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Position Paper

Review of the Network Code on requirements for grid connection of generators (NC RfG 2.0)

with remarks on plans to repeal Annex B of Regulation
(EU) 838/2010 („ITC Regulation“)

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) 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

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Preliminary remarks

BDEW welcomes the possibility to comment on the draft version of a review of the Network Code on requirements for grid connection of generators (NC RfG), published by the European Commission on 8 July 2026 for comments by 25 August 2026. In this position paper, this draft version is referred to as “NC RfG 2.0” or “RfG 2.0”. The respective Network Code currently in force, laid down in Regulation (EU) 2016/631, is referred to as “NC RfG 1.0” or “RfG 1.0”.

If reference is made to an Article without indication of the legal text, the Article is meant to refer to the NC RfG 2.0.

In a workshop with stakeholders on 3rd July 2026, the European Commission presented not only its proposal for the RfG 2.0 but also plans to delete an Annex of the so-called “ITC Regulation” (Regulation (EU) 838/2010 on laying down guidelines relating to the inter-transmission system operator compensation mechanism and a common regulatory approach to transmission charging). Realising these plans could have significant implications for electricity generation companies with BDEW. Since it is highly probable that it will be negotiated in connection with the RfG review, the present position paper also addresses BDEW’s view on these plans.

1 Executive Summary

On the review of the NC RfG, BDEW especially asks for the following changes to the present draft:

› Clarify the criteria for a “significant modernisation” and the application to existing PGMs

Eliminate legal uncertainty for operators and owners of power generating modules (PGMs) as well as for investors by clarifying the criteria for a “significant modernisation” (Art. 4) which would result in applying RfG 2.0 to existing PGMs. In this context, clarify that routine refurbishment and spare-part replacement are considered as “maintenance” and thus do not classify a PGM as “significantly modernised”. Besides, clarify that only those rules of RfG 2.0 apply to the existing PGM which concern the technical capabilities which were affected by the significant modernisation. Limit the application to the modernised parts of the PGM.

› Limit the possibilities to apply (parts of) RfG 2.0 to existing PGMs

Do not oblige TSOs to run a cost-benefit analysis (CBA) to evaluate the need to apply (all or some) requirements of RfG 2.0 to existing PGMs (Art. 45). Instead, keep the rule from Art. 38 of RfG 1.0 and grant to TSOs the option to put forward such proposals on the basis of a CBA.

› **Allow requests for derogations also by TSOs and DSOs**

Keep the approach from RfG 1.0 to allow grid operators to request derogations for classes of PGMs connected or to be connected to their network (Art. 63 RfG 1.0).

› **Exempt existing PGMs which were connected before RfG 1.0**

Clarify that PGMs which were exempted from RfG 1.0 as “existing PGMs” will continue to be exempted from both RfG 1.0 and RfG 2.0 (Art. 62).

With regards to plans by the European Commission to delete Annex B of the “ITC Regulation”, BDEW holds the following view:

› **Retain Annex B of ITC Regulation to ensure fair competition and efficient cross-border electricity trading**

Annex B of the ITC Regulation limits generation network charges to 0.5 €/MWh in most European countries, guaranteeing fair competition between generation facilities in neighbouring markets and efficient cross-border electricity trade. These rules must not be abolished as long as no viable alternative is in place.

2 General remarks

BDEW strongly supports the objective of maintaining a secure, resilient and future-proof electricity system. With the connection of large numbers of new assets to the grids, ranging from different generation technologies via new electricity demand applications to storage facilities of different sizes and technologies, it is stringent that the common European regulatory framework for electricity grid connection is being reviewed.

BDEW supports the review of the Network Code on Requirements for Generators (NC RfG) as one part of this framework. BDEW welcomes that major parts of the contents of this review have been developed within the Grid Connection European Stakeholder Committee (GC ESC) which gave the chance to a large variety of stakeholders to put forward their positions in an early stage of the review process.

At the same time, any revision of the NC RfG should continue to respect the fundamental principles of legal certainty, proportionality, protection of legitimate expectations and, as a general rule, grandfathering of existing regulatory conditions to existing assets.

With regards to these principles, the draft RfG 2.0 raises concerns among stakeholders. While the proposal formally states that existing generating facilities should remain subject to the regulatory framework applicable at the time of their connection, several provisions in the draft RfG 2.0 appear capable of substantially weakening this principle in practice. Several rules in the draft RfG 2.0 read such that they oblige existing assets to comply with new technical requirements. In many cases this would require substantial retrofit measurements and thus major expenditures, bringing high risks to assets owners and/or investors and jeopardising the economically viable operation of the affected assets.

It is of high importance to eliminate these risks and to make the RfG 2.0 become a regulatory framework which brings legal certainty to owners and investors with regards to existing facilities as well as to new projects. BDEW is convinced that a substantial part of the uncertainty for asset owners and investors results from unclear wording in the present draft RfG 2.0. For these cases, BDEW asks for adequate wording amendments eliminating ambiguity in the understanding of the provisions.

Apart from these cases, there are other requirements in the draft RfG 2.0 to which different opinions prevail within the BDEW membership. From the perspective of electricity generators, some provisions are very ambitious – particularly when they are applied to existing plants. However, from the perspective of the transmission system operators (TSOs), these provisions are necessary to ensure system stability. Where no unanimous position could be achieved, BDEW abstains from commenting.

3 Remarks on specific issues of the review of NC RfG

3.1 Clarify the criteria for “significant modernisation” and the application to existing PGMs

The rules from RfG 2.0 will not only apply to new assets to be connected after the date foreseen in the text (in the draft this date is foreseen to be two years after the entry into force of the RfG 2.0, see Art. 61.3 lit. b of the current draft). They will also have to be complied by existing PGMs after a “significant modernisation” (Art. 4). This concept is known from RfG 1.0.

In order to be able to take their investment decisions, PGM owners and (potential) investors need legal certainty on the regulatory framework which will apply to their generation facilities. Since many PGMs will sooner or later undergo technical refurbishment or at least a change of components, it is of utmost importance – just like under RfG 1.0 – to have clarity on the notion of “significant modernisation”.

Following Art. 4.2 lit. d, larger generation facilities of Type C or D will be considered as “significantly modernised” after “a change of components of a power-generating module except for changes resulting from maintenance”. This rule causes major legal uncertainty for asset owners and investors since the notion “maintenance” is not clearly defined in the text. From BDEW’s point of view, the text clearly has to state that routine refurbishment activities and life-extending investments such as spare-part replacement (change of components) will be considered as “maintenance work” and thus will continue to be allowed without risking that a reassessment of compliance with new technical provisions will be triggered. However, changes in control schemes can affect the electrical behaviour. In such cases it has to be assessed whether these effects are significant and would classify the changes as a “significant modernisation”.

Besides, the text should provide the possibility to apply only parts of the RfG 2.0 requirements to existing PGMs, as it is the case in the RfG 1.0 (Art. 4.1 lit. b). By doing so, the application can be limited to those requirements which concern the technical capabilities which were affected by the significant modernisation.

Additionally, the RfG 2.0 requirements should not be applied to the entire PGM but only to the modernised part(s). It would be inappropriate to apply it to the entire PGM (see Art. 4.3).

3.2 Limit the possibilities to apply (parts of) RfG 2.0 to existing PGMs

Following Art. 38 of RfG 1.0, TSOs were allowed to propose to the National Regulatory Authority (NRA) or to the Member State the application of all or some requirements of the Network Code to existing PGMs if such procedure proved to be beneficial in a cost-benefit analysis

(CBA). Yet, the relevant TSO was only allowed to run such a CBA if a preparatory qualitative analysis, taking into account available network-based and market-based alternatives, indicated that likely benefits would exceed likely costs. BDEW considers this approach to be proportionate.

The draft RfG 2.0, however, obliges TSOs to run, within two years after entry into force, a CBA to evaluate the need to apply (all or some) requirements of RfG 2.0 to existing PGMs (Art. 45). Such a mandatory CBA would imply high costs even for those TSOs which do not see any need for applying RfG 2.0 requirements to existing PGMs.

BDEW asks to keep the existing rule from RfG 1.0, i.e. providing the option for TSOs to compare the costs and benefits of applying the new requirements to existing PGMs rather than establishing this as a mandatory task for TSOs. In this context it is highly important to take into consideration, as foreseen in Art. 46, the economic situation of the affected PGMs since in many cases costly investments will be needed to adapt to the new requirements.

This proposal can be realised by the following amendment to the present text in Article 45 (1):

1. ~~By [date of entry into force of this Regulation plus two years], in each Member State, If~~ *a TSO has identified that for guaranteeing the stability of the electricity system in the given Member State there is need to expand all or some requirements of this Regulation to existing power-generating modules in the respective Member State, the TSO in coordination with the DSOs shall carry out a cost-benefit analysis in accordance with Article 46, in order to evaluate the need to apply all or some requirements of this Regulation to existing power-generating modules and submit the proposal to the regulatory authority in accordance with paragraph 5 of this Article.*

3.3 Keep the possibility to grant class derogations after request by TSOs and DSOs

The existing NC RfG 1.0 provides that not only PGM operators or owners are allowed to address to the regulatory authority a request for a derogation from all or some requirements of the Network Code. Besides, grid operators are entitled to request the exemption of classes of PGMs from all or some of the NC's requirements (Art. 63 RfG 1.0).

The concept of class derogations requested by TSOs or DSOs is considered as useful by the parties involved. Yet, it has not been picked up in the present draft RfG 2.0. BDEW asks for re-introducing this rule in Title V "Derogations" of RfG 2.0.

3.4 Set exemption for existing PGMs which were connected before RfG 1.0

Art. 61 of the draft RfG 2.0 is missing provisions for existing modules which were connected to the grid before the entry into force of RfG 1.0 and which have not been significantly modernised. It has to be clearly stated in Article 61 that these facilities will neither fall under RfG 1.0 (Regulation (EU) 2016/631) nor under RfG 2.0.

4 Full list of remarks to the present draft NC RfG 2.0

While the most important remarks on the present draft NC RfG 2.0 are described above (chapter 3 of this position paper), BDEW wants to take the opportunity to comment also on a number of other aspects. The table below shows which rules in the present draft text should be kept and which rules ask for clarification or amendment. To some rules BDEW opposes and asks for deletion from the RfG 2.0.

The table also comprises the points described in more detail in chapter 3.

Topic	Article	Summary of the proposal	Impact assessment	Recommendation
Cooperation between system operators and generating facility owners	Recital 8	Clarifies that generating facility owners and system operators should apply the requirements of the Regulation in close cooperation.	The revised wording better reflects that secure system operation depends on both system operators and generating facility owners, and that requirements must be applied in a way that supports effective operation of the network.	KEEP Retain the wording. It supports a more balanced implementation culture and should be reflected throughout the Regulation.
Regional specificities	Recital 9	Recognises that different synchronous areas have different characteristics that may need to be reflected when connection requirements are set.	This is positive, in particular for the Nordic system. Acknowledging regional and locational specificities is important to avoid one-size-fits-all requirements that may not match the technical realities of different synchronous areas.	KEEP Retain and strengthen this principle where detailed requirements leave room for national or regional implementation.

National adaptation and derogations	Recital 31	Recognises the possibility to adapt requirements to local circumstances and to grant derogations where justified.	This flexibility is important and should be welcomed. It provides necessary room to account for local system characteristics, technology-specific constraints and practical implementation challenges.	KEEP Retain and ensure that flexibility is operationalised clearly in the substantive provisions.
Definition of component	Art. 2	Defines “component” as an active element forming part of a power-generating module and potentially affecting compliance.	The distinction between active and passive elements is not sufficiently clear. This matters because the concept of component is used in the significant modernisation provisions, where ambiguity could have major practical consequences for refurbishment and replacement decisions.	CLARIFY Clarify what qualifies as an active component and ensure the definition does not unintentionally capture routine replacements or passive equipment.
Significant modernisation – definition of maintenance and life-extension measures	Art. 2 / Art. 4.2 (d) / Art. 4.3	For Type C and D power-generating modules, a change of components may constitute significant modernisation unless the change results from maintenance. If significant modernisation is established, the new requirements apply to the entire power-generating module.	The term “maintenance” is not defined and does not provide sufficient legal certainty for long-lived generation assets. The text risks that refurbishment, replacement by a functionally equivalent component, obsolescence-driven replacement, restoration of original performance or life-extension measures qualify as measures which would trigger the obligation for the given asset to comply with RfG 2.0. Instead, these activities should be qualified as “maintenance”. Otherwise, the text risks that operators avoid technically and environmentally beneficial	CLARIFY / AMEND Clarify the meaning of “maintenance”. In any case, a 1:1 change of existing components is to be considered as maintenance. Install the possibility to apply only relevant rules of RfG 2.0 to existing PGMs. Delete Art. 4.3. The new requirements should only apply to the

			investments because even a limited component replacement could trigger full compliance of the entire generating module. Life-extension measures generally preserve or restore the original function and should not automatically be treated as a fundamental modernisation. Besides, it should be possible to apply only parts of the RfG 2.0 requirements to existing PGMs, as it is the case in the RfG 1.0 (Art. 4.1 lit. b). By doing so, the application can be limited to those requirements which concern the technical capabilities which were affected by the significant modernisation. Besides, the new requirements should not be applied to the entire PGM but only to the part which was significantly modernised.	part of a PGM which was significantly modernised.
Significant modernisation criteria	Art. 4.2 (c)	Sets “change in frequency-stability capability and active power management capabilities” as criterion for a “significant modernisation”	It is not clear to what extent the frequency stability capability or the active power management capabilities have to change to make the PGM be qualified as “significantly modernised”.	CLARIFY Set clear thresholds from which changes in these technical specifics result in a “significant modernisation”
Regulatory principles	Art. 7	Requires proportionality, non-discrimination, transparency, cost optimisation	This article is positive and provides important safeguards for implementation. Recognition of nuclear safety rules, lowest total cost and	KEEP Retain and ensure these principles have practical effect when

		and consideration of nuclear safety rules and local system needs.	proportionality is particularly important for existing conventional and nuclear assets.	requirements are specified by system operators.
Simulation Models	Art. 22.5 (c)	Obligation to develop and validate RMS/EMT simulation models	For a number of older plants (e.g. hydro power plants), sufficient manufacturer data may no longer be available to develop and validate the detailed RMS or EMT models required.	AMEND Art. 4 See above: Apply RfG 2.0 only to the modernised part of the PGM and allow for applying only selected rules (which concern the technical features affected by the modernisation)
Fault Ride Through (FRT)	Various		For older power plants (e.g. hydro power plants) where FRT capability was not part of the original design, there is a risk that essential auxiliary systems would not remain operational throughout the required FRT profile. Retrofitting these systems could require significant modification to protection, control and auxiliary supply arrangements.	AMEND Art. 4 See above: Apply RfG 2.0 only to the modernised part of the PGM and allow for applying only selected rules (which concern the technical features affected by the modernisation)
Application to existing assets on the basis of a CBA	Art. 45, Art. 46	Requires TSOs and DSOs to carry out cost-benefit analyses on applying RfG 2.0 requirements to existing power-generating modules.	The provision is broader than the current RfG and could lead to retrofit obligations for existing assets which were designed, licensed and financed under different assumptions, leading to significant financial burden to their owners. This appears unproportional if the system needs could alternatively be addressed by other measures, especially where system challenges	AMEND Don't oblige TSOs to run such a CBA and make proposals, on the basis of the CBA, for expanding RfG 2.0 rules on existing assets; instead, keep the approach from RfG 1.0 and give to TSOs the option (not obligation) to conduct

			are driven by newer technologies or changed system conditions rather than deficiencies in existing assets. Proposal: Don't oblige TSOs to run such a CBA but install this approach as an option to TSOs.	such a CBA, and extend this option to DSOs. Especially, take into account the economic situation of the affected PGMs. In any case, the proposals must be approved by the regulatory authority before application.
Compliance schemes	Art. 49	Requires a common structure for national compliance schemes and national schemes built on that structure.	This is cautiously positive. Experience with current RfG implementation shows that TSOs can interpret or supplement requirements in ways that expand practical obligations. A common compliance structure can improve predictability and transparency.	KEEP Retain and strengthen transparency obligations for national compliance schemes.
Equipment certification	Art. 52	Provides for equipment certificates under national compliance schemes and mutual recognition of authorised certifiers.	The direction is useful, but fragmented national certification processes could still increase costs and complexity for projects across several markets. A more harmonised EU-wide certification framework would better support standardisation and cross-border deployment.	CLARIFY Consider a single EU-wide or strongly harmonised certification process, especially for standardised equipment and mass-market products.
Monitoring of implementation	Art. 54 par. 1a	Requires ACER to monitor national implementation, including divergences and appropriateness of parameter choices.	This is positive. Monitoring can help address divergent national interpretations and ensure that implementation remains consistent with the Regulation's harmonisation objective.	KEEP Retain and ensure monitoring results are transparent and accessible to stakeholders.

Derogation eligibility	Art. 55	Allows regulatory authorities to grant derogations at the request of facility owners or prospective owners.	The possibility to grant derogations is positive. Next to derogations for single assets, the possibility for TSOs and relevant system operators to request derogations for classes of PGMs should be retained, as it is provided for in Art. 63 of RfG 1.0. This is an efficient instrument to address all PGMs of the respective technology.	CLARIFY Allow TSOs or relevant system operators to request class derogations for groups of assets where this is more efficient and proportionate.
Repeal and transitional provisions	Art. 61 (3)	Clarifies to which PGMs which provisions of the existing RfG 1.0 apply or continue to apply.	The article is missing provisions for existing modules which were connected to the grid before RfG 1.0 entered into force and which do not fall under Regulation (EU) 2016/631.	CLARIFY The transitional provision should, in accordance with Article 4 of the current RfG, establish the rule for facilities that will not fall under RfG 1.0 and 2.0 (unless significantly modernised).
Limitation of active power output reduction for electric vehicles and their supply equipment	Annex III Chapter 6.3	Sets rules for vehicle-to-grid electric vehicles (V2G EV) and their supply equipment (V2G EVSE) concerning the reduction of active power input to the grid, among others on the ramp rates	The text sets, among others, specific provisions on how fast V2G EVs and V2G EVSE must reduce their active power output (i.e. power injection to the grid). With these provisions, there is no flexibility for grid operators to react to the specific requirements in their grids. BDEW proposes to leave it up to the relevant grid operator to set the specific ramp rates for active power output.	AMEND Don't set specific ramp rates for active power output reduction of EVs and EVSE at European level. Instead, allow the respective grid operator to set the exact values in order to enable him to react to local grid specificities.

5 Remarks on plans to repeal Annex B of the ITC Regulation

On 3rd July 2026, the European Commission presented plans to repeal Annex B of the “ITC Regulation (Commission Regulation (EC) 838/2010 on laying down guidelines relating to the inter-transmission system operator compensation mechanism and a common regulatory approach to transmission charging). Apparently, it is highly probable that these plans could be realised together with the adoption of the NC RfG 2.0.

The current ITC framework makes an important contribution to a functioning European internal electricity market by limiting average network charges for electricity feed-in to 0.5 €/MWh in most EU Member States. This creates a framework for a level playing field and ensures an important contribution to predictability and investment security for current and future electricity generators.

Against this background, the BDEW views with great concern the European Commission’s plans to repeal Annex B of the ITC Regulation. This would open up the field for national legislators or regulators to extend network charges for electricity feed-in beyond the current limit. Extending grid charges to generators carries the risk of causing distortions in the European internal electricity market. Differing approaches to the structuring of generation network charges across Member States may impair competition between generation facilities in neighbouring markets and undermine the efficiency of cross-border electricity trading.

BDEW therefore urges the European Commission not to abolish Annex B of Regulation 838/2010 until a viable alternative is in place. The removal of this provision governing grid charges on the generation side would increase the risk of further regulatory fragmentation in Europe and could lead to greater divergence between national charging schemes. This would create uncertainty for existing and future investments, hamper the energy transition and undermine the efficiency of the cross-border electricity market.