TRANSNET BW

THE POWER BRIEF

Your briefing on the energy transition.

Regulatory simplification

SIMPLER RULES, STRONGER GRIDS

Europe’s competitiveness and decarbonisation ambitions can only be achieved through a regulatory framework that enables, rather than constrains, investment and implementation. In line with the European Commission’s simplification agenda, regulatory simplification should become a guiding principle of future EU policymaking. A stable, proportionate and outcome-oriented framework is essential to empower TSOs to deliver critical infrastructure, integrate renewables and safeguard system security.

Cutting Red Tape, Powering the Transition

Europe's competitiveness and decarbonisation ambitions will only be achieved if regulatory frameworks enable rather than constrain investment and implementation. In recent years, the European electricity sector has benefited from an increasingly comprehensive regulatory framework that supports market integration, security of supply, and decarbonization. At the same time, the accumulation of requirements has led to a significant administrative burden for transmission system operators. For TSOs, simplification should therefore go beyond reducing administrative burdens; it should become a guiding principle for future EU policymaking. The objective should be to create a stable, proportionate and outcome-oriented regulatory framework that allows system operators to focus on delivering infrastructure, integrating renewable energy and maintaining system security. This delivery-oriented approach reflects the Commission’s own conclusion in the Annual Overview Report on Simplification: reduced administrative burdens and more effective implementation.

ACER reporting and monitoring obligations are one tangible example of a broader challenge: regulatory requirements are often added over time, while existing obligations are rarely reviewed, consolidated or discontinued.

What TSOs Need from the EU: A Stronger Focus on Delivery and Infrastructure

The success of the energy transition ultimately depends on building infrastructure. Regulatory and legislative initiatives should therefore be assessed against a simple question:

Does this measure help accelerate investment, grid expansion and the secure operation of the European electricity system, or does it primarily create additional administrative requirements?

The EU should systematically prioritise measures that support infrastructure delivery and avoid introducing obligations that consume resources without directly contributing to the achievement of policy objectives.

The goal should be smarter regulation, not less regulation

From a TSO perspective, ACER delivers particular value when acting as a facilitator of best-practice exchange, promoting transparency and maintaining a strategic overview of market and regulatory implementation across Europe. Simplification should therefore not be understood as reducing regulatory oversight, but as enabling ACER and stakeholders to focus resources on activities that create the greatest regulatory value. Achieving this requires a balanced framework that enables effective monitoring while ensuring that data requests remain proportionate, avoid unnecessary duplication and are targeted at areas of highest relevance.

Strategic Implication

The simplification debate should be seen as an opportunity to strengthen EU energy governance. As Europe seeks to accelerate electrification, strengthen competitiveness and deliver the energy transition, regulatory frameworks must increasingly support implementation and investment. For TransnetBW, the key message is clear: Europe needs a regulatory framework that focuses resources on building and operating the electricity system rather than on managing an ever-growing number of reporting and monitoring requirements. ACER-related obligations illustrate the broader need for a more proportionate, coordinated and outcome-oriented approach to regulation.

Benchmarking: High Administrative Effort, Limited Value for Grid Delivery

As part of its proposal on network charges the European Commission is considering the introduction of a European TSO benchmarking framework. Such an exercise would require extensive data collection, across transmission operators operating under fundamentally different regulatory, geographical and technical conditions.
While creating significant administrative and regulatory effort, benchmarking does not address the factors that are actually driving network charges, such as growing investment needs, permitting delays, financing costs and supply-chain constraints. Moreover, experience has shown that benchmarking outcomes are often heavily influenced by methodological assumptions rather than actual performance differences.
From a TSO perspective, policy efforts should prioritise measures that facilitate investment and grid delivery rather than introducing additional benchmarking requirements with limited benefits for consumers.

Good Ambition, Limited Impact: The Grids Package Reality Check

The Commission's latest simplification report offers a revealing reality check for the European Grids Package. Despite permitting being one of its central pillars, the Commission estimates recurring administrative savings of only EUR 2.3 million per year for businesses, while reporting no administrative cost reduction for public administrations. This is particularly striking for permitting: genuine simplification should save time and resources not only for project promoters, but also for the authorities processing permits. The Commission's own impact assessment acknowledges that streamlined permitting should reduce costs, accelerate projects and improve certainty, but that these benefits cannot currently be quantified.

This reflects our core concern with the Grids Package: the ambition is right, but the proposed measures do not yet translate that ambition into effective simplification in practice. Faster permitting requires rules that actually remove procedural steps, duplication and administrative workload. **If a package designed to accelerate grid development produces almost no measurable administrative relief, this is a strong indication that the focus now needs to shift from good objectives to measures that deliver in practice.**

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