



Athens Declaration

The Board of Directors and the General Assembly of E.DSO, the European Distribution System Operator association, representing their industrial and entrepreneurial interests, gathered in Athens for their 48th Session. On occasion, E.DSO members adopt a declaration for consideration of the EU Council, Commission and Parliament, ACER and for the sector's most relevant stakeholders and neighbouring energy associations representing the solar-PV, wind generation and other electric power generation technologies or vectors.

1. The energy crisis following the Russian aggression into Ukraine and the tightening of the sanctions adopted by the European Union, followed by the reaction to the supply of natural gas through the East-West Russian pipelines, will deploy the full extent of its effects over the following winter months.
2. Effects will spill on the EU citizens and consumers, on the EU production structures, inflation and the disruption of business models at the basis of the European economic system, behaviour, and relations.
3. As specifically regards the electric power distribution industry and undertakings, this insidious conjuncture occurs when the overall system has long faced excessive demand growth for connection to their grids for distributed renewable energy production. This has caused unprecedented challenges for high, medium, and lower-voltage grid operators due to the need to accommodate a large number of connections and active customer.
4. E.DSO estimated in a recent study that the need for investments until the end of the decade to accommodate distribution grids reinforcement and modernisation might total up to €425 billion. In the current situation and considering the forecasts advanced by its members approaching the preparation of their rolling investment plans, E.DSO considers that that figure should be seen as a minimum threshold. Significant investments are needed to ensure functioning security and meet the necessary efforts to feed renewable distributed generation, and new final electricity uses like electrical mobility into the grids at all levels.
5. The most considerable part of renewables is fed to the grid through the distribution grids, which currently take enormous and innovative measures to dispatch all that is produced. Moreover, the existing difficulties in channelling the electrons into the electrical system as an all, distribution and transmission grids may become extremely challenging in many regions. To avoid deadlocks and paralysis of efficient power distribution, E.DSO calls for solid planning. E.DSO and its members are ready and willing to contribute and cooperate with the European institutions and member states technical and regulatory authorities to build this compulsory planning process.
6. Collateral causes and effects were already being observed in recent months at the level of the entire supply chain of DSOs. Manufacturers and vendors have a big challenge for ensuring a prompt reaction to the market requests of equipment crucial to the distribution system: transformers and other primary devices for our industry are now experiencing extremely delayed delivery for months.



7. Equipment prices are soaring, adding pressure to the capital expenditure forecasting process in every company of our sector these weeks, when we all revise and fine-tune the strategic rolling multi-annual investment plans.
8. For these reasons, E.DSO has urged the Directorate General for Energy of the European Commission to acknowledge the issue with the cooperation of the Directorate General for Internal Market, Industry, Entrepreneurship and SMEs and in collaboration with the associations grouping manufacturers of gear and equipment for the power distribution industry.
9. The objective is to jointly find strategic and executive solutions suitable to overcome the bottlenecks that might lead to the rationing of access to new connections. The spirit should be prompt, decisive and impactful decision. The perspective and vision are to guarantee no disruption of the distribution grids in 2023-2025 and in the years to come.
10. Except for countries with ex-ante caps to annual investments, the amount of capital expenditure demanded by a fast energy transition is indeed included in strategic plans and budgets. The forecasts consider the evolution of distributed production of renewable energy and the requests for grid investments coming from national institutions; all elements requiring an EU legislative framework allowing full and rapid use of the available electric power.
11. This will also lead to the continuation of a wide-ranging discussion already established with ACER and CEER to consider further evolutionary reasoning on how to approach the inevitable capital expenditure increases and have them adequately contemplated by the National Regulatory Authorities based on shared EU guidelines. E.DSO in cooperation with its most relevant stakeholders will do its utmost efforts in finding solutions to the economic burden on European citizens that this crisis is imposing.
12. E. DSO is committed to participate in the process of the reviewing of the Electricity regulation due in the next months with an active contribution. A contribution of realistic modernity, genuinely free from preconceptions and constraints this crisis has outplaced, depicting concrete actions instead of pointless discussions linked more to hopes than operational realities.