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BDEW Bundesverband  
der Energie- und  
Wasserwirtschaft e.V.  
(German Association of Energy and  
Water Industries)  
BDEW Representation at the EU

Avenue de Cortenbergh 52  
1000 Brussels  
Belgium

[www.bdeu.de](http://www.bdeu.de)

## Position Paper

# BDEW Position on Draft statutory documents for the EU DSO Entity updated to include gas and hydrogen

BDEW Position to ACER Consultation

Version: final

The German Association of Energy and Water Industries (BDEW), Berlin, represents over 1,900 companies. The range of members stretches from local and communal through regional and up to national and international businesses. It represents around 90 percent of the electricity production, over 60 percent of local and district heating supply, 90 percent of natural gas, over 90 percent of energy grid as well as 80 percent of drinking water extraction as well as around a third of wastewater disposal in Germany.

BDEW is registered in the German lobby register for the representation of interests vis-à-vis the German Bundestag and the Federal Government, as well as in the EU transparency register for the representation of interests vis-à-vis the EU institutions. When representing interests, it follows the recognised Code of Conduct pursuant to the first sentence of Section 5(3), of the German Lobby Register Act, the Code of Conduct attached to the Register of Interest Representatives ([europa.eu](http://europa.eu)) as well as the internal BDEW Compliance Guidelines to ensure its activities are professional and transparent at all times. National register entry: R000888. European register entry: 20457441380-38

## **BDEW Position**

### **Introduction/Background**

From 21 November 2025 until 19 December 2025, ACER consults on the draft updated statutory documents of the EU DSO Entity (see TC\_2025\_G\_07 - Targeted consultation on EU DSO Entity's draft statutory documents updated to include gas and hydrogen | [www.acer.europa.eu](https://www.acer.europa.eu)). The documents comprise, among others, the updated draft statutes, rules of procedure, and code of conduct of the EU DSO Entity.

The documents have been updated by the EU DSO Entity and by representatives of European gas DSOs in order to prepare the integration of gas DSOs and (future) hydrogen DSOs in the EU DSO Entity. This integration is foreseen in Articles 39-41 of the European Regulation on the market for renewable gas, natural gas and hydrogen (Regulation (EU) 2024/1789).

BDEW welcomes the opportunity to comment on the draft updated documents.

### **General BDEW position on the draft updated documents**

Over at least 18 months, delegated members of the existing EU DSO Entity as well as representatives of European gas DSOs and their European associations have been working hard to elaborate the updated statutory documents of the EU DSO Entity. Already the existing EU DSO Entity comprises companies which are very heterogeneous with regard to size, region, structure of the operated grids, and ownership structure.

With gas and future hydrogen DSOs entering the Entity, the group of members will show even more variety. On the one hand, this bears the chance to fill system integrated planning with life by bringing together the matters of all types of European DSOs and find best solutions for technical, operational and market issues. On the other hand, it brings about very challenging internal processes of formation of opinions.

The challenges could be witnessed during the process of shaping the updated structure of the Entity, the composition of bodies within the Entity as well as the rules for decision-making. While respecting the legal framework in the Electricity Regulation (EU) 2019/943 and the Gas and Hydrogen Regulation (EU) 2024/1789, different groups of DSOs had to find solutions for the governance of the Entity which would be best for the entirety of the members without compromising the position of different groups within the entity. As a result, the proposals contain a more complex structure and several safeguards.

In other words: The present documents are the result of a hard-won compromise.

The general outline of this compromise should be supported by ACER and the European Commission. However, BDEW reminds that while a complex structure may be needed in the beginning of an integrated DSO Entity, the compromise-governance is worthwhile to examine whether the decision-making processes can be done more efficient (see below Question 3).

## **Answers to the specific consultation questions**

### **1 What are your views on the proposed amendments to the election and the composition of the Board of the EU DSO entity? Do you have any suggestions for improvement?**

Following the present proposals, the Board will be enlarged from 27 to 33 members. This is meant to allow sufficient expertise from gas/hydrogen DSOs to join without losing too much expertise from the electricity side, while keeping a manageable size and ensuring broad representation across countries and DSO sizes.

BDEW supports the proposed solution for the setup of the new Board. Also, the division of seats between electricity (3x7) and gas/hydrogen (3x4) appears reasonable and well balanced.

The introduction of Councils will enable each sector to work in more detail on topics which address the respective sector only and also to sharpen the sector-specific view on cross-sectoral issues, before coming to an integrated position. Yet, once daily work has been established it shall be examined whether the structures should be simplified (see answers to no. 2 and 3).

### **2 What are your views on the proposed electricity and gas/hydrogen councils of the EU DSO entity and their election, composition, and operation? Do you have any suggestions for improvement?**

BDEW supports the establishment of Electricity and Gas/Hydrogen councils. This enables each sector to work in more detail on topics which address the respective sector only and also to sharpen the view of the representatives of the specific sector on cross-sectoral issues.

BDEW recommends implementing the proposed setup of decision-making procedures as described in the present documents in order to make the enlarged Entity get to the start and gain experience “on the job”. In order to realise potential for more efficient working structures – i.e. relieve the Board by giving the councils the power to take final decisions – in the future, BDEW recommends introducing a mandatory review of the structure after a period of two years.

### **3 What are your views on the proposed amendments to the decision-making procedures of the EU DSO entity? Do you have any suggestions for improvement?**

The initial motivation to introduce two councils – one for electricity, one for gas and hydrogen – was to relieve the Board and to delegate decision-making competences to the councils. Yet, different reasons during the drafting process caused that the present documents don't comprise this idea. Instead, the councils are entitled to give advice to the Board and to endorse documents, while the final decision-making is left up to the Board.

Since the present documents are the result of a hard-won compromise, they should not be questioned now. BDEW recommends implementing the setup of decision-making procedures as described in the present documents.

During the first two years of their application, the effectiveness and efficiency of the decision-making should be monitored. After two years, a task force should be set up to examine the decision-making rules and the structure of the entity. The task force should examine whether, after two years of common work within the entity, safeguards can be removed, and the structure can be made less complex.

The task force should be composed by members of the Entity representing the different groups, especially both energy carriers, electricity and gases. In due course after starting their work, the task force should present to the Board the results of their examination and, if necessary, proposals to update the decision-making procedures.

### **4 What are your views on the proposed amendments to the budgetary rules of the EU DSO entity? Do you have any suggestions for improvement?**

BDEW supports the proposed budgetary model. It clearly distinguishes between electricity, gas/hydrogen and joint activities and allocates costs in a transparent and activity-based manner. The financial provisions ensure that each sector contributes in line with its responsibilities and with the number of its connected customers, with a limited transitional element for the first year.

### **5 Do you have any other comments on the draft updated statutory documents of the EU DSO entity?**

BDEW considers that the draft updated statutory documents collectively reflect a coherent, balanced and inclusive framework for integrating gas and hydrogen DSOs into the EU DSO Entity. The structure, decision-making rules etc. are the result of a hard-won compromise.

Now it is time to get the Entity started. It is most important to ensure two points: First, the Entity can continue its work on the electricity side in an effective and efficient way. Second, the Entity can in due course start working on important issues concerning gas and hydrogen which require regulatory clarity for all stakeholders.