



ROYAL NORWEGIAN MINISTRY
OF ENERGY

The Minister

Your ref

Our ref

Date

25/3258-

12 March 2026

Dear Commissioner Jørgensen

The Grids Package

A well-functioning electricity market, such as the Nordic electricity market, is crucial in facilitating efficient use of our resources and ensuring security of supply. It is essential that we maintain and further develop a well-functioning, integrated electricity market based on the principle of effective use of our resources, to the benefit of all. To enable a successful green transition and avoid backlash, our energy system and market design needs legitimacy and public acceptance. I am concerned that some of the measures in the Commission proposal on the Grids package are taking us in the wrong direction.

I support taking measures for a secure and efficient energy system, and to increase European competitiveness. Sufficient grid capacity, including interconnections, is important to ensure security of supply and flexibility in the energy system. In this regard, measures reducing administrative burden and increasing efficiency of permitting procedures are key. Equally important are measures to ensure that existing energy production and infrastructure, is used in the most efficient manner.

There is a lot of potential for streamlining and speeding up permitting procedures on local and national levels. The Norwegian government is continuously working on ensuring the most efficient use of our electricity grids and have put forward a range of measures to increase grid investments and streamlining permitting procedures while ensuring public acceptance and local involvement. In my view, several of the proposed measures in the Grids package regulate issues that are best left to the discretion of each State.

Allow me to highlight some of the proposed legislative measures which I believe should be adapted or removed completely:

- **Ring-fencing congestion revenue**

I see no need to amend the regulation on use of congestion revenues. The existing electricity market regulation already provides rules for use of congestion income in Member States. Consumers need to benefit from interconnected markets, not only bear the costs. This is important for public acceptance. Furthermore, ring-fencing congestion revenues from trade between internal bidding zones would create a disincentive to establish efficient bidding zones. Efficient bidding zones reduce costs and provide important investment signals for energy suppliers and consumers. Especially in a weather-based power market, the costs of balancing the system are lowered, and production is utilised in the most efficient manner.

- **Centralisation of infrastructure planning**

The responsibility for grid development and system operation should remain with TSOs, as operational experience is central to assessing which measures are socio-economically rational and necessary. I stress the need to retain flexibility in planning, to account for sensitivities and local features in different member states, and that a central EU scenario cannot be the sole basis for development plans and investment decisions.

- **Tacit approval of projects**

I acknowledge the need for more efficient permitting procedures. There is substantial room for improvement of existing processes. However, tacit approval systems may incentivise rushed or strategically incomplete applications, or conversely push authorities toward defensive refusals, neither of which improves outcomes. The final decision to approve energy projects lies with each State. States should therefore have sufficient flexibility to adjust its procedures according to national situations and sensitivities.

Please find attached a more elaborated Norwegian views on the proposed legal acts in the Grids package.

Yours sincerely



Terje Aasland

Annex

Norwegian views on the proposed legal acts in the Grids package

Mandatory use of congestion revenue for projects of common/mutual interest

We are concerned with the Commission's proposal to ring-fence congestion income for projects on the Union list. We see no need to amend the regulation on use of congestion revenues. We propose that TEN-E, article 19 is deleted.

The existing electricity market regulation already provides rules for use of congestion income in Member States. The regulation ensures flexibility to TSOs and regulators to finance and manage their infrastructure portfolios based on holistic assessments. This principle should prevail going forward.

Consumers need to benefit from interconnected markets, not only bear the costs. Use of congestion income to reduce tariffs is an important measure for distributing costs and benefits. Ring-fencing of congestion revenues might not only provide a financial disincentive for more efficient use of the grid, it may also decrease acceptance of measures to increase grid efficiency at a national level.

The proposed measure to use 25% of congestion income for joint projects will disproportionately affect States who have already made significant efforts in utilising their domestic grids through bidding zones. Norway, as one of very few countries, use bidding zones as an efficient way to handle internal grid constraints.

If congestion revenues from trade between internal bidding zones are ring-fenced, it would create a disincentive to establish efficient bidding zones. Efficient bidding zones reduce costs and provide important investment signals both for energy suppliers and consumers. Especially in a weather-based power market, the costs of balancing the system are lowered, and production is utilised in the most efficient manner.

Permitting – timelines and tacit approvals

We acknowledge the need for more efficient permitting procedures. There is substantial room for improvement of these processes. The Norwegian government has put forward both legislative and non-legislative measures to enable more efficient processes.

The final decision to approve energy projects lies with each State. The States should therefore have sufficient flexibility to adjust their procedures according to national situations and sensitivities.

Developing energy production and infrastructure projects usually involves real, complex and sometimes difficult trade-offs between conflicting interests that we cannot legislate our way out of. These assessments must be made with high scrutiny and quality, for every project. Measures to streamline permitting should not compromise assessments of environmental impacts, consultations and securing local acceptance.

We oppose the proposed introduction of tacit approval of projects and propose a removal of this wording in the final text. Tacit approvals undermine legal certainty and democratic legitimacy of permitting processes. Tacit approvals undermine the principle of reasoned decision-making and the possibility of appeal.

Tacit approval systems may incentivise rushed or strategically incomplete applications, or conversely push authorities toward defensive refusals, neither of which improves outcomes. Decisions to introduce such tacit approval should be left to the discretion of each State.

We must not create rigid rules for timelines or tacit approval, which may lead to undesirable outcomes. We should simplify, not create new administrative burdens, on neither business nor authorities.

Central scenario – EU coordination

The responsibility for grid development and system operation should remain with TSOs, as operational experience is vital to assessing which measures are socio-economically rational and necessary. The proposal for stronger linkage between EU-level scenarios and national grid development planning - via proposed amendments to the Electricity Market Directive, including a new Article 40a - could unduly constrain national planning. National plans must be able to be supplemented with TSOs' own scenarios and sensitivities (including those reflecting Norway's hydropower-based system).

We are concerned with the shift from bottom-up planning of infrastructure to top-down EU-level coordination, including definition of needs and priority projects. This central scenario will act as basis for regional analysis. We stress the need to retain flexibility in planning to account for sensitivities and local features in different States, and that a central EU scenario cannot be the sole basis for development plan and investment decisions.

The proposed changes shift the process to a more centralised approach reducing national and local influence. This concern has also been flagged by several stakeholders in our national consultation, including from our TSO.

We do not see the added value of providing the Commission authority to initiate project processes. We do not see that this provides an additional value to the already established process, since the decision will remain at the member state level.