E.DSO Proposal for amendments to the FIT for 55 Package

Introduction

E.DSO, as the trusted voice of the leading European Distribution System Operators (DSOs) industry and the representative of more than 350 million connected customers, welcomes the Fit for 55 Package as an instrument to equip the EU's economy for climate neutrality.

We appreciate that **DSOs have been recognised in the FF55 package as important actors in the energy transition** responsible for the integration of renewables and the management of an integrated energy system with increasing electrification and customers at its core. Nevertheless, we consider the FF55 package must recognise a more relevant role of DSOs within the new regulatory environment to facilitate the energy transition and to contribute to the EU's climate objectives.

In the light of the above considerations, we would like to outline the following policy recommendations:

- The energy efficiency of electricity distribution grids should be managed in a **holistic manner** which places emphasis on the enormous potential of **smart grids** and **local system integration**. Energy efficiency of networks should not be defined exclusively by network losses.
- The new regulatory framework would only achieve the EU climate ambitions if it incentivises **Member States to encourage investments** in electricity distribution networks with the aim of facilitating the integration of renewable sources while supporting the security and stability of the network. In this sense, **more dynamic permitting procedures** for new electricity infrastructures should be equally promoted.
- A modal shift in transport towards electric vehicles requires **boosting the momentum in the connectivity of the grid**, with the introduction of new targets for the electric recharging infrastructure, but also in **its capacity** to sustain the electrification of mobility.

Importance of Fit for 55 Package for DSOs

Electricity distribution networks are directly impacted mainly by the Energy Efficiency Directive (EED), the Renewable Energy Directive (RED III) ,the Regulation for Alternative Fuels Infrastructure (AFIR) and Emission Trading System (ETS)

- The **EED** proposes a new perspective for the energy efficiency of distribution networks and sets a structure for the deployment of energy efficient solutions at both grid and customer level.
- The **REDIII** improves the framework for the integration of renewable energy sources and the creation of an integrated and decentralised energy system at distribution level.
- **AFIR** sets mandatory targets for the deployment of infrastructure for an electric vehicle (EV) fleet which will be primarily connected to distribution networks.
- The **ETS** revision is also included in this suggestion for regulatory amendments in so far as the Modernisation Fund constitutes an opportunity to prepare the distribution grid to better integrate renewables, sustain the electrification of mobility and increase the efficiency of its network

The above texts provide a central role for DSOs which will be tasked with managing a local energy system which relies on energy efficient grids and services, integrating renewables and flexibility services and balancing intermittent generation with increasing electrification of sectors (e.g. transport and buildings).

We consider that FF55 must enable DSOs to become the forefront of the energy transition and give them a robust regulatory environment to efficiently operate their networks and perform their duties in line with the goal of climate neutrality.

Legend

- **<u>Underlined and bolded items</u>** refer to additions made by E.DSO to the text of the Commission's proposal.
- ~~**Bolded and struck through items**~~ refer to deletions made E.DSO to the text of the Commission's proposal.

a) ENERGY EFFICIENCY DIRECTIVE (EED)

№	Commission proposal	E.DSO suggested amendments	Justification
1.	**Recital 14** In order to have an impact, the energy efficiency first principle needs to be consistently applied by decision makers in all relevant policy, planning and major investment decisions – that is to say large-scale investments with a value of more than 50 euro million each or 75 euro million for transport infrastructure projects – affecting energy consumption or supply. The proper application of the principle requires using the right cost-benefit analysis methodology, setting enabling conditions for energy efficient solutions and proper monitoring. Demand side flexibility can bring significant benefits to consumers and to society at large, and can increase the efficiency of the energy system. Member States should take into account potential benefits from demand side flexibility in applying the energy efficiency first principle and where relevant consider demand response, energy storage and smart solutions as part of their efforts to increase efficiency of the integrated energy system.	**Recital 14** In order to have an impact, the energy efficiency first principle needs to be consistently applied by decision makers in all relevant policy, planning and major investment decisions – that is to say large-scale investments with a value of more than 50 euro million each or 75 euro million for transport infrastructure projects – affecting energy consumption or supply. The proper application of the principle requires using the right cost-benefit analysis methodology, setting enabling conditions for energy efficient solutions and proper monitoring. Demand side flexibility can bring significant benefits to consumers and to society at large, and can increase the efficiency of the energy system ~~**and decrease the energy costs, for example by reducing system operation costs resulting in lower tariffs for all consumers.**~~ Member States should take into account potential benefits from demand side flexibility in applying the energy efficiency first principle and where relevant consider demand response, energy storage and smart solutions as part of their efforts to increase efficiency of the integrated energy system.	This proposal aims to align the recital with the DSO's guiding principle of cost-reflectiveness of tariffs. Demand side flexibility and related innovations will be instrumental in the management of an increased power demand (*due to the massive electrification of end-use sectors*) as well as an essential way to efficiently manage the grid and integrate an increasingly decentralised energy generation. Flexibilities do not represent energy savings but rather a shift of energy consumption and generation. Thus, they are crucial to limit tariff increases, allowing to cope with the just energy transition.
2.	**Recital 73** It is necessary to provide for frequent and	**Recital 73** It is necessary to provide for frequent and	Following amendment proposal n°13 below which reintroduces provisions on electricity smart meters, this

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	enhanced feedback on energy consumption where technically feasible and cost-efficient in view of the measurement devices in place. This Directive clarifies that whether sub-metering is cost-efficient or not depends on whether the related costs are proportionate to the potential energy savings. The assessment of whether sub-metering is cost-efficient may take into account the effect of other concrete, planned measures in a given building, such as any forthcoming renovation.	enhanced feedback on energy consumption where technically feasible and cost-efficient in view of the measurement devices in place. This Directive clarifies that whether sub-metering **for heating, cooling and domestic hot water** is cost-efficient or not depends on whether the related costs are proportionate to the potential energy savings. The assessment of whether sub-metering is cost-efficient may take into account the effect of other concrete, planned measures in a given building, such as any forthcoming renovation.	clarification is needed to ensure that sub-metering does not apply to the electricity sector.
3.	**Recital 89** Member States should establish, on the basis of objective, transparent and non-discriminatory criteria, rules governing the bearing and sharing of costs of grid connections and grid reinforcements and for technical adaptations needed to integrate new producers of electricity produced from high-efficiency cogeneration, taking into account guidelines and codes developed in accordance with Regulation (EU) 2019/943 of the European Parliament and of the Council and Regulation (EC) No 715/2009 of the European Parliament and of the Council. Producers of electricity generated from high-efficiency cogeneration should be allowed to issue a call for tender for the connection work. In accordance with Article 99(2) of Directive (EU) 2019/944 and Article 3(2) of Directive 2009/73/EC, Member States may impose public service obligations, including in relation to	**Recital 89** Member States should establish, on the basis of objective, transparent and non-discriminatory criteria, rules governing the bearing and sharing of costs of grid connections and grid reinforcements and for technical adaptations needed to integrate new producers of electricity produced from high-efficiency cogeneration, taking into account guidelines and codes developed in accordance with Regulation (EU) 2019/943 of the European Parliament and of the Council and Regulation (EC) No 715/2009 of the European Parliament and of the Council. Producers of electricity generated from high-efficiency cogeneration should be allowed to issue a call for tender for the connection work. ~~**Access to the grid system for electricity produced from high-efficiency, especially for small scale and micro-cogeneration units, should be facilitated.**~~ In accordance with Article 99(2) of Directive (EU) 2019/944 and Article 3(2)	As a neutral actor, DSOs respect the principle of non-discrimination and the distribution tariffs are cost-reflective. These two key principles must be respected throughout the directive and no single solution should be favoured over alternatives that may have proven to be more efficient

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	energy efficiency, on undertakings operating in the electricity and gas sectors.	of Directive 2009/73/EC, Member States may impose public service obligations, including in relation to energy efficiency, on undertakings operating in the electricity and gas sectors.	
4.	**Recital 92** The contribution of citizen energy communities, according to Directive (EU) 2019/944 towards the objectives of the European Green Deal and the 2030 Climate Target Plan, should be recognised. Member States should, therefore, consider and promote the role of citizen energy communities. Those communities can help Member States to achieve the objectives of this Directive by advancing energy efficiency at local or household level. They can empower and engage consumers and enable certain groups of household customers, including in rural and remote areas to participate in energy efficiency projects and interventions. Energy communities can help fighting energy poverty through facilitation of energy efficiency projects, reduced energy consumption and lower supply tariffs.	**Recital 92** The contribution of ~~**renewable energy communities, pursuant to Directive (EU) 2018/2001 of the European Parliament and of the Council, and**~~ citizen energy communities, according to Directive (EU) 2019/944 towards the objectives of the European Green Deal and the 2030 Climate Target Plan, should be recognised. Member States should, therefore, consider and promote the role of ~~**renewable energy communities and**~~ citizen energy communities. Those communities can help Member States to achieve the objectives of this Directive by advancing energy efficiency at local or household level. They can empower and engage consumers and enable certain groups of household customers, including in rural and remote areas to participate in energy efficiency projects and interventions. Energy communities can help fighting energy poverty through facilitation of energy efficiency projects, reduced energy consumption and lower supply tariffs.	Pursuant to Article 22 of (EU) 2018/2001, renewable energy communities are not provided with competences on energy efficiency. Instead, their main goals are to ensure the development of renewable energy and customer empowerment in renewable energy projects.
5.	**Recital 100** Member States should ensure that national energy regulatory authorities take an integrated approach encompassing potential savings in the energy supply and the end-use sectors. Without prejudice to security of supply, market	**Recital 100** Member States should ensure that national energy regulatory authorities take an integrated approach encompassing potential savings in the energy supply and the end-use sectors. Without prejudice to security of supply, market integration and	E.DSO members will continue to work towards more energy-saving practices and to consider energy efficiency in its investment and network planning decisions, taking a wide perspective including environmental and socio-economic

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	integration and anticipatory investments in offshore grids necessary for the deployment of offshore renewable energy, national energy regulatory authorities should ensure that the energy efficiency first principle is applied in the planning and decision-making processes and that network tariffs and regulations incentivise improvements in energy efficiency. Member States should also ensure that transmission and distribution system operators consider the energy efficiency first principle. That would help transmission and distribution system operators to consider better energy efficiency solutions and incremental costs incurred for the procurement of demand side resources, as well as the environmental and socio-economic impacts of different network investments and operation plans. Such an approach requires a shift from the narrow economic efficiency perspective to maximised social welfare. The energy efficiency first principle should in particular be applied in the context of scenario building for energy infrastructure expansion where demand side solutions could be considered as viable alternatives and need to be properly assessed, and it should become an intrinsic part of the assessment of network planning projects. Its application should be scrutinised by national regulatory authorities.	anticipatory investments in offshore grids necessary for the deployment of offshore renewable energy, national energy regulatory authorities should ensure that the energy efficiency first principle is applied in the planning and decision-making processes and that network tariffs and regulations incentivise improvements in energy efficiency. Member States should also ensure that transmission and distribution system operators consider the energy efficiency first principle. That would help transmission and distribution system operators to consider better energy efficiency solutions and incremental costs incurred for the procurement of demand side resources, as well as the environmental and socio-economic impacts of different network investments and operation plans. Such an approach requires a shift from the narrow economic efficiency perspective to maximised social welfare. **Without prejudice to the principle of cost-reflectiveness of network tariffs,** the energy efficiency first principle should in particular be applied in the context of scenario building for energy infrastructure expansion where demand side solutions could be considered as viable alternatives and need to be properly assessed, and it should become an intrinsic part of the assessment of network planning projects. Its application should be scrutinised by national regulatory authorities.	impacts. This proposal here aims to align with DSO's guiding principle of cost-reflectiveness of tariffs.

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6.	**Article 3** **Energy efficiency first principle** 1. In conformity with the energy efficiency first principle, Member States shall ensure that energy efficiency solutions are taken into account in the planning, policy and major investment decisions related to the following sectors: (a) energy systems, and (b) non-energy sectors, where those sectors have an impact on energy consumption and energy efficiency. (…)	**Article 3** **Energy efficiency first principle** 1. In conformity with the energy efficiency first principle **and a lifecycle approach safeguarding the EU's climate targets and sustainability**. Member States shall ensure that energy efficiency solutions are taken into account in the planning, policy and major investment decisions related to the following sectors: (a) energy systems, and (b) non-energy sectors, where those sectors have an impact on energy consumption and energy efficiency. 2. Member States shall ensure that the application of the energy efficiency first principle **and a lifecycle approach safeguards the EU's climate targets and sustainability s**is verified by the relevant entities where policy, planning and investment decisions are subject to approval and monitoring requirements. (…)	It is reasonable for EU Member States to ensure that electricity distribution network operators apply the EEFP principle in their activities. Further, investment in infrastructure should be guided, additionally to EEFP, by a lifecycle approach safeguarding the EU's climate targets and sustainability. It is of utmost importance that EEFP should be applied an overreaching principle in conjunction with other policy objectives and shall ensure the transition to climate neutrality.
7.	**Article 7** **Public procurement** Member States shall ensure that contracting authorities and contracting entities, when concluding public contracts and concessions with a value equal to or greater than the thresholds laid down in Article 8 of Directive 2014/23/EU, Article 4 of Directive 2014/24/EU and Article 15 of Directive 2014/25/EU,	**Article 7** **Public procurement** Member States shall ensure that contracting authorities and contracting entities, when concluding **new** public contracts and concessions with a value equal to or greater than the thresholds laid down in Article 8 of Directive 2014/23/EU, Article 4 of Directive 2014/24/EU and Article 15 of Directive 2014/25/EU, purchase only products,	E.DSO is supportive of the new measure in article 7 as long as it only applies to new public contracts and concessions.

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	purchase only products, services, buildings and works with high energy-efficiency performance in accordance with the requirements referred to in Annex IV to this Directive. Members States shall also ensure that in concluding the public contracts and concessions with a value equal or greater than the threshold referred to in the first subparagraph, contracting authorities and contracting entities, apply the energy efficiency first principle referred to in Article 3 of this Directive, including for those public contracts and concessions for which no specific requirements are provided in Annex IV.	services, buildings and works with high energy-efficiency performance in accordance with the requirements referred to in Annex IV to this Directive. Members States shall also ensure that in concluding the public contracts and concessions **after the entry into force of this Directive,** with a value equal or greater than the threshold referred to in the first subparagraph, contracting authorities and contracting entities, apply the energy efficiency first principle referred to in Article 3 of this Directive, including for those public contracts and concessions for which no specific requirements are provided in Annex IV.	
8.	**Article 8** **Energy savings obligation** In designing such policy measures, Member States shall consider and promote the role of renewable energy communities and citizen energy communities in the contribution to the implementation towards these policy measures	**Article 8** **Energy savings obligations** In designing such policy measures, Member States shall consider and promote the role of ~~**renewable energy communities and**~~ citizen energy communities in the contribution to the implementation towards these policy measures	Pursuant to Article 22 of (EU) 2018/2001, renewable energy communities are not provided with competences on energy efficiency. Their main goal is to ensure the development of renewable energy and customer empowerment in renewable energy projects.
9.	**Article 12~~9~~** **Metering for natural gas** 1. Member States shall ensure that, in so far as it is technically possible, financially reasonable, and proportionate to the potential energy savings, for natural gas final customers are provided with competitively priced individual meters that accurately reflect the final customer's actual energy consumption and that	**Add Article 13a** **Smart meter for electricity** **1. Member States shall ensure that, in so far as it is technically possible, financially reasonable, and proportionate to the potential energy savings, final customers for electricity, natural gas, district cooling and domestic hot water are provided with competitively priced individual meters that accurately reflect the final**	Smart meter for electricity should be reintegrated in the scope of the Directive following the example of Articles 12 and 13. Smart meters greatly contribute to customer empowerment and energy efficiency solutions. They allow energy management for customers and provide reliable data for ex-ante and

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	provide information on actual time of use. Such a competitively priced individual meter shall always be provided when: (a) an existing meter is replaced, unless this is technically impossible or not cost-effective in relation to the estimated potential savings in the long term; (b) a new connection is made in a new building or a building undergoes major renovations, as set out in Directive 2010/31/EU. 2. Where, and to the extent that, Member States implement intelligent metering systems and roll out smart meters for natural gas in accordance with Directive 2009/73/EC. (a) they shall ensure that the metering systems provide to final customers information on actual time of use and that the objectives of energy efficiency and benefits for final customers are fully taken into account when establishing the minimum functionalities of the meters and the obligations imposed on market participants; (b) they shall ensure the security of the smart meters and data communication, and the privacy of final customers, in compliance with relevant Union data protection and privacy legislation; (c~~e~~) they shall require that appropriate	**customer's actual energy consumption and that provide information on actual time of use.** **Such a competitively priced individual smart meter shall always be provided when:** **(a) an existing meter is replaced, unless this is technically impossible or not cost-effective in relation to the estimated potential savings in the long term;** **(b) a new connection is made in a new building, or a building undergoes major renovations, as set out in Directive 2010/31/EU.** **2. Where, and to the extent that, Member States implement intelligent metering systems and roll out smart meters for natural gas and/or electricity in accordance with Directive 2019/944 :** **(a) they shall ensure that the metering systems provide to final customers information on actual time of use and that the objectives of energy efficiency and benefits for final customers are fully taken into account when establishing the minimum functionalities of the meters and the obligations imposed on market participants;** **(b) they shall ensure the security of the smart meters and data communication, and the privacy of final customers, in compliance with relevant Union data**	ex-post energy audits on the effectiveness of renovation. We strongly believe that there is no reason for which smart meters for electricity should not be encouraged to an equal extent as for gas.

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	advice and information be given to customers at the time of installation of smart meters, in particular about their full potential with regard to meter reading management and the monitoring of energy consumption. **Article 13~~9a~~** **Metering for heating, cooling and domestic hot water** 1. Member States shall ensure that, for district heating, district cooling and domestic hot water, final customers are provided with competitively priced meters that accurately reflect their actual energy consumption. 2. Where heating, cooling or domestic hot water is supplied to a building from a central source that services multiple buildings or from a district heating or district cooling system, a meter shall be installed at the heat exchanger or point of delivery.	**protection and privacy legislation;** **(a) In the case of electricity and at the request of the final customer, they shall require meter operators to ensure that the meter or meters can account for electricity put into the grid from the final customer's premises;** **(b) They shall ensure that if final customers request it, metering data on their electricity input and off-take is made available to them or to a third party acting on behalf *of* the final customer in an easily understandable format that they can use to compare deals on a like-for-like basis;** **(c) they shall require that appropriate advice and information be given to customers at the time of installation of smart meters, in particular about their full potential with regard to meter reading management and the monitoring of energy consumption.**	
10.	**Article 25(1)** 1. National energy regulatory authorities shall apply the energy efficiency first principle in accordance with Article 3 of this Directive in carrying out the regulatory tasks specified in Directives (EU) 2019/944 and 2009/73/EC regarding their decisions on the operation of the gas and electricity infrastructure, include their	**Article 25(1)** 1. National energy regulatory authorities shall apply the energy efficiency first principle in accordance with Article 3 of this Directive in carrying out the regulatory tasks specified in Directives (EU) 2019/944 and 2009/73/EC regarding their decisions on the operation of the gas and electricity infrastructure, include their	The practical implementation of the EEFP requires the deployment of a correct governance, including an efficient cost-benefit analysis methodology and a framework of independent monitoring and assessment. This, coupled to GHG emission

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	decisions on network tariffs.	decisions on network tariffs, **without prejudice to the principles of non-discrimination and cost-reflectiveness**. **In taking these decisions, national energy regulatory authorities shall consider, in addition to the energy efficiency first principle, a lifecycle approach safeguarding the EU's climate targets and sustainability.**	reduction criteria, will not favour energy efficient solutions that would lead to a GHG emissions increase. The approach in Article 25 (2) to apply cost-benefit analyses, which account for wider system benefits, is in line with this approach.
11.	**Article 25(2)** 2. Member States shall ensure that gas and electricity transmission and distribution network operators apply the energy efficiency first principle in accordance with Article 3 of this Directive in their network planning, network development and investment decisions. While taking security of supply and market integration into account, Member States shall ensure that transmission system operators and distribution system operators do not invest in stranded assets to contribute to climate change mitigation. ~~**National regulatory authorities**~~ should provide methodologies and guidance on how to assess alternatives in the cost-benefit analysis, taking into account wider benefits, and verify the implementation of the energy efficiency first principle by the transmission system operators or distribution system operators when approving, verifying or monitoring the projects submitted by the transmission system operators or distribution system operators.	**Article 25(2)** 2. Member States shall ensure that gas and electricity transmission and distribution network operators apply the energy efficiency first principle in accordance with Article 3 of this Directive **and with the EU's climate targets and sustainability** in their network planning, network development and investment decisions. While taking security of supply and market integration into account, Member States shall ensure that transmission system operators and distribution system operators do not invest in stranded assets to contribute to climate change mitigation. **To promote an energy efficient electricity grid, entities such as the European Network Transmission System Operators (ENTSO-E) and the European Entity for Distribution System Operators (the EU DSO Entity) can provide useful contributions and should support their members in the uptake of energy efficiency measures. Collectively, they** should provide methodologies and guidance on how to assess alternatives in the cost-benefit analysis, taking into account wider benefits, and verify the	In addition to technical losses due to ageing infrastructure, there is also renewable energy that cannot be accommodated by the networks and is therefore lost. The use of digital technologies in the energy system, including smart grids and smart appliances, can help to optimise the use of this intermittent renewable energy and has great potential for improving energy efficiency and smart energy use. The promotion of energy savings is also one of the missions of the EU DSO Entity, in accordance with article 55 of the Electricity Regulation (EU) 2019/943 ("the EU DSO Entity shall work on identifying best practices […] for the introduction of energy efficiency improvements in the distribution network")

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		implementation of the energy efficiency first principle by the transmission system operators or distribution system operators when approving, verifying or monitoring the projects submitted by the transmission system operators or distribution system operators. **Infrastructure that is not at the end of its life cycle may be maintained in so far it supports efficient use of energy, where its replacement may result in inefficient costs for the system**	For this reason, it is also important to involve DSOs because grid operators are neutral market facilitators and key enablers of the energy transition at local level by connecting renewable generation, integrating EV chargers to network, facilitating self-consumption, etc.
12.	**Article 25(3)** 3. Member States shall ensure that transmission and distribution network operators map network losses and take cost-effective measures to reduce network losses. Transmission and distribution network operators shall report those measures and expected energy savings through the reduction of network losses to the national energy regulatory authority. National energy regulatory authorities shall limit the possibility for transmission and distribution network operators to recover avoidable network losses from tariffs paid by consumers. Member States shall ensure that transmission and distribution operators assess energy efficiency improvement measures with regard to their existing gas or electricity transmission or distribution systems and improve energy efficiency in infrastructure design and operation. Member States shall encourage transmission and distribution network operators to develop	**Article 25(3)** 3. ~~**Member States shall ensure that transmission and distribution network operators map network losses and take cost-effective measures to reduce network losses. Transmission and distribution network operators shall report those measures and expected energy savings through the reduction of network losses to the national energy regulatory authority.**~~ National energy regulatory authorities shall ~~**limit the possibility for transmission and distribution network operators to recover avoidable network losses from tariffs paid by consumers**~~ **introduce tariff incentives to reduce network losses. The evaluation losses shall not be limited to historic data but shall consider future integration of renewable sources and flexibility services. Member States shall develop investment programmes for the increase of the energy efficiency of grids in a holistic manner which relies on local system integration and**	The Commission approach to network operators does not entail a holistic vision of energy efficiency and only emphasises network losses. DSOs are already committed to limit network losses when establishing network development plans and must fulfil eco-design requirements when purchasing equipment. Electrification and the wide development of RES generation imply a reinforcement of electricity networks which will in general increase network losses. This is true even when evaluated relative to the energy transported because of the ability of smart grids to maximize their capacity factor and deliver more kWh on the same existing cables. In principle, an increase in network losses is not necessarily a

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	innovative solutions to improve the energy efficiency of existing systems through incentive based regulations.	**smart grids and which takes account of where investment will bring the largest benefit. The investment programmes shall be based on DSO input and shall consider where improvement in grid efficiency is most necessary and how this improvement can be executed in a manner which upholds the energy efficiency first principle.** Member States shall ensure that transmission and distribution operators assess energy efficiency improvement measures with regard to their existing gas or electricity transmission or distribution systems and improve energy efficiency in infrastructure design and operation. Member States shall encourage transmission and distribution network operators to develop innovative solutions to improve the energy efficiency of existing systems through incentive-based regulations.	negative development: it really shows that the assets are used with a higher intensity. We argue that the energy efficiency of DSO networks should be stimulated as part of an overall energy efficient system which goes beyond network losses. This approach would rely on energy system integration at local level and on smart grids as essential for higher energy efficiency. For this reason, the focus of regulation should not be exclusively on network losses but on system efficiency achieved through infrastructure investments which contribute to energy efficiency objectives by deploying cost-efficient solutions such as smart grids and services that integrate renewable sources.
13.	**Article 25 (6)** Member States may permit components of schemes and tariff structures with a social aim for net-bound energy transmission and distribution, provided that any disruptive effects on the transmission and distribution system are kept to the minimum necessary and are not	**Article 25 (6)** Member States may permit components of schemes and tariff structures with a social aim for net-bound energy transmission and distribution, provided that any disruptive effects on the transmission and distribution system are kept to the minimum necessary **without hampering the principle of**	The economic logic of network operation is entirely based on the principle that network tariffs must reflect the costs of operation of the grid. The disruption of this principle trickles up and disruptions the whole network system.

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	disproportionate to the social aim.	**cost-reflectiveness of network tariffs** and are not disproportionate to the social aim.	
14.	**Article 25(9)** 9. Where appropriate, national regulatory authorities may require transmission system operators and distribution system operators to encourage high-efficiency cogeneration to be sited close to areas of heat demand by reducing the connection and use-of-system charges.	~~**Article 25(9)**~~ ~~**9. Where appropriate, national regulatory authorities may require transmission system operators and distribution system operators to encourage high-efficiency cogeneration to be sited close to areas of heat demand by reducing the connection and use-of-system charges.**~~	As neutral market facilitators DSOs call for removing Article 25(9). Providing high efficiency cogeneration stakeholders with lower network charges contradicts the principle of non-discrimination. It is important to recall that DSOs serve market actors the same way regardless of their CO2 content or level of energy efficiency. In particular the share of capacity and energy components in network tariffs must cost-reflective as a prerequisite for an efficient use of infrastructure contributing to overall energy efficiency.
15.	**Article 27(8)** 8. Member States shall ensure that energy distributors, distribution system operators and retail energy sales companies refrain from any activities that may impede the demand for and delivery of energy services or energy efficiency improvement measures, or hinder the development of markets for such services or measures, including foreclosing the market for competitors or abusing dominant positions.	**Article 27(8)** 8. Member States shall ensure that energy distributors, ~~**distribution system operators**~~ and retail energy sales companies refrain from any activities that may impede the demand for and delivery of energy services or energy efficiency improvement measures or hinder the development of markets for such services or measures, including foreclosing the market for competitors or abusing dominant positions.	The inclusion of DSOs in this provision is in contradiction with the Electricity Market Regulation which recognises DSOs as neutral market facilitators which aim to facilitate energy services or energy efficiency improvement measures.

b) RENEWABLE ENERGY DIRECTIVE (RED)

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1.	**Recital 20** Recharging points where electric vehicles typically park for extended periods of time, such as where people park for reasons of residence or employment, are highly relevant to energy system integration, therefore smart charging functionalities need to be ensured. In this regard, the operation of non-publicly accessible normal charging infrastructure is particularly important for the integration of electric vehicles in the electricity system as it is located where electric vehicles are parked repeatedly for long periods of time, such as in buildings with restricted access, employee parking or parking facilities rented out to natural or legal persons.	**Recital 20** Recharging points where electric vehicles typically park for extended periods of time, such as where people park for reasons of residence or employment, are highly relevant to energy system integration, therefore smart charging functionalities need to be ensured. In this regard, the operation of non-publicly accessible normal charging infrastructure, **for instance thanks to smart metering systems when deployed by Member States,** is particularly important for the integration of electric vehicles in the electricity system as it is located where electric vehicles are parked repeatedly for long periods of time, such as in buildings with restricted access, employee parking or parking facilities rented out to natural or legal persons.	Smart meters control signals, when deployed by Member States, should benefit smart charging functionalities.
2.	**Recital 28** To ensure district heating and cooling participate fully in energy sector integration, it is necessary to extend the cooperation with electricity distribution system operators to electricity transmission system operators. Further cooperation with gas network operators, including hydrogen and other energy networks, should also be made possible to	**Recital 28** To ensure district heating and cooling participate fully in energy sector integration, it is necessary to extend the cooperation with electricity distribution system operators to electricity transmission system operators ~~**and widen the scope of cooperation to grid investment planning and markets to better utilise the potential of district heating and cooling for providing flexibility services in**~~	The existing framework under Article 32 of the Electricity Directive (EU 2019/944) aims to ensure a fair and balanced participation of all market actors to provide flexibility services to meet DSOs' needs. In addition, the evaluation of flexibility needs should not favour a specific technology among others,

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	ensure a wider integration across energy carriers and their most cost-effective use.	~~**electricity markets**~~. Further cooperation with gas network operators, including hydrogen and other energy networks, should also be made possible to ensure a wider integration across energy carriers and their most cost-effective use.	pursuant to CEP Article 32 (2) (technology neutral). District heating and cooling contribution to flexibility services will be assessed among other market participants. The revision proposal should not introduce additional specific requirements and administrative burden for DSOs as they already ensure a fair participation of these third parties to providing flexibility services. Cooperation should be promoted but no further requirements on grid investment planning.
3.	**Article 1 (1) (c) amending Article 2** (14l) 'smart charging' means a recharging operation in which the intensity of electricity delivered to the battery is adjusted in real-time, based on information received through electronic communication;	**Article 1 (1) (c) amending Article 2** (14l) 'smart charging' means a recharging operation in which the intensity of electricity delivered to the battery is adjusted in real-time, based on information received through electronic communication **by means of devices such as smart metering systems.**	To encourage flexibility services and communication between the grid and EV chargers, the indication of smart meters should be added to the definition of "smart charging".
4.		**Article 1 (1) (c) amending Article 2** **(14l)a 'smart metering system' means smart metering system as defined in Article 2 point (23) of Directive (EU) 2019/944;**	For comprehension matters E.DSO recommends including the definition of smart metering system (from the Electricity Directive) within the revised RED. This would also help an alignment with the definition already contained

№	Commission proposal	E.DSO suggested amendments	Justification
			in EED (Article 2 (30)).
5.	**Article 1(2)(c) amending Article 3** 2c. the following paragraph 4a is inserted: '4a. Member States shall establish a framework, which may include support schemes and facilitating the uptake of renewable power purchase agreements, enabling the deployment of renewable electricity to a level that is consistent with the Member State's national contribution referred to in paragraph 2 and at a pace that is consistent with the indicative trajectories referred to in Article 4(a)(2) of Regulation (EU) 2018/1999. In particular, that framework shall tackle remaining barriers, including those related to permitting procedures, to a high level of renewable electricity supply. When designing that framework, Member States shall take into account the additional renewable electricity required to meet demand in the transport, industry, building and heating and cooling sectors and for the production of renewable fuels of nonbiological origin.';	**Article 1(2)(c) amending Article 3** 2c. the following paragraph 4a is inserted: '4a. Member States shall establish a framework, which may include support schemes and facilitating the uptake of renewable power purchase agreements, enabling the deployment of renewable electricity to a level that is consistent with the Member State's national contribution referred to in paragraph 2 and at a pace that is consistent with the indicative trajectories referred to in Article 4(a)(2) of Regulation (EU) 2018/1999. In particular, that framework shall tackle remaining barriers, including those related to permitting procedures, to a high level of renewable electricity supply, **while considering removing such barriers is not detrimental to the security and stability of the network** When designing that framework, Member States shall take into account the additional renewable electricity required to meet demand in the transport, industry, building and heating and cooling sectors and for the production of renewable fuels of nonbiological origin.	The provision of Article 1 (2) (c) on permitting procedures should be monitored so that removing permitting barriers to the connection of new RES is not detrimental to the security and stability of the network. While we agree that it is Member States prerogative to implement quickly and thoroughly the provisions on permitting of RED II, this can be one of the biggest challenges for RES deployment at the requested speed.
6.	**Article 1 (5) (d) amending Article 15** the following paragraph 9 is added: '9. By one year after the entry into force of this amending Directive, the Commission shall	~~**Article 1 (5) (d) amending Article 15**~~ ~~**the following paragraph 9 is added:**~~ ~~**'9. By one year after the entry into force of this amending Directive, the Commission shall**~~	Article 1 (5) (d) on reopening the existing framework set up on Articles 15, 16, 17 one year after the adoption of the revised Directive must be removed. It creates legal instability to long term projects by

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	review, and where appropriate, propose modifications to, the rules on administrative procedures set out in Articles 15, 16 and 17 and their application, and may take additional measures to support Member States in their implementation.';	~~**review, and where appropriate, propose modifications to, the rules on administrative procedures set out in Articles 15, 16 and 17 and their application, and may take additional measures to support Member States in their implementation.';**~~	introducing too frequent revisions. Additionally, shortening existing procedures would be detrimental to the technical and security assessments of the network.
7.	**Article 1 (6) subparagraph 2** 2. Member States shall introduce measures in their building regulations and codes and, where applicable, in their support schemes, to increase the share of electricity and heating and cooling from renewable sources in the building stock, including national measures relating to substantial increases in renewables self-consumption, renewable energy communities and local energy storage, in combination with energy efficiency improvements relating to cogeneration and passive, nearly zero-energy and zero-energy buildings.	**Article 1 (6) subparagraph 2** 2. Member States shall introduce measures in their building regulations and codes and, where applicable, in their support schemes, to increase the share of electricity and heating and cooling from renewable sources in the building stock, ~~**including national measures relating to substantial increases in renewables self-consumption, renewable energy communities and local energy storage, in combination with energy efficiency improvements relating to cogeneration and passive, nearly zero-energy and zero-energy buildings**~~.	When mainstreaming the share of renewables in the building sector, the proposal lacks clarity by addressing several measures that could hinder incentive measures taken by Member States. The main objective should be to increase the share of renewable energy in the building sector only. The means to achieve buildings supply from renewable energy sources should be left to building operators in a competitive market. Moreover, energy efficiency measures are more adapted in the scope of the Energy Efficiency Directive or the Energy Performance of Buildings Directive.
8.	**Article 1(10) inserting new Article 20a (1) "Facilitating system integration of renewable electricity"** '1. Member States shall require transmission system operators and distribution system operators in their territory to make available	**Article 1(10) inserting new Article 20a (1) "Facilitating system integration of renewable electricity"** '1. ~~**Member States shall require transmission system operators and distribution system operators in their territory to**~~**<u>The system</u>**	Thanks to the digitalisation of network and the uptake of smart grids and smart meters, DSOs have many digital tools at their disposal to collect relevant energy data. As neutral actors, DSOs are best placed to collect data and share them with

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	information on the share of renewable electricity and the greenhouse gas emissions content of the electricity supplied in each bidding zone, as accurately as possible and as close to real time as possible but in time intervals of no more than one hour, with forecasting where available. This information shall be made available digitally in a manner that ensures it can be used by electricity market participants, aggregators, consumers and end users, and that it can be read by electronic communication devices such as smart metering systems, electric vehicle recharging points, heating and cooling systems and building energy management systems.	**operators, on a voluntary basis,** make available information on the share of renewable electricity and the greenhouse gas emissions content of the electricity supplied in each bidding zone, as accurately as possible and as close to real time as possible ~~**but in time intervals of no more than one hour**~~, with forecasting where available. This information shall be made available digitally in a manner that ensures it can be used by electricity market participants, aggregators, consumers and end users, and that it can be read by electronic communication devices such as smart metering systems, electric vehicle recharging points, heating and cooling systems and building energy management systems.	all relevant stakeholders to achieve the twin digital and energy transition. Nevertheless, the disclosure of data as suggested in this provision for each bidding zone, is an expensive requirement for network operators which will ultimately lead to a rise in costs for the customer. Furthermore, the RES percentage is difficult to disclose when the generation is not directly connected to the DSO grid. For this reason, we believe that the decision to collect and disclose this data should be left to network operators, on a voluntary basis. In any case, DSOs are ready to contribute with relevant information currently at their disposal.
9.	**Article 1(10) inserting new Article 20a (3)** 3. In addition to the requirements in [the proposal for a Regulation concerning the deployment of alternative fuel infrastructure, repealing Directive 2014/94/EU], Member States shall ensure that non–publicly accessible normal power recharging points installed in their territory from [the transposition deadline of this amending Directive] can support smart charging functionalities and, where appropriate	**Article 1(10) inserting new Article 20a (3)** 3. In addition to the requirements in [the proposal for a Regulation concerning the deployment of alternative fuel infrastructure, repealing Directive 2014/94/EU], Member States shall **establish a threshold in KW and** ensure that non–publicly accessible normal power recharging points **above this threshold** installed in their territory from [the transposition deadline of this amending Directive] can support smart charging functionalities **and**	We argue that the charging infrastructure must be technically ready for smart charging, but whether smart charging is really done should be the result of market processes as this is flexibility. However, the requirement, as stipulated, might imply extra costs for domestic consumers and prevent them from installing EV chargers.

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	based on assessment by the regulatory authority, bidirectional charging functionalities.	**interface with smart metering systems, when deployed by Member States** and, where appropriate based on assessment by the regulatory authority, bidirectional charging functionalities. **The information about the location of power recharging points, which can support smart charging, shall be made available to stakeholders involved in infrastructure planning and development.**	For this reason, it should be possible for Member States to set a threshold in KW. Non-publicly accessible power recharging points below the Member States threshold should be exempted from the obligation to support smart charging functionalities. Together with electricity smart meters, smart charging will be an important tool to meet the electricity network needs. To facilitate interactions between EV chargers and the distribution network. E.DSO recommends associating smart meters with smart charging functionalities, when deployed by Member States.
10.		**Add Article 1(10) inserting new Article 20a (5)** **Member States shall facilitate new renewable capacity by encouraging investment in connections and reinforcements in the grid infrastructure where this is necessary and proportional.**	We appreciate the recognition of electricity DSOs and their importance for the integration of renewable sources. Nevertheless, without a proper regulatory framework enabling the necessary investment in distribution networks, which could make possible the connection and secure operation of the new renewable plants, an efficient decarbonization will not be feasible.

№	Commission proposal	E.DSO suggested amendments	Justification
			We argue that the recast of the RED is especially well suited to include an obligation for Member States to facilitate new renewable capacity by encouraging investment in connections and reinforcements in the grid infrastructure.
11.	**Article 1(13) (e) amending Article 24** (e) paragraphs 8, 9 and 10 are replaced by the following: '8. Member States shall establish a framework under which electricity distribution system operators will assess, at least every four years, in cooperation with the operators of district heating and cooling systems in their respective areas, the potential for district heating and cooling systems to provide balancing and other system services, including demand response and thermal storage of excess electricity from renewable sources, and whether the use of the identified potential would be more resource- and cost-efficient than alternative solutions. Member States shall ensure that electricity transmission and distribution system operators take due account of the results of the assessment required under the first subparagraph in grid planning, grid investment and infrastructure development in their respective territories.	~~**Article 1(13) (e) amending Article 24**~~ ~~**(e) paragraphs 8, 9 and 10 are replaced by the following:**~~ ~~**'8. Member States shall establish a framework under which electricity distribution system operators will assess, at least every four years, in cooperation with the operators of district heating and cooling systems in their respective areas, the potential for district heating and cooling systems to provide balancing and other system services, including demand response and thermal storage of excess electricity from renewable sources, and whether the use of the identified potential would be more resource- and cost-efficient than alternative solutions.**~~ ~~**Member States shall ensure that electricity transmission and distribution system operators take due account of the results of the assessment required under the first subparagraph in grid planning, grid investment and infrastructure development in their respective territories.**~~	Article 1 (13) (e) should not introduce additional specific requirements and administrative burdens for DSOs since they already ensure a fair participation of third parties in providing flexibility services. Flexibility services benefit the distribution network. When defining specifications for procuring flexibility services DSOs already ensure a non-discriminatory participation of all market participants, including district heating and cooling. For this reason, the evaluation of the needs for flexibility services should remain under DSO management as set up in the Electricity Directive and should not be subject to additional specific evaluations.

№	Commission proposal	E.DSO suggested amendments	Justification
	Member States shall facilitate coordination between operators of district heating and cooling systems and electricity transmission and distribution system operators to ensure that balancing, storage and other flexibility services, such as demand response, provided by district heating and district cooling system operators, can participate in their electricity markets. Member States may extend the assessment and coordination requirements under the first and third subparagraphs to gas transmission and distribution system operators, including hydrogen networks and other energy networks. 9. Member States shall ensure that the rights of consumers and the rules for operating district heating and cooling systems in accordance with this Article are clearly defined, publicly available and enforced by the competent authority. 10. A Member State shall not be required to apply paragraphs 2 and 9 where at least one of the following conditions is met: (a) its share of district heating and cooling was less than or equal to 2 % of the gross final energy consumption in heating and cooling on 24 December 2018; (b) its share of district heating and cooling is increased above 2 % of the gross final energy consumption in heating and cooling on 24	~~**Member States shall facilitate coordination between operators of district heating and cooling systems and electricity transmission and distribution system operators to ensure that balancing, storage and other flexibility services, such as demand response, provided by district heating and district cooling system operators, can participate in their electricity markets. Member States may extend the assessment and coordination requirements under the first and third subparagraphs to gas transmission and distribution system operators, including hydrogen networks and other energy networks.**~~ ~~**9. Member States shall ensure that the rights of consumers and the rules for operating district heating and cooling systems in accordance with this Article are clearly defined, publicly available and enforced by the competent authority.**~~ ~~**10. A Member State shall not be required to apply paragraphs 2 and 9 where at least one of the following conditions is met:**~~ ~~**(a) its share of district heating and cooling was less than or equal to 2 % of the gross final energy consumption in heating and cooling on 24 December 2018;**~~	

№	Commission proposal	E.DSO suggested amendments	Justification
	December 2018 by developing new efficient district heating and cooling based on its integrated national energy and climate plan pursuant to Annex I to Regulation (EU) 2018/1999 and the assessment referred to in Article 23(1a) of this Directive; (c) 90 % of the gross final energy consumption in district heating and cooling systems takes place in district heating and cooling systems meeting the definition laid down in [Article x of the proposed recast of the Energy Efficiency Directive].';	~~**(b) its share of district heating and cooling is increased above 2 % of the gross final energy consumption in heating and cooling on 24 December 2018 by developing new efficient district heating and cooling based on its integrated national energy and climate plan pursuant to Annex I to Regulation (EU) 2018/1999 and the assessment referred to in Article 23(1a) of this Directive;**~~ ~~**(c) 90 % of the gross final energy consumption in district heating and cooling systems takes place in district heating and cooling systems meeting the definition laid down in [Article x of the proposed recast of the Energy Efficiency Directive].';**~~	

c) ALTERNATIVE FUELS INFRASTRUCTURE REGULATION (AFIR)

№	Commission proposal	E.DSO suggested amendments	Justification
1.	**Recital 21** (21) The increasing number of electric vehicles in road, rail, maritime and other transport modes will require that recharging operations are optimised and managed in a way that does not cause congestion and takes full advantage of the availability of renewable electricity and low electricity prices in the system. Smart recharging in particular can facilitate the integration of electric vehicles into the electricity system further as it enables demand response through aggregation and through price based demand response. System integration can further be facilitated through bi-directional recharging (vehicle-to-grid). All normal recharging points at which vehicles are typically parked for a longer period should therefore support smart recharging.	**Recital 21** (21) The increasing number of electric vehicles in road, rail, maritime and other transport modes will require that recharging operations are optimised and managed in a way that does not cause congestion and takes full advantage of the availability of renewable electricity and low electricity prices in the system. Smart recharging in particular**, <u>enabled by the use of smart metering systems</u>** can facilitate the integration of electric vehicles into the electricity system further as it enables demand response through aggregation and through price-based demand response. System integration can further be facilitated through bi-directional recharging (vehicle-to-grid). All normal recharging points at which vehicles are typically parked for a longer period should therefore support smart recharging.	When mandating smart charging, there should be a possibility to consider smart metering systems as the preferred solution allowing smart charging given that the installation of smart meters plays a role in grid management optimisation and flexibility services promotion.
2.		**Article 2** (…) **<u>(38a) 'publicly funded private' alternative fuels infrastructure means an alternative fuels infrastructure whose installation has received public financial support, whether through public funds or network tariff, and which is located on private property without being open</u>**	Recharging stations located in collective residential buildings, partly financed by public funds or by network tariff, represent a significant global recharging pool whose size and location must be taken into account when developing new publicly accessible recharging stations. These private charging points that have received public

№	Commission proposal	E.DSO suggested amendments	Justification
		<u>to the general public;</u>	financial support should be taken into account in the calculation of the fleet-based targets provided for in Article 3.1.a.
3.		**Article 2** (…) **<u>(58a) 'smart metering system' means smart metering system as defined in Article 2, point (23) of Directive (EU) 2019/944;</u>**	Smart metering systems as defined in Directive (EU) 2019/944 are powerful tools enabling the mandatory smart recharging features foreseen in the provisions of Article 5, point (8) of this Regulation. They also play a significant role in grid management optimisation and flexibility services promotion: they should therefore be mentioned in the proposal. This would also help an alignment with the definition already contained in EED (Art 2 (30)).
4.	**Article 2** (…) (59) 'smart recharging' means a recharging operation in which the intensity of electricity delivered to the battery is adjusted in real-time, based on information received through electronic communication (…)	**Article 2** (…) (59) 'smart recharging' means a recharging operation in which the intensity of electricity delivered to the battery is adjusted in real-time, based on information received through electronic communication **<u>by means of devices such as smart metering system</u>**	Since most of the EV chargers are connected to the distribution grid and will withdraw from and/or inject electricity to the grid, DSOs will be at the centre of such operations. Smart meters, when already deployed by Member States, are relevant tools for this activity as they give secure and reliable data and facilitate smart charging as well as the participation of EV owners in

№	Commission proposal	E.DSO suggested amendments	Justification
		(…)	the provision of flexibility services. Smart meters' contribution should be concretely acknowledged as an integral part of smart charging operation and included in its definition in Article 2.
5.	**Article 3, paragraph 1, point (a)** To that end Member States shall ensure that, at the end of each year, starting from the year referred to in Article 24, the following power output targets are met cumulatively: (a) for each battery electric light-duty vehicle registered in their territory, a total power output of at least 1 kW is provided through publicly accessible recharging stations; and	**Article 3, paragraph 1, point (a)** To that end Member States shall ensure that, at the end of each year, starting from the year referred to in Article 24, the following power output targets are met cumulatively: (a) for each battery electric light-duty vehicle registered in their territory, a total power output of at least 1 kW is provided through publicly accessible **and publicly funded private** recharging stations; and	To ensure a balanced localisation E.DSO recommends including in the calculation all EV chargers that have received public funding or tariff support to the scope of the Regulation even if they are located in private premises. These EV chargers should be included to the calculation of national fleet-based targets for LDVs and would allow for a more ambitious target to be set and a balanced spread of recharging infrastructure.
6.	**Article 3, paragraph 1, point (b)** (b) for each plug-in hybrid light-duty vehicle registered in their territory, a total power output of at least 0.66 kW is provided through publicly accessible recharging stations.	**Article 3, paragraph 1, point (b)** b) for each plug-in hybrid light-duty vehicle registered in their territory, a total power output of at least 0,66 kW is provided through publicly accessible **and publicly funded private** recharging stations.	To ensure a balanced localisation E.DSO recommends including in the calculation all EV chargers that have received public funding or tariff support to the scope of the Regulation, even if they are located in private premises. These EV chargers should be included to the calculation of national fleet-based targets for LDVs and would allow for a more ambitious target to be set and a balanced spread of recharging infrastructure.

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7.	**Article 4, paragraph 1, point (a)** 1. Member States shall ensure a minimum coverage of publicly accessible recharging points dedicated to heavy-duty vehicles in their territory. To that end, Member States shall ensure that: (a) along the TEN-T core network, publicly accessible recharging pools dedicated to heavy-duty vehicles and meeting the following requirements are deployed in each direction of travel with a maximum distance of 60 km in-between them: (i) by 31 December ~~**2025**~~, each recharging pool shall offer a power output of at least 1400 kW and include at least one recharging station with an individual power output of at least 350 kW; (ii) by 31 December ~~**2030**~~, each recharging pool shall offer a power output of at least 3500 kW and include at least two recharging stations with an individual power output of at least 350 kW;	**Article 4, paragraph 1, point (a)** 1. Member States shall ensure a minimum coverage of publicly accessible recharging points dedicated to heavy-duty vehicles in their territory. To that end, Member States shall ensure that: (a) along the TEN-T core network, publicly accessible recharging pools dedicated to heavy-duty vehicles and meeting the following requirements are deployed in each direction of travel with a maximum distance of 60 km in-between them: (i) by 31 December **2030**, each recharging pool shall offer a power output of at least 1400 kW and include at least one recharging station with an individual power output of at least 350 kW; (ii) by 31 December **2035**, each recharging pool shall offer a power output of at least 3500 kW and include at least two recharging stations with an individual power output of at least 350 kW;	The uncertainty surrounding the step up of electric HDVs' long-distance mobility pleads for the implementation deadlines to be pushed back.

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8.	**Article 5 (8)** 8. From the date referred to in Article 24, operators of recharging points shall ensure that all publicly accessible normal power recharging points operated by them are capable of smart recharging.	8. From the date referred to in Article 24, operators of recharging points shall ensure that all **newly built and refurbished** publicly accessible normal power recharging points operated by them are capable of smart recharging. **Smart metering systems are the preferred solution to allow smart charging in recharging stations.**	When mandating smart charging, there should be a possibility to consider smart meters as the preferred solution allowing smart charging given that the installation of smart meters, among other solutions, plays a role in grid management optimisation and flexibility services promotion. Furthermore, applying retroactively the obligation will lead to high compliance costs and should therefore be avoided.
9.	**Article 14 (3)** The regulatory authority of a Member States shall assess, at the latest by 30 June 2024 and periodically every three years thereafter, how the deployment and operation of recharging points could enable electric vehicles to further contribute to the flexibility of the energy system, including their participation in the balancing market, and to the further absorption of renewable electricity. That assessment shall take into account all types of recharging points, whether public or private, and provide recommendations in terms of type, supporting technology and geographical distribution in order to facilitate the ability of users to integrate their electric vehicles in the system. It shall be made publicly available. On the basis of the results of the assessment, Member States shall, if	**Article 14 (3)** The regulatory authority of a Member States, **in cooperation with transmission and distribution system operators,** shall assess, **without prejudice to Article 32 of Directive (EU) 2019/944**, at the latest by 30 June 2024 and periodically every three years thereafter, how the deployment and operation of recharging points could enable electric vehicles to further contribute to the flexibility of the energy system, including their participation in the balancing market, and to the further absorption of renewable electricity. To enable **this assessment relevant DSOs shall be consulted with regard to flexibility of the energy system and absorption of renewable electricity.** That assessment shall take into account all types of recharging points, whether public or private, and provide recommendations in terms of type, supporting	Article 14 (3) confers large powers to NRAs in assessing the contribution of EVs to the flexibility of the energy system. DSOs are the more relevant stakeholders to assess the flexibility needs as stated in Article 32 of the Electricity Directive (EU) 2019/944. The evaluation of EV contribution should be done coherently with the Clean Energy Package which already set a requirement for DSOs to conduct a periodical evaluation of flexibility needs in their own network development plans while consulting all interested parties. The article should furthermore differentiate between congestion

№	Commission proposal	E.DSO suggested amendments	Justification
	necessary, take the appropriate measures for the deployment of additional recharging points and include them in their progress report referred to in paragraph 1. The assessment and measures shall be taken into account by the system operators in the network development plans referred to in Article 32(3) and Article 51 of Directive (EU) 2019/944.	technology and geographical distribution in order to facilitate the ability of users to integrate their electric vehicles in the system. It shall be made publicly available. On the basis of the results of the assessment, Member States shall, if necessary, take the appropriate measures for the deployment of additional recharging points and include them in their progress report referred to in paragraph 1. The assessment and measures shall be taken into account by the system operators in the network development plans referred to in Article 32(3) and Article 51 of Directive (EU) 2019/944.	management and balancing needs to avoid contradictions with Article 32 of the Electricity Directive.
10.		**Add new Article 14a** **Member States shall encourage investments in the capacity of distribution grids to sustain the electrification of mobility where this is necessary and proportional.**	While the proposal acknowledges the role of DSOs in the electrification of mobility and increases their responsibility, it does not account sufficiently for the need to reinforce their distribution grid to achieve the regulation's objectives. This is despite the proposal's Impact Assessment which states that "[DSOs] will have to invest into grid stability and flexibility and – where necessary - into grid extensions" (p. 108, part 1/2). This approach, to emphasise the need for investment in grid connectivity and not in capacity, is upheld also in the Strategic rollout plan for the deployment of alternative fuels infrastructure.

№	Commission proposal	E.DSO suggested amendments	Justification
			E.DSO invites the Commission to change its view on this matter as the study "Connecting the Dots" carried out by E.DSO and Deloitte suggests that in Europe DSOs only will need 375-425 bln EUR of investment in 2020-2030 in order to research, innovate and deploy new technologies to guarantee the safest and most reliable network for all customers. It would be more appropriate to adopt a similar approach to the one E.DSO recommends about the Renewable Energy Directive. In this way Member States should be mandated to facilitate the electrification of transport by encouraging investments in the capacity of distribution networks as far as this is necessary and proportional.
11.	**Article 19(6)** 6. In accordance with Article 10 of Regulation (EU) No 1025/2012, the Commission may request European standardisation organisations to draft European standards defining technical specifications for areas referred to in Annex II to this Regulation for which no common technical specifications have been adopted by the	**Article 19(6)** 6. In accordance with Article 10 of Regulation (EU) No 1025/2012, the Commission may request European standardisation organisations to draft European standards defining technical specifications for areas referred to in Annex II to this Regulation for which no common technical specifications have been adopted by the	Concerning Article 19 (6) and Annex II (2), DSOs must be associated to the definition of technical specifications on communication with the grid. DSOs are central to this process and will be directly impacted by the development of the technical specifications. For this reason, they should be included in their definition

№	Commission proposal	E.DSO suggested amendments	Justification
	Commission.	Commission. **Where these standards are relevant to distribution system operators, they shall be included in their development.**	in alignment with the best practises for development of standards.

d) EMISSION TRADING SYSTEM DIRECTIVE (ETS)

Commission proposal	E.DSO suggested amendments	Justification
Article 3(g) (14) amending Article 10(d) Article 10d is amended as follows: (…) (b) paragraph 2 is replaced by the following: "2. At least 80 % of the financial resources from the Modernisation Fund shall be used to support investments in the following: a) the generation and use of electricity from renewable sources; b) heating and cooling from renewable sources; c) the improvement of demand side energy efficiency, including in transport, buildings, agriculture and waste; d) energy storage and the modernisation of energy networks, including district heating pipelines, grids for electricity transmission and the increase of interconnections between Member States; e) the support of low-income households, including in rural and remote areas, to address energy poverty and to modernise their heating systems; and f) a just transition in carbon-dependent regions in the beneficiary Member	**Article 3(g) (14) amending Article 10(d)** Article 10d is amended as follows: (…) (b) paragraph 2 is replaced by the following: "2. At least 80 % of the financial resources from the Modernisation Fund shall be used to support investments in the following: a) the generation and use of electricity from renewable sources; b) heating and cooling from renewable sources; c) the improvement of demand side energy efficiency, including in transport, buildings, agriculture and waste; d) energy storage and the modernisation of energy networks, including district heating pipelines, grids for electricity transmission **and distribution,** and the increase of interconnections between Member States; e) the support of low-income households, including in rural and remote areas, to address energy poverty and to modernise their heating systems; and f) a just transition in carbon-dependent regions in the beneficiary Member States, so as to support the redeployment, re-skilling and up-skilling of workers,	The reason for this is that electricity DSOs are at the forefront of the energy transition with 70 % of renewable sources as well as the majority of flexibility services connected to their networks. This requires a reinforcement of the capacity of distribution grids in a manner which would equip them to meet the climate-neutral objectives in the context of an integrated energy system. This approach would be consistent with the other legislative proposals of the FF55 package which rely heavily on distribution grids. Those include the Regulation on Alternative Fuels Infrastructure, where DSO networks will play a crucial role in the deployment of an EV charging infrastructure, and the Renewable Energy Directive, where DSOs are recognized as crucial for the integration of renewables and the energy system as a whole. Finally, the study, "Connecting the Dots" carried out by E.DSO and Deloitte suggests that in Europe DSOs only will need 375-425 bln EUR of investment in 2020-2030 in order to research, innovate and deploy new technologies to guarantee the safest and most reliable network for all customers.

Commission proposal	E.DSO suggested amendments	Justification
States, so as to support the redeployment, re- skilling and up-skilling of workers, education, job-seeking initiatives and startups, in dialogue with the social partners."; (…)	education, job-seeking initiatives and startups, in dialogue with the social partners."; (…)	