids is essential for the transformation of the energy system** and thus a key prerequisite for achieving climate targets at national and European level
- / From the perspective of a transmission system operator, however, excessive bureaucratic requirements are hindering implementation.
- / Complex approval procedures, inconsistent requirements between the federal and EU levels, and redundant reporting obligations are causing significant delays.
- / The removal of bureaucratic hurdles is a key lever for accelerating the energy transition. A balance between regulation and efficiency is crucial to reconciling security of supply and climate targets.
- / With the aim of **reducing administrative burdens on businesses** by up to 35% by 2029, the European Commission is pursuing an ambitious simplification agenda.
- / This position paper takes up the impetus of the **Omnibus Initiative** and specifies how targeted bureaucracy reduction can **remove regulatory hurdles** and accelerate transformation processes.
- / Reporting obligations:
  - / Harmonise transparency requirements at European and capacity calculation region level
  - / Harmonise the publication of balancing energy data
  - / Bundle data reports for congestion management
  - / Sustainability reporting: harmonise reporting requirements
  - / Streamline the TEN-E Regulation and make it more effective
  - / Adapt EU procurement rules pragmatically



## Reporting obligations



#### Harmonise transparency requirements at European and capacity calculation region level

Legislation affected: Transparency Regulation EU 543/2013, Article 11.4

**Problem description:** Transmission system operators must publish the network elements that significantly limit transmission capacities every year, even though this information is already published elsewhere, at least for the Core region¹. Countermeasures have also already been published in the national network development plans. Duplicating data requests creates a considerable amount of additional work for transmission system operators. Furthermore, it is unclear whether the reports are used. To date, transmission system operators have not provided any feedback or requested further information on the data reports, which raises doubts about their relevance.

**Proposed solution:** To ensure efficient information provision, transparency requirements at the EU level and within the Capacity Calculation Regions (CCR) should be generally harmonized. Since the CCRs already publish the relevant information, the necessity of Article 11(4) of the Transparency Regulation appears questionable. Therefore, this provision should be removed. In general, all publication obligations related to capacity calculation in the Transparency Regulation EU 543/2013 should be reviewed to determine whether they are already covered by the publications under the CCRs' capacity calculation methodologies and can thus be omitted.



## Harmonise the publication of balancing energy data

**Legislation affected:** Transparency Regulation EU 543/2013, Article 17.1.G and Article 17.1.H **Problem description**: Balancing energy data, such as imbalance price, the imbalance volume and the difference (unintended energy exchange), are to be published in different formats on the European transparency platform and the national transparency platform. A streamlined and coordinated publication process focusing on a single platform would significantly reduce the effort involved.

**Proposed solution:** The national transparency platform and the European transparency platform are independent of each other and subject to different regulations. To ensure coherent and efficient provision of information, the transparency requirements at European and national level should be harmonised and standardised.





### **Bundling data reports for congestion management**

## Legislation affected:

- Electricity Market Regulation EU 2019/943, Article 14 (1)
- Market monitoring report by ENTSO-E and the Federal Network Agency
- Monthly data collection by the Federal Network Agency on grid congestion management costs, regular queries in accordance with § 13 (7) of the Energy Industry Act (EnWG)

**Problem description**: Various European and national data reports query the quantities and costs of congestion management measures taken by transmission system operators with varying degrees of granularity. **Proposed solution**: Consolidating or eliminating individual reports could reduce the sometimes considerable effort involved in data preparation. It would also be desirable for national authorities to bundle existing data from the four transmission system operators and make it available as national values instead of requesting it again as aggregated values for Germany.

<sup>&</sup>lt;sup>1</sup> Core is a capacity calculation region (CCR) in the European internal electricity market. It comprises central European countries such as Germany, France, Belgium, the Netherlands, Austria and others. This region is part of the implementation of EU Regulation (EU) 2015/1222 (CACM Regulation), which sets out the rules for capacity calculation and electricity trading in the day-ahead and intraday timeframes.







## Sustainability reporting





## Harmonise reporting requirements for sustainability

## Legislation affected:

- Corporate Sustainability Reporting Directive (CSRD) (EU) 2022/2464
- Corporate Sustainability Due Diligence Directive (CSDDD) (EU) 2024/1760
- Supply Chain Due Diligence Act (LkSG)
- EU Taxonomy Regulation (EU) 2020/852
- Net Zero Industry Act (EU) 2024/1735

**Problem description:** The regulatory requirements for sustainability are fragmented in terms of content, and inconsistent in terms of methodology. Although they often address the same issues (such as human rights due diligence, materiality and risk assessment, emissions or value chains), the terms, thresholds, reporting requirements, and assessment methods vary considerably, which presents companies with complex and redundant implementation requirements.

**Example:** The CSRD (Art. 19a in conjunction with European Sustainability Reporting Standards (ESRS) 1, Chapter 3) requires a double materiality analysis without fixed thresholds, while the CSDDD (Art. 8) focuses on qualitative risk analyses and the LkSG (§ 4) defines its own categories with separate methodologies. There are also differences in CO<sub>2</sub> accounting: While the EU taxonomy (Art. 8 in conjunction with Annex I of Delegated Regulation (EU) 2021/2139) requires product-related emission indicators, the CSRD (Art. 19a in conjunction with ESRS E 1) requires company-wide emission data without uniform calculation standards. These differences make uniform and efficient implementation in practice difficult and lead to considerable additional bureaucracy.

**Proposed solution:** The multitude of European and national regulations leads to overlaps and duplicate requirements. The regulatory requirements should be harmonised through targeted harmonisation of key terms, indicators and thresholds. Existing reports (e.g., CSRD) should be recognised for the fulfilment of other reporting requirements to avoid double regulation, for example if human rights due diligence obligations under the CSDDD or LkSG are already fulfilled by CSRD reporting. Uniform key performance indicators, coordinated materiality analyses, uniform risk definitions and clearer, more comprehensible legal language would significantly reduce the burden on companies and increase the effectiveness of sustainability regulation.

# **TEN-E Regulation**



## Streamline the TEN-E Regulation to make it more effective

#### Legislation affected:

- ACER PCI monitoring pursuant to Art. 5 (4) TEN-E Regulation
- PCI reapplication pursuant to Art. 3 TEN-E Regulation
- Data reporting to the EU transparency platform pursuant to Art. 23 TEN-E Regulation

**Problem description:** The various data collections generate a considerable amount of work. **Proposed solution:** We propose to bundle data queries on a single platform and reduce the overall scope.

#### Legislation affected:

CEF (Connecting Europe Facility) funding in accordance with Art. 18 TEN-E Regulation

**Problem description:** Obtaining CEF funding is associated with high barriers to application, as the criteria are not formulated in a sufficiently clear manner. The receipt of CEF funding should not be linked to the prerequisite of a CBCA (Cross-Border Cost Allocation) decision. In the electricity sector, there has not yet been a successful CBCA process, which is why linking the receipt of funding to the CBCA process only leads to additional bureaucracy and an enormous expenditure of resources.

**Proposed solution:** We propose to remove the CBCA decision from the list of requirements for receiving CEF funding thereby decoupling CBCA from CEF. Consequently, Article 18 (2b) in conjunction with Article 16 of the TEN-E Regulation should be amended.



#### Legislation affected:

 Data reporting on unit investment costs (UIC) in accordance with Article 11 (9) of the TEN-E Regulation

**Problem description:** Experience with previous UIC queries shows that input comes from only a few Member States, which means that no comparisons can be made. There is insufficient input for each of the categories, differences in the granularity of the reported data, and national differences in project implementation. This means that the reference values are not robust, and no reliable statements can be made about the investment costs per unit. For example, only Spain provided cost data for the infrastructure category, yet this value has been adopted as the reference value. As a result, the query involves a considerable amount of effort in terms of collection and coordination, without providing any plausible insights or comparability. The purpose of the query is not fulfilled and does not provide any added value in relation to the effort involved.

Proposed solution: We call to remove the Article 11 (9) TEN-E Regulation and the associated requirements.

## **Public procurement**





## Adapt EU procurement rules pragmatically

#### Legislation affected:

- EU Directive 2014/25, Articles 4 and 15
- Act against Restraints of Competition (GWB), in particular Sections 97 ff.
- Sectoral Regulation

**Problem description:** The current EU framework for public procurement procedures is outdated and does not reflect current market conditions. It was originally designed for a competitive market in which network operators could choose from many competing (technology) providers. Today, however, the reality is very different: network operators are competing to find providers who are still able to deliver. An overregulated procurement framework exacerbates this structural imbalance by complicating and delaying the procedures for all parties involved and placing a heavy burden on resources. Despite European-wide tenders, we observe only low participation by suppliers from other EU Member States in practice. In addition, there is a reasonable assumption that EU tenders lead to higher bids. Lengthy processes, tight deadlines and a rigid, inconsistent legal framework not only hamper the flexibility of procurement but also deter potential bidders.

The resulting lack of competition jeopardises network expansion and thus security of supply, especially in times of rising demand and limited production capacity. The significant price increases of recent years, which exceed general inflation, were not considered when adjusting the thresholds. These thresholds are inappropriate and impractical, especially for large-scale projects. They lead to delays in project progress, as almost every tender becomes an EU tender.

**Proposed solution:** To not jeopardise grid expansion, we call for an exemption from the tendering requirement for transmission system operator projects. At the very least, however, we call for a significant increase in the thresholds for works contracts worth €20 million or more and for services worth €5 million or more, in line with the general conditions. The considerable price increases in recent years, which have exceeded general inflation, have not even been considered in the adjustment of the thresholds.

In addition, the publication of award results at European level should be discontinued. The group of bidders invited to tender (based on a transparent and equal suitability assessment) is already informed of the award result. This means that all parties involved in the procedure are informed. Further publication requirements do create a disproportionate amount of work.



## **About TransnetBW**

TransnetBW operates the electricity transmission grid for more than 11 million people in Baden-Württemberg, Germany. In doing so, we secure the electricity supply in the region and throughout Europe. Together with our project partners, TransnetBW works to expand the network beyond its control area, notably with the projects SuedLink and Ultranet. As a member of <a href="ENTSO-E">ENTSO-E</a>, the <a href="Florence School of Regulation">Florence School of Regulation</a> and the <a href="Copenhagen School of Energy Infrastructure">Copenhagen School of Energy Infrastructure</a>, we actively participate in discussions and develop solutions in the field of European energy infrastructure. On our <a href="TransnetBW Policy and Regulation">TransnetBW Policy and Regulation</a> homepage you will find our current contact persons, position and concept papers.

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