EUROPEAN METALS

The European non-ferrous metals association.

Position paper and amendments on Grids package draft proposals

KEY POINTS

1. **Preserve the competitiveness of energy-intensive industries by preventing significant increases of network tariffs**

- Priority must be given to maximizing the existing grid's efficiency and utilization, over pursuing costly new-built infrastructure development.
- Reductions to grid charges should be used by Member States as a targeted measure for energy-intensive users exposed to international competition. *(AM 1- 6-8)*
- The proposal to ring-fence 25% of the congestion rents for cross-border interconnection projects should be removed as it structurally drains the pool of residual congestion revenues traditionally used to mitigate network tariffs. *(AM 9)*

2. **Introduce a cap on network tariffs for energy-intensive industries**

- To ensure a level playing field across the EU, we call for the introduction of a cap on network tariffs for energy-intensive industries, mirroring the regulation for power producers in Regulation 838/2010 annex part B. *(AM 11)*

3. **Leverage and expand public financing for grids modernisation and expansion**

- EU-level and national public financing and guarantees must be leveraged and expanded to alleviate the cost burden on network tariffs resulting from the necessary massive grid investments. *(AM 12-13-14)*

4. **Avoid penalising baseload consumers when incentivising flexibility through network tariffs**

- Industrial consumers who can offer voluntary flexibility to the grid must be incentivised. However, it should never come at the cost of penalising baseload consumption. *(AM 15-16)*

5. **Ensure that electro-intensive industries are involved in the infrastructure planning processes**

- Energy-intensive industries, given their critical role in the transition, must be formally involved in the infrastructure planning processes at both EU and national level. *(AM 17-18-19-20-22)*
- Forward planning should be based on realistic and credible demand assumptions, as large-scale grid investments based on 'optimistic' demand scenarios risk creating oversized infrastructure, with costs ultimately passed on to industry through higher network tariffs. *(AM 21)*

1. **Preserve the competitiveness of energy-intensive industries by preventing significant increases of network tariffs**

Competitive and predictable access to clean electricity is crucial for securing the future of Europe's electro-intensive industries. Though an optimized and modernised European electricity grid is essential to delivering clean electricity supply, policy must ensure that rising costs resulting from grid upgrades do not translate into higher network tariffs for these industries, adding to their energy cost burden and compromising their ability to compete internationally. In addition, network tariff frameworks should ensure a fair distribution of grid costs, reflecting the efficient use of the network by industrial consumers, including their stable consumption profiles, high utilisation rates, and limited need for system balancing.

To be most cost-effective for consumers, **priority must be given to maximizing the existing grid's efficiency and utilization**, over pursuing costly new-built infrastructure development. New investments should primarily target solutions that unlock the full potential of current infrastructure, such as grid-enhancing & innovative technologies, smart grids and digital solutions. Moreover, grid development should be based on demonstrated system needs and **avoid premature or speculative investments** that risk increasing costs for consumers and industry without corresponding benefits.

As mentioned by the Commission in its "*Guidance on Future-Proof Network Tariffs and Grid Infrastructure*" and by Commission President Ursula von der Leyen in her 16 March letter to EU leaders, **reductions to grid charges** should be used by Member States as a targeted measure for energy-intensive users exposed to international competition. Introducing or maintaining reductions on network charges through these special tariffs will help control overall industrial electricity costs and preserve competitiveness.

The Commission's proposal to ring-fence 25% of the congestion rents for cross-border interconnection projects structurally **drains the pool of residual congestion revenues traditionally used by national regulators to mitigate network tariffs**. This shift risks undermining industrial competitiveness by diverting critical revenue away from national tariff stabilization mechanisms, leading to a detrimental increase in grid charges for network users, starting with industrial consumers exposed to international competition. We therefore call for the deletion of article 19.

➢ **Draft amendments on Regulation on guidelines for trans-European energy infrastructure (TEN-E)**

Amendment	EC proposal	Amendment
AM 1		**New Recital 3a**
	/	While the expansion and modernisation of trans-European energy infrastructure are essential to deliver clean energy, the associated investment costs must be aligned with actual and expected demand to avoid unnecessary network tariffs increases for consumers and mitigate the impact on industrial competitiveness. National regulatory authorities should, therefore, implement targeted tariff regimes that mitigate the cost burden on industrial consumers exposed to international competition, reflecting the systemic stability and flexibility these users provide to the grid, and ensuring that infrastructure development serves the Union's broader objective of industrial resilience.
AM 2	**Art. 1 para (1)**	**Art. 1 para (1)**
	This Regulation lays down guidelines for the timely development and interoperability of the priority corridors and areas of trans-European energy infrastructure (energy infrastructure priority corridors and areas) set out in Annex I, that contribute to ensuring climate change mitigation, in particular achieving the Union's targets for energy and climate and its climate neutrality objective by 2050 at the latest, and to ensuring interconnections, energy security,	This Regulation lays down guidelines for the timely development and interoperability of the priority corridors and areas of trans-European energy infrastructure (energy infrastructure priority corridors and areas) set out in Annex I, that contribute to ensuring climate change mitigation, in particular achieving the Union's targets for energy and climate and its climate neutrality objective by 2050 at the latest, and to ensuring interconnections, energy security, market and system integration and

	market and system integration and competition that benefits all Member States, as well as affordability of energy prices.	competition that benefits all Member States, as well as affordability of energy prices, fair distribution of grid costs and global competitiveness of energy-intensive industries.
AM 3	**Art 4 para (3)**	**Art 4 para (3)**
	The following specific criteria shall apply to projects of common interest and projects of mutual interest, as relevant, falling within specific energy infrastructure categories: [...]	The following specific criteria shall apply to projects of common interest and projects of mutual interest, as relevant, falling within specific energy infrastructure categories: [...] (a) (iii) competitiveness of electro-intensive industries and industrial resilience, through the contribution to reducing the cost of electricity supply for industrial consumers, and by preventing disproportionate increase in network tariffs.
AM 4	**Art 7 para (1)**	**Art 7 para (1)**
	The Union list shall establish, for the purposes of any decisions issued in the permit- granting process, the necessity of projects on the Union list from an energy policy and climate perspective, without prejudice to the exact location, routing or technology of the project.	The Union list shall establish, for the purposes of any decisions issued in the permit- granting process, the necessity of projects on the Union list from a competitiveness, cost-efficiency, energy policy and climate perspective, without prejudice to the exact location, routing or technology of the project.
AM 5	**Art 11 para (2)**	**Art 11 para (2)**
	The central scenario shall: [...] (a) be consistent with the Union's targets for energy and climate and include a long-term perspective until at least 2050 in accordance with the Union's climate neutrality objective; (b) take a cross-sectoral approach ensuring consistency between the electricity, hydrogen and gas sectors, optimizing system efficiency;	The central scenario shall: (a) be consistent with the Union's targets for energy and climate and include a long-term perspective until at least 2050 in accordance with the Union's climate neutrality objective; (b) take a cross-sectoral approach ensuring consistency between the electricity, hydrogen and gas sectors, optimizing system efficiency; (c) include sensitivity analyses as appropriate;

	(c) include sensitivity analyses as appropriate.	(d) contribute to the global competitiveness of industrial consumers by preventing significant increase in network tariffs, and ensuring that grid development is based on realistic demand projections and cost-efficiency considerations.
AM 6	**Art 17 para (1)**	**Art 17 para (1)**
	The efficiently incurred investment costs, which exclude maintenance costs, related to a project of common interest falling under the energy infrastructure categories set out in points (1)(a), (b), (c), (d), (e), (f) and (h) of Annex II, and projects of common interest falling under the energy infrastructure category set out in point (2) of Annex II, where they fall under the competence of national regulatory authorities in each Member State concerned, shall be borne by the relevant TSO, HNO, other operators or the project promoters of the transmission infrastructure of the Member States to which the project provides a net positive impact, and, to the extent not covered by congestion rents or other charges, be paid for by network users through tariffs for network access in that or those Member States.	The efficiently incurred investment costs, which exclude maintenance costs, related to a project of common interest falling under the energy infrastructure categories set out in points (1)(a), (b), (c), (d), (e), (f) and (h) of Annex II, and projects of common interest falling under the energy infrastructure category set out in point (2) of Annex II, where they fall under the competence of national regulatory authorities in each Member State concerned, shall be borne by the relevant TSO, HNO, other operators or the project promoters of the transmission infrastructure of the Member States to which the project provides a net positive impact, and, to the extent not covered by congestion rents or other charges, be paid for by network users through tariffs for network access in that or those Member States. When allocating costs to be recovered through network tariffs, national regulatory authorities shall apply targeted reductions to grid charges paid by energy-intensive consumers exposed to international competition, to help control their overall industrial electricity costs, preserve their competitiveness and

		reflect the systemic benefits they bring to the grid as well as their efficient use of network infrastructure.
AM 7	**Art 17 para (3)**	**Art 17 para (3)**
	For a project of common interest to which paragraph 1 applies, the project promoters shall keep all relevant national regulatory authorities regularly informed, at least once per year from inclusion of the project on the Union list, and until the project is commissioned, of the progress of that project and the identification of costs and the impact associated with it.	For a project of common interest to which paragraph 1 applies, the project promoters shall keep all relevant national regulatory authorities regularly informed, at least once per year from inclusion of the project on the Union list, and until the project is commissioned, of the progress of that project and the identification of costs and the impact associated with it, notably on industrial competitiveness and overall network cost development.
AM 8	**Art 17 para (5)**	**Art 17 para (5)**
	The relevant national regulatory authorities shall include the relevant efficiently incurred investment costs in tariffs, as defined in the recommendation referred to in paragraph 14, in accordance with the allocation of investment costs to be borne by each system operator for the project. For projects in the territories of their respective Member State, the relevant national regulatory authorities shall thereafter assess, where appropriate, whether any affordability issues might arise due to the inclusion of the investment costs in tariffs.	The relevant national regulatory authorities shall include the relevant efficiently incurred investment costs in tariffs, including risks of significant cost increases for existing industrial consumers, as defined in the recommendation referred to in paragraph 14, in accordance with the allocation of investment costs to be borne by each system operator for the project. For projects in the territories of their respective Member State, the relevant national regulatory authorities shall thereafter assess, where appropriate, whether any affordability and competitiveness issues might arise due to the inclusion of the investment costs in tariffs, and consider applying targeted reductions to grid charges paid by energy-intensive consumers

		exposed to international competition, to help control their overall industrial electricity costs, preserve their competitiveness and reflect the systemic benefits they bring to the grid.
AM 9	**Art 19**	**Art 19**
	Ring-fenced congestion income for projects on the Union list	***deleted***
AM 10	**Art 24 para (1)**	**Art 24 para (1)**
	By 30 June 2032, the Commission shall publish a report on the implementation of projects on the Union list and submit it to the European Parliament and the Council. That report shall provide an evaluation of: [...]	By 30 June 2032, the Commission shall publish a report on the implementation of projects on the Union list and submit it to the European Parliament and the Council. That report shall provide an evaluation of: [...] (j) the effectiveness of this Regulation in contributing to the global cost-competitiveness of energy intensive industries through the reduction of infrastructure-related components of the delivered energy price, and the avoidance of a significant increase in network tariffs, as well as ensuring cost-efficient grid development.

2. Introduce a cap on network tariffs for energy-intensive industries

We call for the introduction of **a cap on network tariffs for energy-intensive industries**, mirroring the regulation for power producers in Regulation 838/2010 annex part B. If the Union already recognizes that wide variations in grid charges for producers undermine and fragment the internal market, the same logic must apply to energy-intensive consumers. Implementing a cap would provide energy-intensive industries with the visibility and certainty required for their investments, while preventing uneven network tariff increases across Member States from distorting the internal market's level playing field.

For this reason, **average charges for access to the network in Member States should be kept within a range of 0 to 1,2 EUR/MWh**.

This cap can be implemented without compromising the financial integrity of grid operators, as illustrated by the Norwegian case. In Norway, with the industrial consumption held constant at 2025 levels, a cap of €1.2/MWh would result in transmission costs covered by industry of €48 million, only a 3.4% decrease from the €49.7 million recorded in 2025.

- **Draft amendments on Regulation on guidelines for trans-European energy infrastructure (TEN-E)**

Amendment number	EC proposal	Amendment
AM 11	**Article 29 – Amendments to Regulation (EU) 2019/943**	**Article 29 – Amendments to Regulation (EU) 2019/943**
		Regulation (EU) 2019/943 is amended as follows:
		New Recital 26a
	/	Variations in charges faced by energy-intensive consumers exposed to international competition for access to the network should not undermine the internal market. For this reason, average charges for access to the network in Member States should be kept within a range which helps to ensure that the benefits of harmonisation are realised. The methodology for laying down these rules shall be prepared with the consultation of energy-intensive consumers exposed to international competition, defined as industrial installations belonging to sectors or sub-sectors deemed to be at significant risk of carbon leakage as set out in Article 10b of Directive 2003/87/EC, and shall take into account their exposure to international competition and the need to restore the level-playing field for European industry.
	/	In Article 18, a new paragraph 11 is added: (11) Charges applied by network operators for access to the network for energy-intensive consumers, defined as industrial installations belonging to sectors or sub-sectors deemed to be at significant risk of carbon leakage as set out in

		Article 10b of Directive 2003/87/EC, shall be within a range of 0 to 1,2 EUR/MWh. This range should encompass charges paid by energy-intensive consumers exposed to international competition related to ancillary services but exclude specific system loss charges paid by those same consumers. Within one year from the publication of this regulation, the Commission shall be empowered to adopt an implementing act establishing the methodology for the calculation of these annual average charges, based on the same principles laid down by the Commission Regulation (EU) 838/2010 Annex Part B.

3. Leverage and expand public financing for grids modernisation and expansion

Given the massive grid investments required, EU-level and national public financing and guarantees must be leveraged and expanded. This is necessary to alleviate the resulting cost burden on network tariffs, particularly for consumers exposed to international competition and carbon leakage.

- **Draft amendments on Regulation on guidelines for trans-European energy infrastructure (TEN-E)**

Amendment number	EC proposal	Amendment
AM 12		**New Recital 72a**
	/	The successful implementation of the Clean Industrial Deal requires that the development of cross-border energy infrastructure does not result in a prohibitive increase in network tariffs for energy-intensive industries. In cases where projects of common interest and projects of mutual interest provide significant socioeconomic benefits but create a financing gap that cannot be paid by tariff-payers without risking carbon leakage or undermining the global cost-competitiveness of strategic industrial value chains, the

		Union should provide financial assistance in the form of grants for works, thereby limiting the need to recover such costs through network tariffs.
AM 13	**Art 21 para (2)**	**Art 21 para (2)**
	(a) the project specific cost-benefit analysis drawn up pursuant to Article 17(4), point (a), provides evidence concerning the existence of significant positive externalities, such as enabling security of supply, system flexibility, solidarity or innovation;	(a) the project specific cost-benefit analysis drawn up pursuant to Article 17(4), point (a), provides evidence concerning the existence of significant positive externalities, such as facilitating the global cost-competitiveness of energy intensive industries through the reduction of infrastructure-related components of the delivered energy price, ensuring cost-efficient electrification pathways, security of supply, system flexibility, solidarity or innovation;
AM 14	**Art 21 para (2)**	**Art 21 para (2)**
	(c) the project cannot be financed by the market or through the regulatory framework in accordance with the business plan and other assessments, in particular those carried out by potential investors, creditors or the national regulatory authority, taking into account any decision on incentives and reasons referred to in Article 20(2) when assessing the project's need for Union financial assistance.	(c) the project cannot be financed by the market or through the regulatory framework in accordance with the business plan and other assessments, in particular those carried out by potential investors, creditors or the national regulatory authority, especially where such financing through network tariffs would result in energy costs that undermine the global competitiveness of energy-intensive industries, , or lead to inefficient cost allocation across consumer groups, and taking into account any decision on incentives and reasons referred to in Article 20(2) when assessing the project's need for Union financial assistance.

4. Avoid penalising baseload consumers when incentivising flexibility through network tariffs

Policymakers must ensure that baseload industries are not unduly penalized with higher peak charges, as their flexibility is often limited by technical and commercial constraints. It is important to remember that baseload users provide stability to the system and have a noticeably higher utilisation rate of grid assets than other consumer groups.

Industrial consumers who can offer voluntary flexibility to the grid must be incentivised, for instance through reduced grid tariffs, at a level equivalent to the incentives given to other assets, such as storage, that provide similar benefits. However, it should never come at the cost of penalising baseload consumption.

- **Draft amendment on Regulation on guidelines for trans-European energy infrastructure (TEN-E)**

Amendment number	Draft proposal	Amendment
AM 15	**Art 29 para (1)**	**Art 29 para (1)**
	The Union-wide network development plan shall, in particular: […] (b) consider with priority alternatives to network expansion, such as non-wire solutions pursuant to Regulation (EU) …/… [the TEN-E Regulation as proposed by COM(2025)xxxx] or non-fossil flexibility	The Union-wide network development plan shall, in particular: […] (b) consider with priority alternatives to network expansion, such as non-wire solutions pursuant to Regulation (EU) …/… [the TEN-E Regulation as proposed by COM(2025)xxxx] or voluntary non-fossil flexibility, where technically and economically possible, and without penalising consumers with limited flexibility potential through higher network charges, while ensuring that grid development supports investment growth and increased consumption in strategic industrial areas.

➢ **Draft amendment on Directive on acceleration of permit-granting procedures**

Amendment number	Draft proposal	Amendment
	Art 40a para (2)	**Art 40a para (2)**
AM 16	The ten-year network development plan shall in particular: (b) consider with priority use of non-fossil flexibility resources pursuant to Regulation (EU) 2019/943, non-wire solutions pursuant to Regulation (EU) [TEN-E Regulation as proposed by COM(2025)xxxx], and other alternatives to system expansion;	The ten-year network development plan shall in particular: (b) consider with priority use of voluntary non-fossil flexibility resources, where technically and economically possible and without penalising consumers with limited flexibility potential through higher network charges, while ensuring that grid development supports investment growth and increased consumption in strategic industrial areas, pursuant to Regulation (EU) 2019/943, non-wire solutions pursuant to Regulation (EU) [TEN-E Regulation as proposed by COM(2025)xxxx], and other alternatives to system expansion;

5. Ensure that electro-intensive industries are involved in the infrastructure planning processes

Energy-intensive industries, given their critical role in the transition, must be formally involved in the infrastructure planning processes at both EU and national level. Their participation is key to boosting the quality and acceptance of long-term network development plans.

While we fully recognise that grid operators must plan ahead, forward planning should be based on realistic and credible demand assumptions, as large-scale grid investments based on 'optimistic' demand scenarios risk creating oversized infrastructure, with costs ultimately passed on to industry through higher network tariffs.

➢ **Draft amendments on Regulation on guidelines for trans-European energy infrastructure (TEN-E)**

Amendment number	EC proposal	Amendment
AM 17	**Art 11 para (8)**	**Art 11 para (8)**
	The Commission, taking into account the views of the Agency, the Member States, national regulatory authorities, and relevant stakeholders, may develop sensitivity analyses to the central scenario if this is necessary based on market or policy developments. The Commission may amend the delegated act referred to in paragraph 6 of this Article in order to include any such sensitivity analyses.	The Commission, taking into account the views of the Agency, the Member States, national regulatory authorities, and relevant stakeholders, notably key system users such as energy-intensive consumers, may develop sensitivity analyses to the central scenario if this is necessary based on market or policy developments. The Commission may amend the delegated act referred to in paragraph 6 of this Article in order to include any such sensitivity analyses.
AM 18	**Art 12 para (11)**	**Art 12 para (11)**
	By [9 months after entry into force of this Regulation] the Agency, after having conducted an extensive consultation involving the Commission, the Member States the ENTSO for Electricity, the ENTSO for Gas, the ENNOH, the EU DSO Entity and other relevant stakeholders, shall publish a binding methodology for the identification of infrastructure needs.	By [9 months after entry into force of this Regulation] the Agency, after having conducted an extensive consultation involving the Commission, the Member States the ENTSO for Electricity, the ENTSO for Gas, the ENNOH, the EU DSO Entity and other relevant stakeholders, notably key system users such as energy-intensive consumers, shall publish a binding methodology for the identification of infrastructure needs.
AM 19	**Art 13 para (2)**	**Art 13 para (2)**
	The Commission, in cooperation with the ENTSO for Electricity, the Member States and the Agency, shall invite system operators in the relevant Groups to propose, within six	The Commission, in cooperation with the ENTSO for Electricity, the Member States and the Agency, shall invite system operators in the relevant Groups to propose, within six months of the

	months of the invitation, projects capable of addressing the unmatched needs. The Commission shall submit the proposed projects to the relevant Groups established in accordance with Article 3 for discussion. The Commission may involve other relevant stakeholders and other regional cooperation fora.	invitation, projects capable of addressing the unmatched needs. The Commission shall submit the proposed projects to the relevant Groups established in accordance with Article 3 for discussion. The Commission may involve other relevant stakeholders, notably key system users such as energy-intensive consumers, and other regional cooperation fora.
AM 20	**Art 14 para (3)**	**Art 14 para (3)**
	The ENTSO for Electricity and the ENNOH shall develop and publish preliminary draft methodologies for the purpose of consulting the EU DSO Entity, and other relevant stakeholders. The consultation process shall be open, timely and transparent. The ENTSO for Electricity and the ENNOH shall prepare and make public a report on the consultation process.	The ENTSO for Electricity and the ENNOH shall develop and publish preliminary draft methodologies for the purpose of consulting the EU DSO Entity, and other relevant stakeholders, notably key system users such as energy-intensive consumers. The consultation process shall be open, timely and transparent. The ENTSO for Electricity and the ENNOH shall prepare and make public a report on the consultation process.

- **Draft amendments on Directive on acceleration of permit-granting procedures**

Amendment number	Draft proposal	Amendment
AM 21	**Art 40a para (2)**	**Art 40a para (2)**
	The ten-year network development plan shall in particular: (a) indicate to market participants the main transmission infrastructure that needs to be built or upgraded over the next ten years and next fifteen years, considering the potential of anticipatory	The ten-year network development plan shall in particular: (a) indicate to market participants the main transmission infrastructure that needs to be built or upgraded over the next ten years and next fifteen years, based on demonstrated system needs, credible demand projections and realistic connection timelines,

	investments to accommodate future system needs;	ensuring that current network users are not required to pre-finance infrastructure that is not yet operational or utilised. ~~considering the potential of anticipatory investments to accommodate future system needs~~.
AM 22	**Art 40a para (5)**	**Art 40a para (5)**
	The regulatory authority shall consult all actual or potential system users on the ten-year network development plan in an open and transparent manner. Persons or undertakings claiming to be potential system users may be required to substantiate such claims. The regulatory authority shall publish the result of the consultation process, in particular possible needs for investments.	The regulatory authority shall consult all actual or potential system users, notably energy-intensive consumers, on the ten-year network development plan in an open and transparent manner. Persons or undertakings claiming to be potential system users may be required to substantiate such claims. The regulatory authority shall publish the result of the consultation process, in particular possible needs for investments.