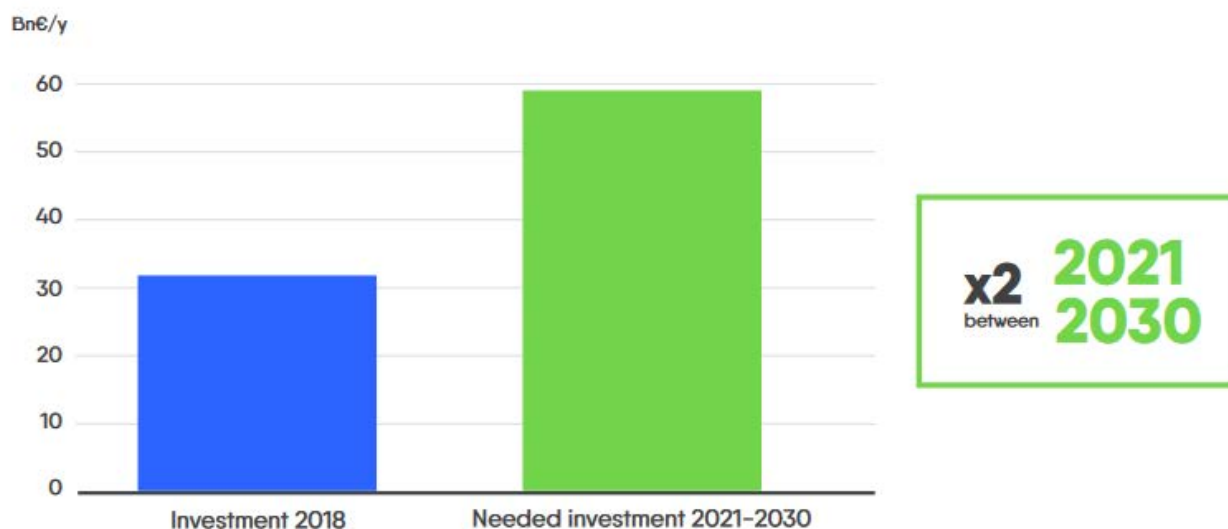


Factsheet on European funding instruments for Electricity Distribution Infrastructure

Estimated investments needs

- In 2018, **30 billion euros** were invested in EU's **distribution networks** (i.e. 85.7% of the total EU grid spending) and 3.5 billion euros in transmission networks.
- The European Commission estimates **the average investment** needed for power grids in the **2021-2030** horizon between **60 and 110 billion euros per year**¹.
- **What for?** To integrate more decentralised resources, digitalisation, smart metering, charging infrastructure for e-mobility, and access to local flexibility resource, and to replace the current ageing infrastructure while maintaining high quality of service.



Source: IEA (WEI 2016, 2017, 2018 & 2019), [EC Long term Strategy](#)

Investments, especially in the distribution grid, need to at least double in the next decade.

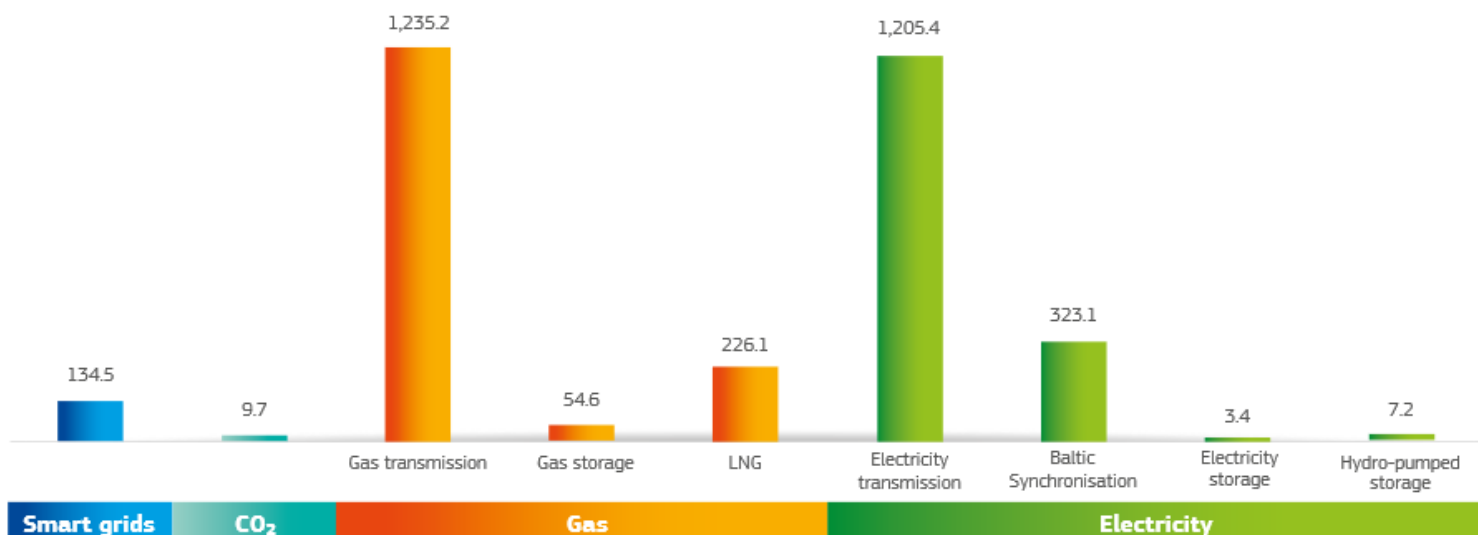
¹ EC long term strategy 2018

1. Connecting Europe Facility – Energy

- Between 2014 and 2019, **only 3 smart grid** projects obtained a **CEF funding**
- Much less than the **63 gas** projects and **61 electricity transmission** projects
- In total, they have been granted **134.5 M€** on a CEF-Energy budget of **3.2 B€ (4%)**

CEF-Energy funding (2014 - 2019)

(€ million)



Source: European Commission (DG ENER / INEA)

Smart grids have received 10 times less funds from the Connecting Europe Facility than gas networks or than electricity transmission networks.

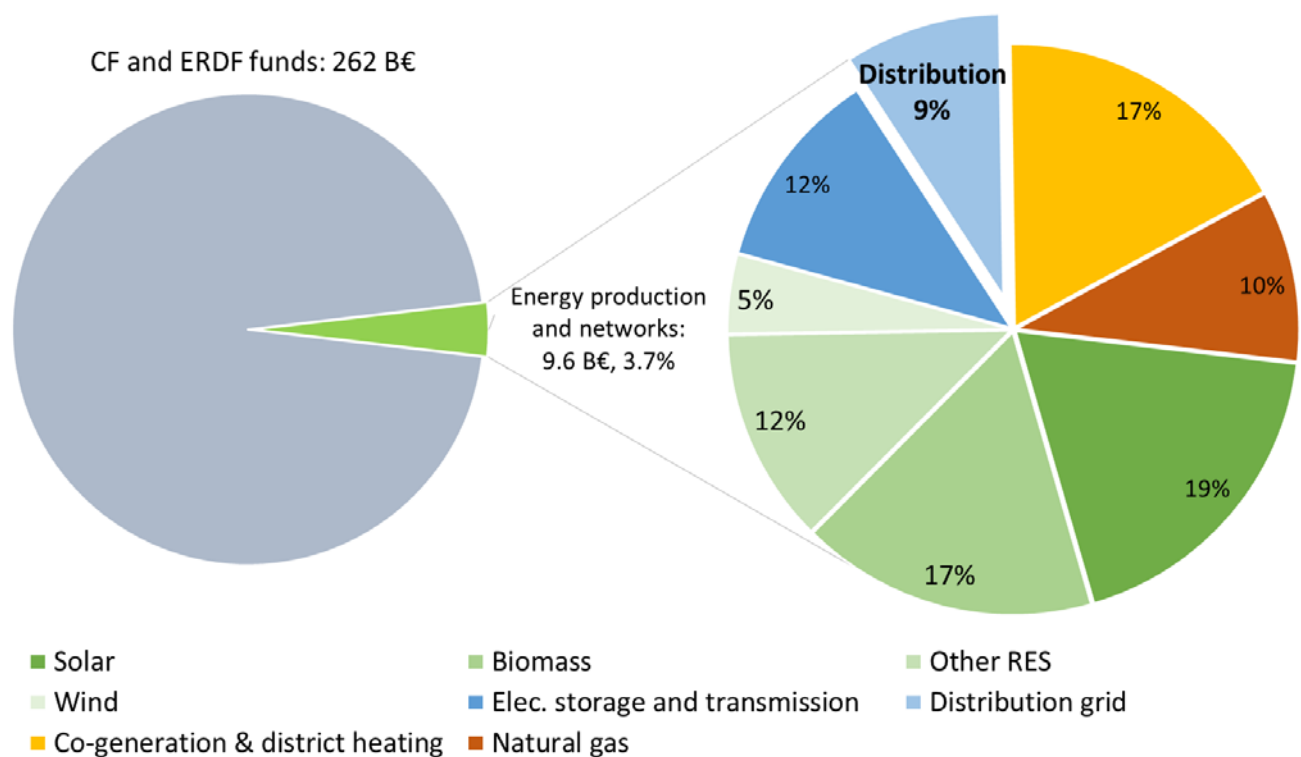
CEF is underfinancing electricity distribution grids mainly due to restrictive eligibility criteria (as defined by TEN-E Regulation)

2. Cohesion (CF) and Regional Funds (ERDF)

CF and ERDF funded **860 M€** in **50 distribution grid projects** between 2014 and 2019.

- **9%** of the total Energy production and networks funding
- **0.3%** of the total CF & ERDF funding
- **Less than Gas (10%) and Electricity Transmission Networks (12%)**

Share of Distribution Grid funding on Cohesion/Regional Funds (2014 - End 2019)



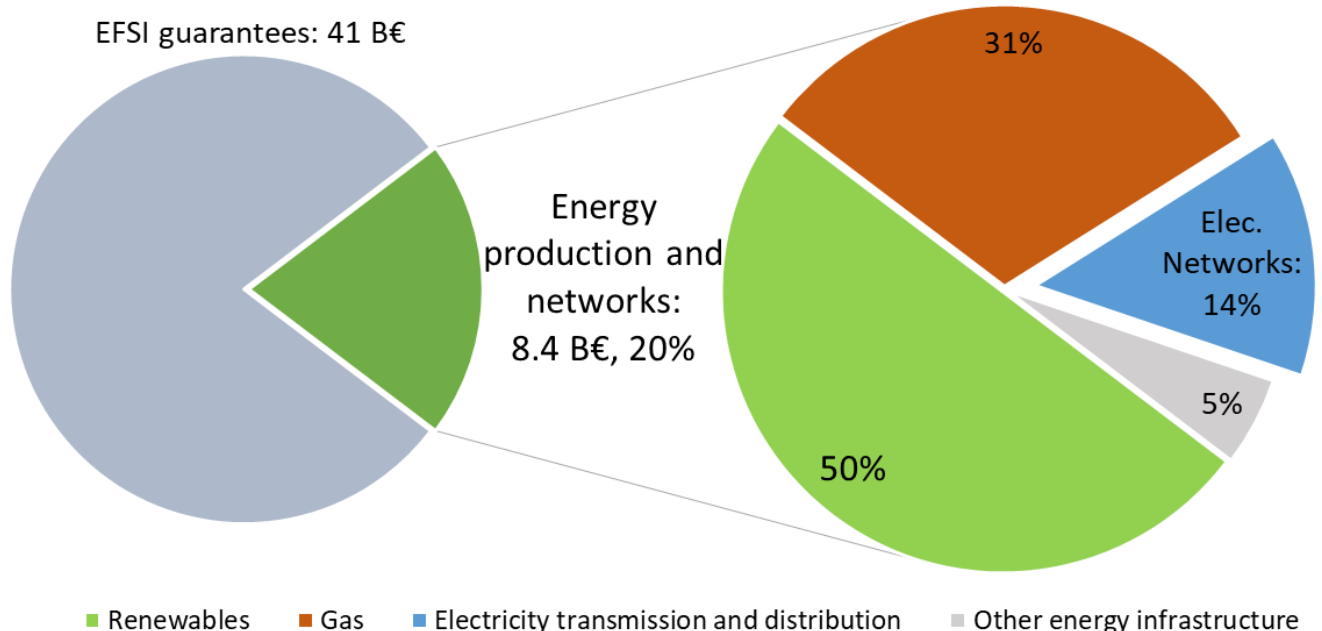
Source : Eurelectric, retrieved from EU public [datas](#) (cohesion Data portal)

- Cohesion/Regional funding of energy production and networks remains very low (3.7% of total available funding).
- Even in mechanisms supposed to be more tailored made for small infrastructure projects, funding in distribution networks represents a small share (0,3% of total available funding).

3. European Fund for Strategic Investments (EFSI)

- Between 2015 and 2019, EFSI provided **1.2 B€ of guarantees** to electricity transmission and distribution networks (14% of all guarantees for energy production and networks)
- **8.4 B€** of guarantees to energy production and networks projects (**20% of EFSI**)
- There is **58% more guarantees for gas networks (1.9 B€)** than electricity networks

Share of Electricity Networks funding on EFSI (2015 - 2019)

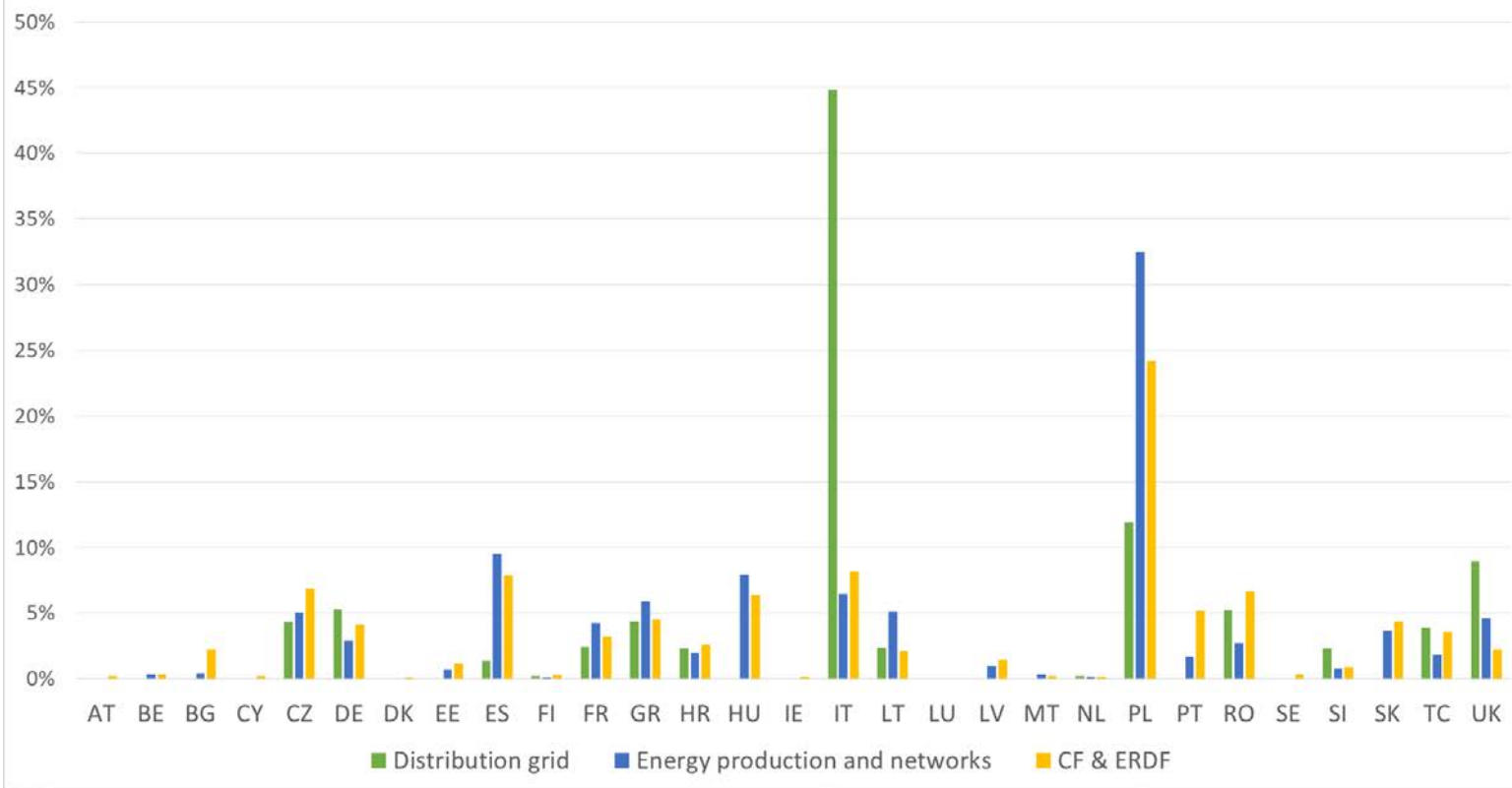


Source: *The Investment Plan for Europe - a critical analysis of the pilot phase of the "Juncker Plan"*, 2019, Bankwatch (A breakdown between distribution and transmission networks is not given in the report)

→ EFSI has provided **58% more guarantees to gas networks** compared to electricity networks

Annex – Geographical breakdown of Cohesion/Regional Funds

Repartition of Cohesion/Regional Funds between European countries (2014 - End 2019)



This chart is **comparing the repartition of Cohesion and Regional Funds** between the UE member states on different scopes:

- Only the distribution grid
- The Energy production and Networks
- All the Cohesion/Regional Fund.

Allocation of funds in energy and distribution tends to be balanced between old and new Member States