

DSO Entity Key Messages on Distribution Network Development Plans (DNDPs)

Formulated by DSO Entity's Task Force Network Planning



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Introduction

Distribution Network Development Plans (DNDPs) are a key instrument established under the Electricity Directive (EU) 2019/944 article 32 “Incentives for the use of flexibility in distribution networks”. They require Distribution System Operators (DSOs) to publish transparent, forward-looking plans that identify flexibility needs and investment requirements for the next five to ten years.

As these provisions are transposed into national legislation, DNDPs take different forms across Europe, reflecting the diversity of DSOs, regulatory frameworks, and national energy policies. This position paper outlines the DSO Entity’s views on the role and scope of DNDPs and highlights principles and good practices to support effective network planning.

1. Legal Mandate and National Specificities

- DNDP has a precise and targeted purpose defined in EU 2019/944 Art 32 “Incentives for the use of flexibility in distribution networks”: transparency on the flexibility needs over the medium-long term, and needed invest to connect new system users. As such, DNDP sheds light only on part of DSO activities.
- DNDPs are firmly rooted in national legislation. They must therefore respect the diversity of regulatory frameworks, DSO sizes, and planning traditions across Member States.
- A “one-size-fits-all” European approach risks overlooking these differences. European-level discussions should focus on facilitating mutual learning and comparability while leaving room for national implementation.
- DNDP is forward looking. Looking at the past and reporting is not and cannot be the goal of DNDP. Reporting and monitoring is done in many different frameworks, including in particular NRA’s supervision (cf tariff discussions), reporting with communities (in particular in the framework of concessions) and permitting.

2. The Strategic Nature of DNDPs

- DNDPs are strategic high-level planning documents. Their purpose is to outline future grid development needs, particularly in terms of flexibility and reinforcement, over a medium- to long-term horizon.
- They are not investment plans nor instruments for cost auditing or regulatory approval. In most Member States, DSOs already prepare separate investment plans that fulfil these purposes.
- Maintaining the strategic character of DNDPs is essential for their credibility and usefulness.

3. Planning Horizons and Grid Segments

- The Directive foresees a 5–10 year horizon for DNDPs, which is suitable for high-voltage distribution grids.
- For medium- and low-voltage grids, shorter horizons are often more appropriate due to higher uncertainties, for example in small-scale customer connections or local development patterns.
- DNDPs should strike a balanced approach: they must be forward-looking, but avoid relying on highly speculative assumptions over long timeframes, especially for LV/MV levels.

4. Scenario Development

- DNDPs should be based on robust scenario planning that captures local realities while remaining consistent with national and European energy policy targets.
- DSOs possess the most accurate and detailed understanding of their own network areas, and their development plans should reflect this local expertise.
- External scenarios (NECPs, TSO scenarios, ENTSO-E TYNDP) can provide valuable inputs but should be adapted and critically assessed by DSOs.
- Collaborative approaches—such as aligning timelines between DSOs, TSOs, and authorities—help ensure coherence without compromising the legitimacy of DSO-led scenarios.

5. Stakeholder and Public Engagement

- DSOs already engage with stakeholders in multiple formats mandated by national laws and practices. DNDPs should not be seen as the sole platform for such engagement.
- Instead, DNDPs can provide a structured overview of the stakeholder processes carried out by DSOs, offering transparency and building trust.
- Good practices include early involvement of stakeholders in scenario-building, workshops, and transparent reporting on consultation outcomes.
- DSO Entity will consider the points outlined in the conclusions of energy infrastructure forum 2025 regarding citizen and public engagement.

6. Transparency and Accessibility

- DNDPs should be made publicly accessible, ideally following FAIR principles (Findable, Accessible, Interoperable, Reusable).
- To support wider understanding, executive summaries or annexes in English can be provided, without undermining the national character of the documents.
- This enhances comparability and makes DNDPs more useful for policymakers, regulators, and market actors at European level.

7. Integration of Flexibility and Anticipatory Investments

- DNDPs should integrate flexibility needs assessments as part of a comprehensive planning process. Flexibility should be considered alongside traditional reinforcement, enabling cost-effective solutions for congestion and voltage management.
- Anticipatory investments should be recognised as a legitimate and necessary tool to accelerate renewable integration and electrification, provided they are supported by socio-economic analysis and adequate regulatory frameworks.

8. A European Knowledge Platform

- While DNDPs remain national documents, DSO Entity sees value in creating a European knowledge platform that collects information, methodologies, and good practices.
- Such a platform could help DSOs, regulators, and other stakeholders learn from each other, support benchmarking, and promote consistency without prescribing uniform templates.

Conclusion

DNDPs are an essential tool for Europe's energy transition along with other important building blocks to address DSO activities and engage with stakeholders on different time horizons and spatial granularity. The DNDP value lies in providing a strategic, forward-looking perspective on distribution system needs, informed by local realities and national regulatory frameworks.

DSO Entity **consistently** believes that future work on DNDPs should:

1. Respect the legal scope and national diversity.
2. Preserve the strategic, high-level character of DNDPs.
3. Promote balanced planning horizons and credible scenarios.
4. Support meaningful stakeholder engagement.
5. Ensure transparency and accessibility of information.
6. Recognise the role of flexibility and anticipatory investments.
7. Facilitate knowledge exchange at European level.

By following these principles, DNDPs can strengthen the contribution of DSOs to a secure, flexible, and decarbonised European energy system.

The End

