

# CEDEC Annual Report 2023

President's statement



Highlights 2023



Who we are



Key topics 2023



# PRESIDENT'S STATEMENT

Dear members,

It is with a measured optimism that I look back on the events of the past year. As we entered 2023, Europe left behind what was hopefully the worst of the unprecedented energy crisis that began last February with Russia's invasion of Ukraine. The capacity of CEDEC members to weather these trying times and continue to provide essential services to their customers has been a testament to their exceptional resilience.

Although the time for emergency measures appeared over, this year was not without its challenges. Policy makers now turned their full attention to finalising negotiations on the many initiatives at EU level intended to reform the energy system and guard against future crises, including the Fit-for-55 package, Gas Package or REPowerEU. CEDEC therefore continued to work intensively to keep members informed of each development in this process, coordinate action, and ensure that the necessarily high level of ambition in these numerous reforms adequately consider the diversity of local realities.

With agreements now concluded on these numerous files, I can confidently say that this objective has been achieved. To name just a few hard-won victories, we can for example celebrate the acknowledgment of the key role that distribution grids will play in the transition to renewable and low-carbon gases, or their importance for decarbonising our building stock. The most problematic elements in the original proposals concerning methane emissions and f-gases have now also been addressed, ensuring that DSOs can contribute to decarbonising infrastructures without being subjected to overly burdensome and unrealistic obligations.

Major new initiatives were also added to the exceptionally high number of relevant files for CEDEC members already on the table. The thunder of political concern for the extreme electricity prices last year indeed gave birth to a lightning reform of the electricity markets, concluded in just 9 months. A long-awaited reform of the Broadband Cost Reduction Directive – rebranded as the Gigabit Infrastructure Act – was also proposed in February. Despite tight deadlines, CEDEC once again demonstrated its effectiveness at identifying key issues for its members and making them part of the conversation, as our priorities are well reflected in the final agreements.

As the dust now begins to settle on the frenzy of activity that has marked this legislative cycle, local energy companies can start to see the road ahead more clearly. Although the political agreements concluded this year must still be formally adopted and enter into force, we must already start to consider how these many new requirements can be translated into practical realities at the local level. This will be a considerable challenge, but I have full confidence in the capacity of local energy companies – through their unique adaptability, knowledge of local resources, and integrated vision of the energy system – to rise to the task.

In closing, I would like to express my heartfelt gratitude to all our members and the dedicated team at CEDEC for another year of highly productive collaboration. Your hard work and commitment have been the driving force behind these achievements and continue to shape Europe's energy landscape towards a more local, sustainable and affordable future.



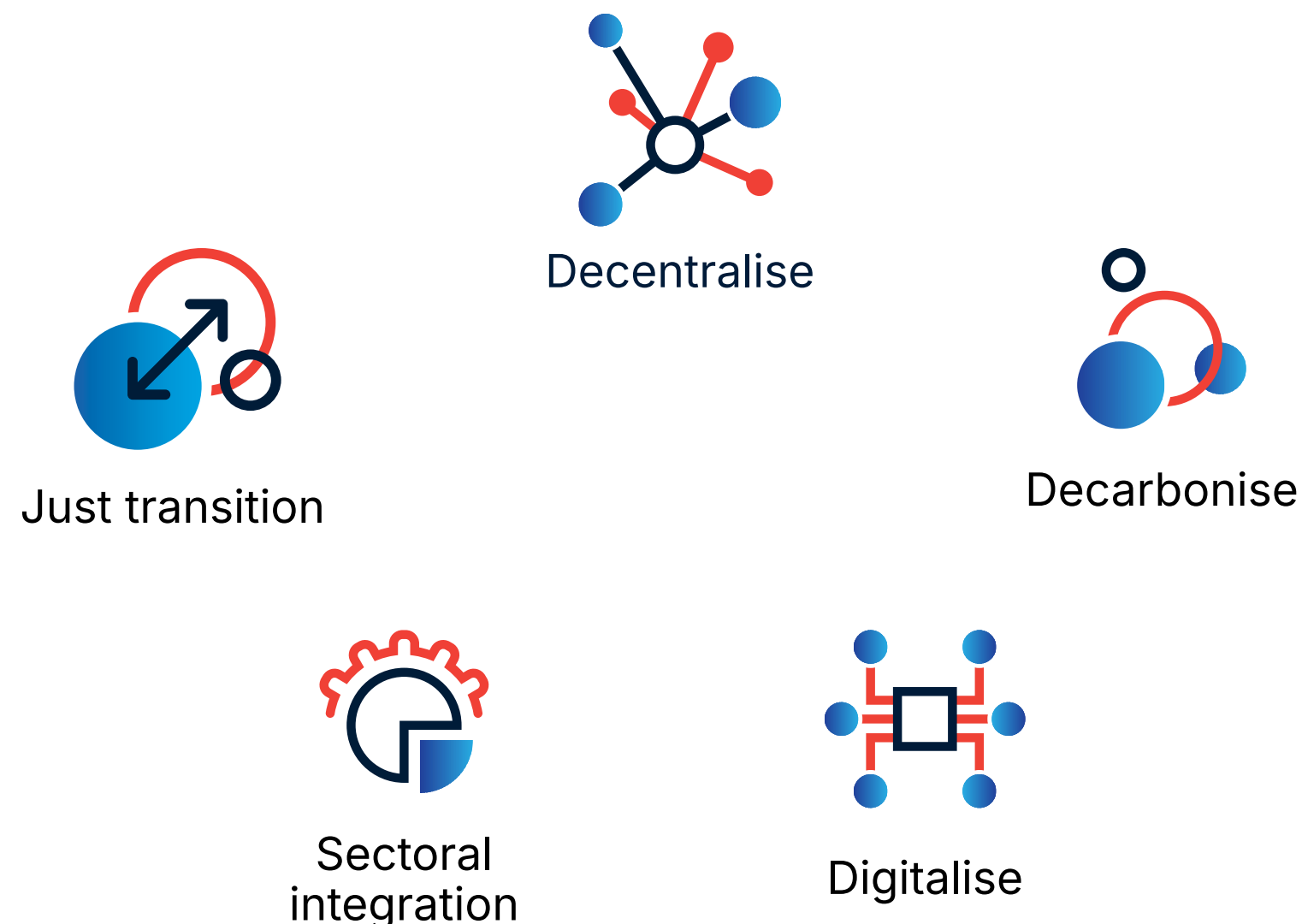
Florian Bieberbach

# WHO WE ARE

## OUR MISSION

- ⑨ Representing at EU level the targeted interests of local and regional energy and broadband companies
- ⑨ Delivering highest-standard and timely information services by monitoring, analysing and communicating relevant legislative initiatives
- ⑨ Promoting the exchange of know-how and experience between its members and with European and international organisations

## CEDEC PRIORITIES



“In the process of rapidly adapting Europe’s energy future, there is no time to waste: we share our integrated vision based on the local societal realities”

**2000**  
COMPANIES

Contributing to a sustainable future with 2000 local energy and broadband companies

**100M**  
CUSTOMERS

Linking 100 million European electricity, gas, district heating and broadband customers

**350K**  
JOBS

Representing local energy and broadband companies means representing 350.000 jobs all across Europe

# STRUCTURE & ORGANISATION

Board of Directors

DISCOVER ALL MEMBERS

WORKING GROUPS

# HIGHLIGHTS 2023

## January

- ▶ In cooperation with a broad coalition of EU industry associations, CEDEC publishes a joint position paper calling for full recognition of the role of grids in the definition of 'zero-emission buildings' in the Energy Performance of Buildings Directive (EPBD)

## February

- ▶ Commission publishes a proposal on measures to reduce the cost of deploying gigabit electronic communication networks (Gigabit Infrastructure Act - GIA)
- ▶ CEDEC publishes a report on best practices for energy consumer protection implemented by member companies; this results from CEDEC's commitment to the EU Joint Declaration on Common Principles for Enhanced Consumer Protection signed in December 2022

## March

- ▶ Commission publishes a proposal for reviewing the Electricity Directive and the Electricity Regulation in the framework of the Electricity Market Design reform

## June

- ▶ CEDEC presents its views on the GIA during a hearing in the European Parliament organised by shadow rapporteur Beatrice Covassi (S&D, Italy)

- ▶ CEDEC presents to the European Electricity Regulatory 'Florence Forum' a joint intervention on DSOs as the enablers of energy sharing

- ▶ CEDEC contributes to the European Energy Infrastructure 'Copenhagen Forum' with a joint intervention on DSO infrastructure planning for renewable and low-carbon gases

- ▶ CEDEC holds its annual General Assembly meeting in Stockholm (Sweden), kindly hosted by its member associations Elinorr, Lokalkraft Sweden and Stadsnätöföreningen

## May

- ▶ CEDEC contributes to the European Gas Regulatory 'Madrid Forum' with a joint intervention on challenges for gas network operators in view of the decarbonisation agenda

- ▶ CEDEC finalises its amendment strategy on the Electricity Market Design reform

# November

▶ CEDEC holds another successful edition of its Annual Congress in Brussels under the theme "Never waste an unprecedented energy crisis – boost local energy opportunities"

▶ Commission publishes an EU Action Plan for Grids, recognising the important role for distribution system operators (DSOs) for the achievement of the energy transition

# December

▶ Finalisation of trilogue negotiations among the 3 EU institutions on many CEDEC priority files (Gas Package, Electricity market reform, Artificial Intelligence Act) - just in time for the last formal steps to be taken before the European elections in June 2024

# September

▶ CEDEC welcomes new Board members from VKU (DE) and Synergrid (BE) during its Board of Directors meeting in Brussels

# October

▶ In coordination with a broad coalition of EU energy associations, CEDEC publishes a joint statement on the F-gas Regulation revision ahead of the final trilogue negotiations

▶ CEDEC organizes the webinar 'Can you dig it?' showcasing best practices from member companies on coordinated development and operation of underground public service infrastructures (energy, water, telecom)

▶ CEDEC signs the renewal of the EU's Joint Declaration on Common Principles for Enhanced Consumer Protection

# KEY TOPICS 2023



## Fit for 55

– Finalising the reviewed energy and climate package



## Electricity Market Design

– Reform in the fast lane



## Gas & Hydrogen Package

– Ready to integrate renewable and decarbonised gases



## Landmark Data and AI Acts

– Uploading the energy transition

## Gigabit Infrastructure

– Broadband Cost Reduction Directive 2.0

# Fit for 55

## – Finalising the reviewed energy and climate package

The Fit for 55 package, proposed by the Commission in 2021, contains a wide set of legislative proposals aimed at achieving the goal of 55% reduction of greenhouse gases by 2030. To this end, the package introduced major changes of most EU energy and climate rules, including on renewable energy, energy efficiency and emissions trading, as well as on buildings and alternative energy infrastructure for transport. In the autumn of 2022, negotiations had progressed to the trilogue phase – with the start of direct negotiations between Parliament, Council and Commission – for most of these files. The year 2023 has seen the culmination of these multiple long and complex negotiation processes, as agreements have been found on all of these issues despite sometimes distant starting positions.

CEDEC's intensive efforts in bringing the voice of its members to EU policymakers throughout this process have paid off, as many of its key priorities are reflected in the final texts.

**Energy Efficiency Directive:** one of the main issues for CEDEC members in this file concerns the exemplary role required of the public sector in reducing energy consumption. In this

regard, the agreed text maintains the possibility to adjust the obligations for the public sector only (and not for the private sector) where insufficient progress has been made towards meeting the national energy efficiency contributions. This potentially places an additional burden on public sector entities – including companies controlled by public authorities – who must already meet a higher yearly reduction target for final energy consumption of 1,9%, as well as a higher yearly building renovation rate equal to 3% of public building floor space. On the positive side, several flexibilities were also introduced to make these objectives more manageable, for example allowing for certain buildings to be excluded from the renovation target based on technical or economical feasibility. A technical feasibility exemption was also added to the requirement to only purchase highly energy efficient products or services for public procurement. Another major point concerns the definition of 'efficient district and heating cooling systems', where CEDEC successfully advocated for renewable energy and waste heat to be treated as equivalent, while ensuring that high-efficiency cogeneration continues to be taken into account until 2045.

**Renewable Energy Directive:** positive compromises were found by negotiators in this file on most CEDEC priority issues. The requirement for DSOs to provide information on the share of renewable electricity to consumers and market participants were clarified, specifying that it only applied where such information was in fact available to the DSO. The final text also abandons the unreasonable obligation for DHC operators to purchase heat and cold from any 3rd party supplier, in favour of a simple encouragement to do so, where technically and economically feasible. The principle of 'additionality' – i.e. the notion that hydrogen should only be considered renewable if produced from new renewable electricity capacity, avoiding its diversion from current generation – has been retained, but more flexible criteria demanded by the Parliament have been reflected in new delegated acts.

**Alternative Fuels Infrastructure Regulation:** in this key transport file, the main priority for CEDEC has been to avoid unnecessary retrofitting requirements for public recharging points. This has mostly been achieved, as only new charging points will have to comply with requirements on payment methods or will need to have smart charging capabilities. Retrofitting of existing

charging points will be limited to digital connectedness requirements, as well as payment method requirements for recharging points with a power output above 50kW along the TEN-T network (i.e. major cross-border or regional roads).

**Energy Performance in Buildings Directive:** CEDEC's top priority here has been the definition of 'zero-emission buildings' (ZEBs), which in the EC's original proposal required residual energy demand to be met only through on-site or nearby renewables generation, with only exceptional use of renewable energy from any grid (electricity, heat or gas) – entirely unrealistic especially in urban areas and in winter with lower renewable electricity production and higher energy demand. The Parliament's negotiating position would have further restricted the supply of renewable energy by additionally requiring that any renewable energy supplied via the grid be documented with power purchase agreements (PPAs). Thankfully, the Council's broader approach to the accepted energy sources for ZEBs – along with the concerted advocacy efforts of CEDEC as part of a cross-sectoral industrial coalition – ultimately resulted in a definition giving proper recognition to the role of renewable energy from distribution grids – electricity, heat or gas.

**Emissions Trading System:** the revised emissions trading rules, already agreed in December 2022, came into force in June 2023, starting the timer for Member States to adopt the necessary laws and regulations. Of particular interest to CEDEC members are the requirements of the new 'ETS 2' for buildings and transport – for which fuel suppliers will be required to purchase and submit emissions permits. ETS 2 will

have to be transposed by 30 June 2024, in view of the application of the monitoring, reporting, verification and accreditation rules as of 1 January 2025. Important work on the delegated acts specifying the precise requirements was started in June, with input from CEDEC member experts.

**F-Gas Regulation:** the key issue for CEDEC members in this highly technical but nonetheless crucial file concerns the requirements for phasing out the highly potent greenhouse gas SF6 used in electrical switchgear. CEDEC's focus has been to ensure that effectively achieving this important goal does not inadvertently hamper the energy transition by disproportionately restricting the supply of potential SF6 alternatives that will be needed to speed up the extension of the capacity of electricity grids. The final deal strikes a good balance between these two goals. Strict phase out requirements for f-gases are introduced for medium voltage and high voltage switchgear with an ambitious timeline. However, servicing, maintenance and repair of existing switchgear using f-gases is ensured, and several flexibilities are introduced to guard against supplier monopolies, ensure supply for niche applications, and prevent ongoing procurement procedures from becoming obsolete.

With the new energy and climate framework now in place, the probably even more challenging tasks of implementation and bringing political intentions to reality will now begin. CEDEC will continue to support its members through this process by keeping them informed on relevant implementation deadlines and important delegated and implementing legislation.



# Gas & Hydrogen Package

## – Ready to integrate renewable and decarbonised gases

The intensive cooperation between CEDEC and its members resulted in a clear victory for the future of molecules in distribution networks. At the beginning of this year, the outcome was far from certain. In February, the Parliament adopted its final position on the **Hydrogen and Decarbonised Gas Package**. The Parliament's amendments addressed many of the shortcomings of the Commission's initial position, by introducing a clear distinction between hydrogen distribution and transmission and by changes to their respective unbundling rules, as well as CEDEC's proposal on local grid infrastructure planning – giving a central role to electricity, gas and district heating DSOs. However, a lack of interest in DSO issues remained evident in the position adopted a month later by the Council, which addressed none of the problematic issues. The file therefore progressed to the trilogue stage in June with two out of three institutions (Commission and Council) unfavourable to hydrogen at distribution level, usually indicating poor chances of inclusion in the final agreement.

Negotiations however took an unexpected turn as Spain assumed the Presidency of the Council in July, coming forward with constructive proposals already in the first week of its mandate. From this point, the proposals were fine-tuned in subsequent trilogues with the help of sustained advocacy from CEDEC and its members, resulting in

final agreements by the end of the year that reflect all CEDEC's key priorities. In the end, the agreement on the **Gas Directive** consecrates the split between transmission and distribution networks for hydrogen, with definitions provided for each. The rules on vertical unbundling for gas DSOs will be extended to hydrogen DSOs, including the so-called de minimis derogation for smaller DSOs. Integrated companies with fewer than 100.000 gas and hydrogen customers combined will therefore have the possibility to be exempt from the vertical legal and operational unbundling rules. The requirement for horizontal legal unbundling between hydrogen and gas activities has also been removed. Lastly, although separate provisions are provided for natural gas and hydrogen network planning this is compensated for by requirements for close cooperation between operators of networks for natural gas, hydrogen, electricity and district heating and cooling.

Although less crucial, the outcomes for the **Gas Regulation** are also largely positive. The agreement for example features tariff discounts at access points for renewable gases to promote their development, and workable requirements on financial transfers between gas and hydrogen networks. Hydrogen DSOs will also be able to join the DSO Entity, reflecting the split between distribution and transmission in the Directive.



In November, negotiations concluded on another crucial file for the future of gas grids: the **Regulation to reduce methane emissions**. Although the Council had already adopted a General Approach at the end of 2022, almost six months passed before the Parliament finalised its own position due to a particularly tumultuous and polarised negotiation process. Trilogues then moved forward at high speed in order to reach an agreement before the UN Climate Conference in November. The final deal very positively includes a risk-based approach for leak detection and repair (LDAR) surveys – advocated for by CEDEC since the beginning of negotiations – according to which minimum survey frequencies are logically set according to the leak potential of the pipe material used. Concerning the monitoring, reporting and verification (MRV) requirements, negotiations resulted in some improvements to the Commission’s unreasonably burdensome initial proposals. For example, ‘quantification’ has replaced direct measurement which is often impossible or unnecessary for distribution assets. However, reporting deadlines remain very strict; and there is still a lack of clarity on certain standards and technical prescriptions which will have to be set by the Commission through a delegated act, hopefully based on a proposal from a European standardisation organisation like CEN.

The political agreements found for all these texts will enter into force in Q2 2024. CEDEC will continue to guide members through this process and help prepare the ground for implementation.



## Towards an integrated DSO Entity for electricity and gas

Since its formal establishment in June 2021, the DSO Entity represents electricity Distribution System Operators at EU level as the institutional counterpart of Entso-e for the development of network codes and guidelines. Soon the scope of its work will be extended, to include gas grid related activities.

The revised Gas Regulation foresees the expansion of the current DSO Entity for electricity to allow for the integration of gas DSOs, in line with CEDEC’s position for the Clean Energy Package in 2016. From the start of the negotiations on the Hydrogen and Gas Decarbonisation

package, CEDEC supported the Commission’s proposal for a single integrated DSO Entity for electricity and gas.

The current DSO Entity statutes will have to be adapted to formally enable the gas DSO integration. The Gas Regulation clearly sets the steps towards this process: the latest by one year after entry into force – meaning the latest by Q2 2025 – the DSO Entity shall submit to the Commission and to ACER (the European Union Agency for the Cooperation of Energy Regulators) draft updated statutes, including other relevant rules (such as on financing) as well as a list of registered members.

Actual work on the gas DSO integration by the DSO Entity is expected to mainly get underway in 2024 and will hopefully be finalised by the end of 2025. Adapted governance rules will have to be agreed on in 2024, within the general framework set by the Electricity Regulation and the revised Gas Regulation.

CEDEC members with gas and hydrogen DSOs have an evident interest in the swift implementation of the extended membership of the DSO Entity. Indeed, given the rapidly changing regulatory framework for gases at EU level, it is necessary for DSOs in this sector to have institutional representation and ensure proper involvement in this process. For CEDEC electricity DSO members currently represented in the Entity, a smooth integration process is equally desirable to ensure the continuation of the Entity's technical work. This is why CEDEC insists on the integration process to progress without unnecessary delays.

To ensure a fair and balanced representation of all participating DSOs, including those solely owning or operating natural gas systems or a hydrogen distribution network, CEDEC has been pro-actively working with other EU-level associations representing gas DSOs to accelerate the process and to realise the integration in an efficient way.

In line with its Observer status, CEDEC will continue to closely follow up the work of the DSO Entity – including on the gas DSO integration – through participation in DSO Entity governing bodies, such as in Board meetings (as Observer), in the General Assembly as well as in the Strategic Advisory Group. CEDEC will also remain at the disposal of its member associations and its member companies for continued coordination to carry on the strong representation of small and medium-sized DSOs in the DSO Entity.



# Electricity Market Design

## – Reform in the fast lane

Towards the end of 2022, when the energy price crisis was at its highest peak, EU Member States called upon the European Commission to provide a structural reform of the EU's electricity market. The Commission followed suit and presented a reform proposal on the Electricity Market Design (EMD) on 14 March 2023. It was preceded by a public consultation with an extremely short consultation period, giving stakeholders less than a month to provide their views. With the immediate support from its members in the ad hoc Working Group Electricity Market Design, CEDEC managed to provide its feedback in time on the ideas outlined by the EU's executive.

The result was a targeted reform – against some expectations of a deep and comprehensive revision – aimed at swiftly providing added value to EU citizens and companies during the ongoing crisis. The objective to maintain both security of supply and affordability for consumers, was an approach also welcomed by CEDEC in its initial recommendations developed in April and its amendments that followed in May 2023. The EMD reform encompasses specific changes to the Electricity Regulation, the Electricity Directive, the ACER Regulation, and the Renewable Energy Directive.

The co-legislators wanted to swiftly agree on the EMD reform, as the time in view of the European elections 2024 was pressing. The Swedish Council Presidency (1st half of 2023) declared the EMD reform one of its priority files. However, due to long persisting differences between several EU countries especially on the issue of two-way CfDs (contracts-for-difference), it was only the Spanish Council Presidency (2nd half of 2023) that was ultimately able to break the deadlock. The general approach was reached in October, and interinstitutional negotiations could immediately start, as the Parliament had green-lighted its position already in September. In December 2023, a mere 9 months after the Commission presented its proposal, the final deal was made.

In the **Electricity Regulation**, the focus is amongst others on the role and use of longer-term contracts in the form of PPAs (power purchase agreements) and two-way CfDs, both to mitigate the volatility of short-term market prices on the customer's electricity bill and to enhance predictability for investors. CEDEC welcomes that the participation in CfDs (or equivalent schemes) will be voluntary, as clarified by the co-legislators. Recognising the need to reinforce electricity grids

based on anticipated potential future needs, the Commission introduces the possibility to include anticipatory investments in grid tariff design. A crucial point for CEDEC members, which will have to make the needed grid developments to be able to effectively accommodate the steep rise of both decentralised energy sources and electricity demand. Flexibility is also at the core of the proposed changes. One novelty is the introduction of a dedicated metering device – renamed to dedicated measurement device during negotiations – to accelerate the use of demand-side flexibility. Positively, the European Parliaments proposal to extend the scope of such devices to energy sharing is not part of the final agreement.

The changes to the **Electricity Directive** centre around new rules for protecting and empowering consumers. An interesting element regarding consumer empowerment is the right for households and SMEs to participate in energy sharing. The proposal by the Commission for a wide geographical scope for energy sharing was narrowed down – as requested by CEDEC – to a more limited area determined by the Member State. To protect consumers and ensure continuity of supply, the Directive introduces several new obligations: establish supplier of last resort systems, shield vulnerable customers from being disconnected and impose specific hedging obligations for suppliers.

CEDEC will now guide its members through the last steps in the legislative journey. It is expected that the formal approval process in the European Parliament and the Council will be concluded by Q2 2024.

# Landmark Data and AI Acts

## – Uploading the energy transition

The legislative cycle 2019-2024 has been one of its kind when it comes to EU digital policy. What had started with an elaboration of initial ideas with the Commission communication 'Shaping Europe's digital future', ended with concrete pioneering legislation. And 2023 has certainly been a decisive year. Among the extensive list of digital legislation two flagship initiatives are of special importance for CEDEC: the Data Act and the Artificial Intelligence Act. Both will significantly impact the digital transformation that also takes place in the energy sector. And local public companies will evidently be part of this transformative journey.

Since the Commission published its proposal for a **Data Act** in early 2022, it took the European Parliament and the Council 18 months to reach a political agreement. Both institutions formalised their positions in March 2023 and trilogues could start immediately. Despite some controversial topics, they managed to strike a deal in three months' time. Trilogues successfully concluded in June 2023 and the text was published in the EU's Official Journal in December 2023.

Due to the extremely high number of proposed legislative files in both the energy and the digital field, CEDEC and its members decided to closely monitor the Data Act, instead of actively

engaging in legislative negotiations. Being broadly positive, the new rules – that will apply 20 months after the expected enter into force in early 2024 – will bring potential for the use of data in the energy sector, with more data being made available for optimising processes or opening up new business models.

CEDEC welcomes that the final text provides for more clarity regarding the different roles of the actors involved and obligations for making data available, compared to the initial proposal. Yet, some elements still have to be specified by the Commission. CEDEC will provide the needed support to members to help grasp the details of this new EU data law, ensuring its smooth implementation. Clarity on the interplay of the (horizontal) Data Act with sectoral legislation – the Electricity Directive and the related implementing acts on data access and interoperability – will be of crucial importance for local public companies. Positively, the Data Act is clear on this point: already adopted legislation including any secondary legislation related thereto will remain unaffected.

Regarding the pioneering **Artificial Intelligence (AI) Act**, CEDEC contributed actively to the legislative process, as it identified shortcomings in the Commission proposal from the start. After

all, the management of critical infrastructure (electricity, heating and gas) falls within the category of high-risk systems. Local energy companies are using AI in a wide variety of operational and business areas.

With the definition of AI systems at the core of CEDEC's lobbying, it was also important to ensure that only systems that are used directly in a high-risk area must meet the strict requirements, in order not to limit innovation in this field. Positively, both co-legislators agreed that the definition of AI systems must be further restricted – compared to the Commission proposal – to provide clear criteria distinguishing AI systems from simpler software systems; only systems presenting a genuine risk should fall within the scope of the AI Act.

From the start this first of its kind law was not without troubles. After a slow start due to the quarrel regarding committee competences in the European Parliament, the rise of ChatGPT has made the already complex task even more difficult. New provisions were added to also regulate general purpose AI in both the Parliament's position (June 2023) and the earlier Council's position (December 2022). After protracted discussions, co-legislators agreed on a final text in December 2023. The formal approval of the text by co-legislators is expected in Q2 2024.

Even more than in the case of the Data Act, the practical implementation of the AI Act will highly depend on secondary legislation (delegated and implementing acts) and further Commission guidelines – amongst others on the definition of AI systems and the list of high-risk and non-high-risk cases.

# Gigabit Infrastructure

## – Broadband Cost Reduction Directive 2.0

CEDEC closely followed the evaluation and review process of the current broadband rules, which started already in 2021. Through a reply to the public consultation as well as dedicated webinars to prepare the revision of the BCRD, CEDEC provided its views on potential future changes, already highlighting the need for dynamic competition for innovative infrastructure and services but as well the existing issues related to economically damaging duplication of network infrastructures.

After a relatively calm year 2022 with no legislative proposals in the field of broadband, 2023 kicked-off in gigabit speed, when the Commission unveiled its proposal for a revision of the Broadband Cost Reduction Directive (BCRD). The so-called **Gigabit Infrastructure Act** (GIA) was finally presented in February.

CEDEC promptly started the work within its Platform Local Broadband to analyse the different elements of the proposal, identify priorities and propose changes in the legislation. The final position, including a set of amendments, was ready in June 2023.

Also here the time was ticking, as the European elections 2024 were approaching and the co-legislators only had maximum one year to agree on the file. The European Parliament advanced very quickly and adopted its position in September 2023, whereas negotiations between Member States in the Council took considerably longer due to the slow pace in the first half of 2023 by the Swedish Council Presidency. Member States were only able to agree on the file in December 2023 during the last Telecom Council of the year. Trilogue negotiations started on the same day and were concluded in February 2024.

Local public companies play an essential role in the deployment of broadband networks. They are the driving forces in broadband expansion, especially in rural areas where other operators do not make sufficient investments due to limited profit expectations. It will be crucial that the new rules provide the necessary framework conditions for local and regional companies to continue investing in electronic communication networks.





Main elements in the initial Commission's proposal concerned the sharing of existing physical infrastructure and the coordination for civil works. As regards infrastructure sharing, it was evident from the start that there was not much appetite from the Commission to integrate one of CEDEC's central points: virtual network access (bitstream access) as an alternative to physical infrastructure access. But together with its members, CEDEC was able to bring this issue to the centre point of attention. In the European Parliament opinions on this issue diverged. Several very positive amendments emerged in the Energy and Industry Committee (ITRE), which positively acknowledged the pivotal role of local public companies in the deployment of broadband networks, and which called for their protection against inefficient network duplication. The rapporteur did not share those views provided by shadow rapporteurs and in the ultimate Parliament's position bitstream access was not included. It were finally the Member States in the Council that brought the issue to the negotiation table, and bitstream access made its way into the final political agreement between Council and Parliament.

Another crucial point for CEDEC was to ensure that the increased transparency obligations do not jeopardise the safe and continued provision of electronic communication and energy provision. Electronic communication networks

and energy grids are critical infrastructures. The Commission already provided important safeguards for their protection in its initial proposal. CEDEC welcomes that both European Parliament and Council tightened the screws by providing even stronger protection for critical infrastructure, which is also reflected in the final agreement.

CEDEC will keep its members informed on the final steps in the legislative process, which is expected to be concluded by Q2 2024. Once the Regulation has been officially published, the law will apply 18 months later.

In the meantime, CEDEC is closely monitoring the developments towards a Digital Networks Act, anticipated to be published by summer 2025. The cornerstones of this future law are further laid out in the White Paper on the future of digital networks and telecom infrastructure. The acting Commission is testing the idea of a true single market for telecoms by considering measures to reassess its current regulatory framework that may be realised under the next Commission taking office as from November 2024. Such measures might also include changes in wholesale access and a roadmap for accelerating the copper switch-off. To ensure that local public companies' voice is heard, CEDEC will engage in the consultation process to provide its views to the Commission.



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 CEDEC - European Federation of Local Energy Companies

This report provides highlights of CEDEC's activities  
for the period 1 January to 31 December 2023.

CEDEC is legally constituted as a non-profit international organisation  
(AISBL) under Belgian law.

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