

Uniting DSOs to deliver a just energy transition

An introduction to DSO Entity - Membership brochure
May 2026

Executive Summary

DSO Entity

DSO Entity is the association of electricity and/or gas Distribution System Operators (DSOs) of all sizes in Europe:

- Is founded in June 2021 with an institutional mandate by the Electricity Regulation (EU) 2019/943 and Regulation (EU) 2024/1789.
- Gives Distribution System Operators (DSOs) a coherent voice in the European institutional landscape (vis-à-vis to the European Commission, ENTSO-E, ACER, and soon, ENTSO-G and ENNOH, once the revised statutes are approved by DG ENER).
- Focuses on technical matters in a neutral manner.
- Is assigned with the development of proposals to the European Commission for Network Codes and related activities.
- Cooperates with ENTSO-E and soon, with ENTSO-G and ENNOH to ensure coordinated, secure, and reliable operation and planning of transmission and distribution grids, and to facilitate TSO–DSO dialogue and platforms for active system management across electricity, gas and hydrogen grids.
- Has registered European DSOs as members, while national or European associations can support their members by joining as Observers or by obtaining a proxy to participate in the General Assembly meetings on behalf of their members.
- Is financed by its members (cost to go in regulatory cost base).
- Has a fully-fledged organisational set-up consisting of a General Assembly, a Board of Directors, two Councils (gas and electricity), a Secretary General (and secretariat team), a Strategic Advisory Group and (Country) Expert Groups.
- Has the ambition to **unite DSOs to support the delivery of a just energy transition** in a resilient and sustainable manner.

1. Motivation for creation and enhancement of DSO Entity

Establishment of (enlarged) DSO Entity is closely related to EU-policy on energy transition

For all DSOs, from small to large, challenges and developments are strongly related to the European energy policy. The European Commission has identified a **sector-integrated energy system** as a key enabler for reaching climate neutrality by 2050 in a cost-efficient way with close interaction between energy vectors. In times of increased geopolitical tension and global competitiveness, **decentralised renewable energy resources and their grid infrastructures –both for molecules and electrons–** increasingly contribute to the EU's strategic autonomy and independence. DSOs and their close cooperation with TSOs will be a key ingredient for a resilient and stable energy system at affordable prices.

Key-strategic documents such as the Green Deal, REPowerEU, RED III and the Clean Industrial Deal summarized ambitious energy and climate objectives and defined strategic **goals to be reached by 2030 for the respective energy vectors**, such as 55% GHG-emission reduction targets (from 1990 level), referencing the following objectives:

- 42.5% share of renewable electricity and a strategic objective of 31% electrification.
- 35 billion cubic meters (bcm) of biomethane production per year by 2030 and 20 million tons of renewable hydrogen.

The achievement of these objectives requires a mutual effort from all actors. The benefits for reliability and affordability from an **integrated system approach** between TSOs and DSOs and from a **combination of energy vectors E/G/H2** (sector-coupling) will be crucial to meet the targets in a reliable, cost-efficient and innovative way.

The institutional role of (enlarged) DSO Entity will improve visibility and positioning of the role of DSOs across three dimensions

The changes in the energy system are evident:

- 1
 - From fossils to renewable, intermittent energy sources.
 - From centralised to distributed and flexible generation and injection.
 - From analogue to digital energy and data management.

Changes lead to an enhanced role of DSOs:

- 2
 - DSOs are integrators of the largest share of renewables (> 70% at DSO-grid for electricity and a large proportion of renewable gases).
 - DSOs become active system managers as they face challenges of increased volatility in energy supply and grid stability (e.g. bi-directional flows).
 - Holistic DSO-TSO network planning and cooperation needed, based on a system-of-systems view for electricity, gas and heating grids.

Single point of contact for Network Codes and other implementing legislation:

- 3
 - DSO Entity is the single means of institutional representation of the DSOs regarding the development of Network Codes.
 - Membership shall allow DSOs to contribute to the respective decision-making process actively.



The **sector-integrated nature** of DSO Entity gives it a unique feature to **advance the strategic positioning of DSOs**:

- Reflecting the new central role of DSOs in decarbonizing the energy system (energy transition).
- Strengthening the cooperation between electricity, gas and hydrogen DSOs.
- Creating a forum of expertise and exchange of views between DSOs on a range of topics that relate to their business and the development of Network Codes.
- Facilitating DSO/TSO cooperation as well as the technical expertise of dialogue with other stakeholders.

2. Enlarging DSO Entity with integration of gas/hydrogen DSOs

Preparing the integration

Initiated in 2024, a ‘compromise package’ was designed and negotiated aiming at a fair and balanced representation within an efficient and effective structure as Regulation (EU) 2024/1789 stipulates. The compromise package, elaborated with both internal and external experts, covers all essential areas of governance, decision-making, budget and work programme. The experts participating in the preparation were drawn from existing members and from diverse organizations representing ‘incoming’ members, that made valuable contributions to the initiative including with the help of the secretariats of various associations: GEODE, CEDEC, Eurogas and GD4S.

Review by ACER and European Commission (DG ENER)

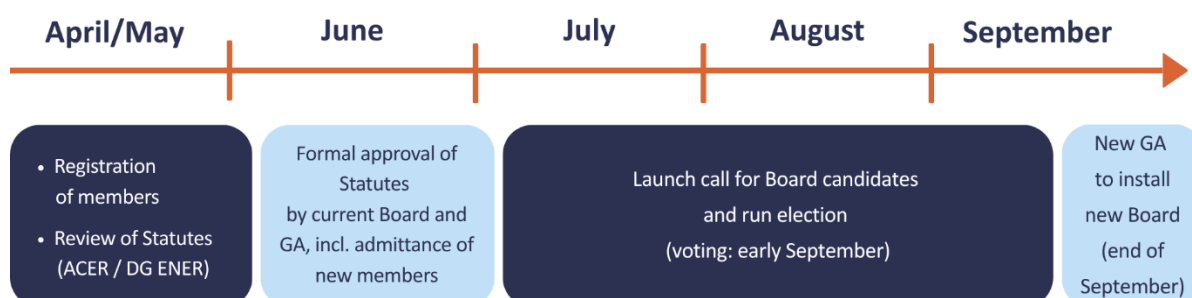
Based on this package, DSO Entity’s Statutes were reviewed to incorporate gas/H2 members and submitted to ACER and to the European Commission (DG ENER) for their review and feedback in November 2025.

On 12 March 2026, ACER issued a favourable opinion in accordance with Article 22 (5)(a) of Regulation (EU) 2019/42. By mid-June, DG ENER will provide its opinion upon which both the existing Board and General Assembly (GA) can formally approve the revised Statutes. Once approved, the first next step will be to start the election of a new, extended Board.

Next steps

To efficiently launch the Board election, the registration of gas/H2 members will start in May, based on the procedure summarised in the compromise package and according to the procedure summarised below.

Once the new Board is elected as an important body for decision-making, further activities will be discussed and approved like work programme, budget/members fee and launch of Councils, Strategic Advisory Group and technical Expert Groups (either joint with electricity or dedicated for gas/H2). For this development, the gas/H2-vector can benefit from the work done by the electricity-vector in the past few years, but it will also take some time to develop mirroring and complementary work programme and mechanisms for the integrated organisation.



3. Tasks of DSO Entity

Regulatory mandate

The European entity for distribution system operators (DSO Entity¹) was established in June 2021 under Regulation (EU) 2019/943 on the internal market for electricity to enable cooperation among European electricity distribution system operators, promoting the completion and functioning of the internal electricity market, optimal management and coordinated operation of distribution and transmission systems.

In line with Article 39(1) of Regulation (EU) 2024/1789, natural gas DSOs are mandated, and hydrogen DSOs have the option to join, to cooperate at Union level through DSO Entity in order to promote the completion and proper functioning of the internal market for natural gas, cooperate in the development of the hydrogen market and promote optimal management and a coordinated operation of distribution and transmission systems.

DSO Entity currently provides expertise on electricity distribution grids, which are the final part of the electricity grid, distributing electricity to homes, industry and other end-users; in future this will be extended to the complementary areas for gas/H2.

General summary of work programme for electricity and gas/H2

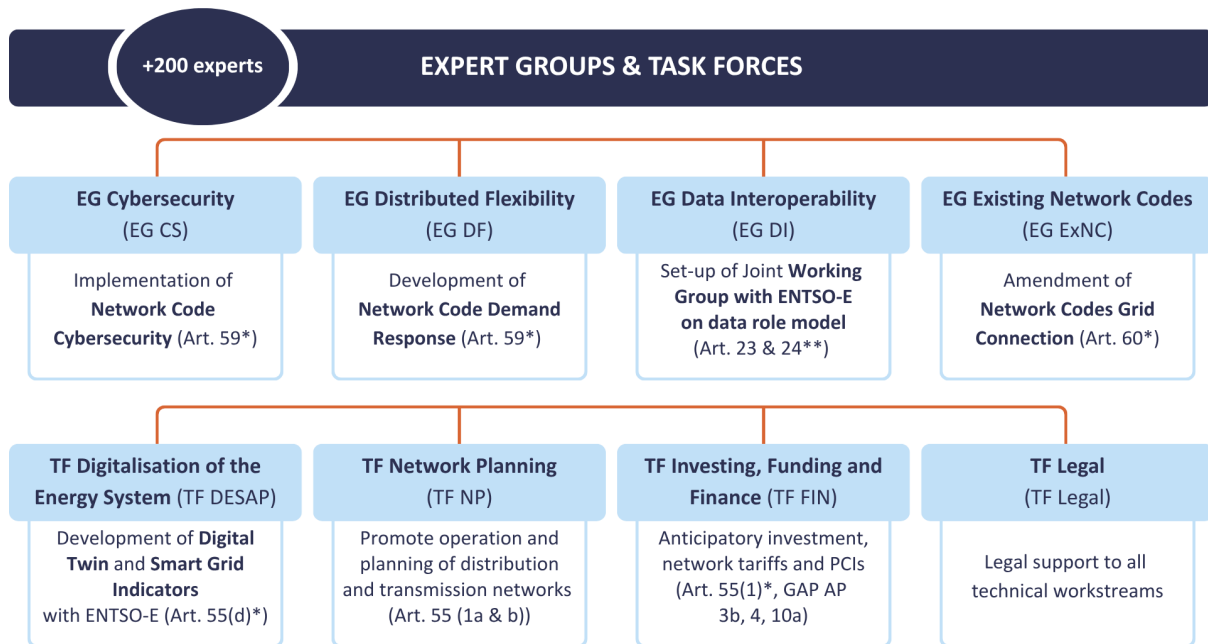
According to the Electricity Market Regulation (2019/943/EU), DSO Entity is mandated to carry out several core tasks. To simplify, DSO Entity usually summarises its core tasks in **three pillars**, which are (1) developing technical rules such as Network Codes and guidelines, (2) cooperating with the TSOs / ENTSO-E, and (3) identifying and sharing best practices in the form of Knowledge Sharing.

Network Codes and related technical guidelines like Directives will go through an approval process at the European Commission and will then be implemented in member states.



¹ The full name is 'EU DSO Entity AISBL' (legal form of an association without objective for profit)

At DSO Entity's heart lies the work of the Expert Groups; currently **for electricity as follows**:



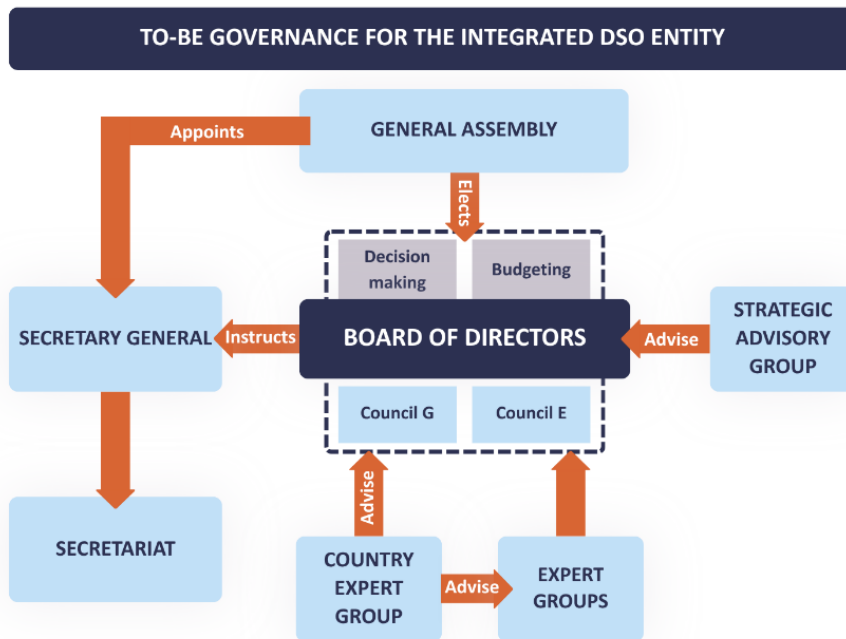
Upon approval of our new Statutes and integration of gas/H2 members, our **work programme will be extended to gas/H2 topics** in a similar way, related to the regulatory mandate, naturally tuned for the specificities and the actual workload for gas/H2.

Based on the above three pillars, and **referencing Regulation (EU) 2024/1789**, this work programme is likely to additionally cover (in cooperation with ENTSO-G, GIE and ENNOH):

- Participating in development of Network Codes relevant for DSOs, e.g. related to the integration of renewable and low-carbon gases, including biomethane and hydrogen (like NC Capacity Allocation Mechanism, including reverse flow (CAM NC)).
- Contributing to digitalisation, including data interoperability, system integration with TSOs (including gas quality specifications) and efficient data exchange.
- Supporting data interoperability and secure operational data exchange between system operators (e.g. under the Interoperability and Data Exchange Network Code — INT NC), as well as broader data management, cybersecurity and data protection frameworks.
- Contributing to emissions reduction and decarbonisation objectives.
- Facilitating knowledge sharing and the development of best practices among DSOs.

4. Governance and organisation

DSO Entity new structure and main bodies



The integrated DSO Entity will include both electricity and gas members, with a clear governance structure for member representation and decision making, clear roles, an extended team at the Secretariat and a unified approach to addressing Europe’s energy transition challenges.

The governance of DSO Entity relies on an engaged Board of Directors (BoD) elected by the General Assembly and involved in regular activities in close cooperation with the technical **Expert Groups** (EGs) and **Task Forces** (TFs). In the latter, **over 200 experts** are united to prepare the actual technical documents.

When **making decisions, the Board will strive for unanimity**. If this cannot be achieved, a vote is taken based on the concept of ‘double vector majority’ (both electricity and gas should have a majority to take a decision). To ensure balanced and efficient decision-making procedures, some safeguards are provided, which are detailed in the Statutes.

Main bodies of DSO Entity	
General Assembly	The Assembly is the leading body of DSO Entity and has full powers to enable the achievement of the DSO Entity’s purpose. It consists of all registered Member DSOs (with voting rights based on electricity respectively gas connections) and Associate Members (no voting rights).
Board of Directors	The Entity is managed by a Board composed of 33 Directors (12 for gas/H2 and 21 for electricity, representing the three categories of DSOs in both electricity and gas vectors. In addition, an independent President is chairing the Board (without a voting right).

Councils	Two Councils for electricity and gas balance the workload of the Board by preparing Board decisions through discussing technical papers with the Expert Groups, giving guidance where needed. Such papers are submitted to the Board for final review and approval.
Expert Groups	Expert groups are mainly responsible for the technical work on Network Codes and other topics related to the operation of DSOs systems. Their composition shall reflect the technical and geographical diversity across Member DSOs.
Country Expert Group (CEG)	The experts within this group comprise one DSO per country nominated by the DSOs from each country represented at the Assembly. It is the contact body for the representatives of DSO members in all EU Member States.
Strategic Advisory Group (SAG)	The Group is a forum of consultation on matters pertaining to the Association. It consists of representatives of the European Associations representing gas/electricity DSOs and (optionally) representatives of those Member States without members in the Board of Directors.

In addition, the work of DSO Entity’s members and its governance bodies are supported daily by the **Secretariat**, currently composed of 25 employees working for dedicated departments on monitoring EU regulatory affairs, supporting and coordinating Expert Groups and Task Forces with technical and legal expertise, guaranteeing efficient corporate governance, and facilitating professional communication.

Upon approval of our new Statutes and integration of gas/H2 members, gas/H2 members will be integrated into the structure, and new bodies will be created where needed.

5. The composition of Board and Councils

Board

A **fair and balanced diversity of Board members** across the various Categories² by a pre-set number of seats for both vectors.

For the **Board election**, members will vote for a candidate per vector electricity/gas (dual grid DSOs vote per vector with the respective number of connections).

Category	Gas	Electricity
1	4	7
2	4	7
3	4	7
	12	21

Overview of Board seats

Councils

The Councils for both electricity and gas/H2 provide for participation of members and of Member States beyond the Board. Their composition is linked to the Board election (max. #39 seats per vector).

² Category 1: < 100.00 connections, Category 2: 100.000 – 1.000.000 connections, Category 3: > 1.000.000

Board Election

Every member is welcome to nominate a candidate to apply for a Board seat; the election is based on the number of votes collected (related to the number of connections). The **election process** starts with a call for candidates and covers a period of 6-8 weeks in total.



The procedure will start as soon as DG ENER has provided its opinion on the new Statutory documents and the call for applications will be launched as soon as the Board and the General Assembly have approved the new Statutes and the formal admission of new gas/H2 members. A detailed **election guide** will be provided alongside the call for applications.

6. Indicative membership fee and budget

From Regulation and Statutes, a fair and efficient budget and member fee are applied as follows:

- Board to propose, GA to approve both annual budget and member fee.
- Fair and proportionate membership fees reflect the number of connected customers. This implies that the member fee has two parts for every calendar year:
 - A relatively low fixed fee per year, equal for every member
 - A variable fee per year that is related to the number of connections
- To prevent cross-subsiding and to fairly allocate the cost between electricity and gas/H2, the budget is divided into a shared part (covering general governance and joint activities) and a dedicated part (covering specific electricity or gas/H2 activities).
- Based on the structure and the workload as summarized in the compromise package, a budget of 1.3m€ was anticipated for the gas/H2-part of the work in 2026³, including the integration phase⁴. For gas/H2, this budget is planned to cover both the one-off set-up cost for the actual integration and the running cost for the actual mandated activities from regulation in 2026. For 2027, a similar budget of 1.3m€ is expected.
- For gas/H2-members the following is expected for 2026⁵:
 - Fixed fee: 1.000 € / member (note: dual-grid members that operate both electricity and gas/H2 should join for both vectors but will pay a reduced fixed fee of 1.5 the fixed fee (so, 1.500€ for two vectors in total)
 - Variable fee: 0.0102 € / connection
- The costs related to the activities of the DSO Entity shall be taken into account in the calculation of tariffs. Regulatory authorities shall approve costs provided that they are reasonable and proportionate and shall provide reasons if they are not approved (Art. 39/ EU-2024/1789).

³ Since integration starts a bit later than planned, the gas/H2-budget for running cost will be slightly lower

⁴ Budget for electricity is 3.95m€ in 2026

⁵ The expected member fee is based on the assumption of some 400 DSOs joining with some 87 million connections

No immediate costs will emerge at the time of registration; once a member is formally admitted by the General Assembly (GA) and the member fee is approved by the GA, an invoice will be sent for the member fee for 2026.

7. Membership application procedure

Why should I register?

- To make my voice heard and to ensure that my own DSO interests and values influence DSO Entity's decisions, thus shaping future-proof conditions for DSOs at EU-level to facilitate energy transition.
- To guarantee diversity and a balanced representation of all DSOs in Europe (small, medium and large).
- The larger the register of subscribing DSOs, the greater the legitimacy and power of DSO Entity will be.

What does my registration for membership entail?

- A vote in the General Assembly (direct or indirect participation possible).
- The possibility of applying for membership in the Board of Directors or in the Councils.
- Potential participation in one or more of the Expert Groups.
- Information, feedback and assistance from DSO Entity.

How can I register?

- Answering the formal call to register for DSO Entity (every DSO that is licensed by the national authority in an EU Member State is welcome to join as a member; dual-grid DSOs that operate both electricity and gas/H2 should join for both vectors).
- Registration form will be available on the website by [15 May 2026].
- The membership application procedure is detailed in the separate **Registration Guide**.

Will I be able to withdraw my application?

In case DG ENER would request (substantial) amendments to the Statutes, the application for membership can be withdrawn prior to formal approval in the General Assembly.

Once approved as a member, the membership can be revoked every year if the member so desires.