

E.DSO reaction to Greens Manifesto "Courage to Change"

Bridging vision and reality in the green transition

The recent launch of the <u>Greens Manifesto</u> has sparked a wave of interest across the energy sector. The manifesto advocates for the European Union to intensify its climate change mitigation efforts, aiming for a reduction in greenhouse gas emissions of more than 55% by 2030 and striving for complete climate neutrality by 2040.

This ambitious goal sets a new timeline that surpasses current EU agreements, advancing the target for achieving climate neutrality by a decade earlier than the 2050 deadline set by the Green Deal.

At E.DSO, we are particularly applauding the ambitious vision it presents for a sustainable future, stressing the acceleration of renewable energy sources, and the reduction of energy dependency, while calling for the concomitant grid investment to make that happen. This aspiration is in the context of the fact that 80% of new renewable energy sources are expected to be linked to electricity distribution networks, thereby amplifying the critical need for heightened investments in this sector.

The commitment to establishing a **Green Transition Fund**, equivalent **to 1% of EU GDP annually**, assigned for green infrastructure (**including grid connections**) and emerging industries, aligns with our aspirations for a robust infrastructure ready for an ever-more-decarbonised future.

The manifesto's approach to financing the Green and Social Deal, stressing a blend of fiscal policy, public investment, and private initiative, reflects a comprehensive strategy to mobilise necessary investments towards green and social projects.

E.DSO's push for effective funding use

However, amidst our enthusiasm lies a pragmatic awareness of the challenges ahead. The Greens' vision, while compelling, features the need for a bridge between aspiration and implementation. As we stand at this critical juncture, E.DSO calls for more concrete indications on the operationalisation of these funds.

Furthermore, the idea of using European funds to forge the necessary network connections for the green transition resonates with E.DSO's principles and aligns with the recent <u>EU Action Plan for Grids</u> focus on investments. This strategic alignment underlines a shared vision for a resilient and green Europe.



E.DSO calls for more detailed strategies for leveraging these funds effectively. The challenges in crafting the right tools for implementation highlight a crucial need for clearer, more concrete indications on deploying these resources where most needed. Specifically, developing a coherent and forward-looking regulatory framework is essential for securing additional financing to reinforce and extend the necessary network infrastructure.

E.DSO vision – introducing the Decentralised Grid Facility (DGF)

In response to this commitment, E.DSO is proud to reveal an innovative solution: the **Decentralised Grid Facility**. This novel European-level funding instrument is designed to complement the manifesto's visions by specifically targeting the enhancement and expansion of electricity distribution networks. By focusing on decentralised energy resources, this facility aims to bolster grid resilience, and promote and facilitate the integration of renewable energy sources. The **Decentralised Grid Facility** represents a strategic investment in our infrastructure's future, ensuring it is robust, responsive, and ready to meet the demands of a green transition. E.DSO will further develop this concept in upcoming publications and look for collaboration from partners as we do that.

The pathway to a greener Europe is complex, interwoven with regulatory, technological, and financial threads that must be meticulously untangled. We must establish a framework that not only addresses the immediate financial mechanisms but also lays the groundwork for sustainable growth and innovation. This includes clarifying how these funds will be directed to the areas most in need, ensuring that investments are both strategic and impactful.

E.DSO urges policymakers and stakeholders to unite in a concerted push toward a decarbonised, secure, equitable and thriving European energy landscape. With clear and concerted action, these ambitions can deliver for European citizens.

We remain open and available for any further discussions with the Greens to provide clarity on our position and collaborate towards shared environmental goals.