ELECTRIFICATION ALLIANCE

Manifesto

Priorities for the EU agenda 2024-2029

Europe has faced a number of challenges which have tested the foundations of our energy system. COVID, the bumpy economic recovery, Russia's invasion of Ukraine, and the climate crisis – all of these have stressed the growing need to make our energy system more resilient.

Direct electrification via homegrown clean energy sources will drive Europe's response to these challenges. Building a resilient and competitive electricity-based energy system will empower consumers, create millions of jobs, and, with a nature-positive approach, help to protect and restore nature.

But Europe's rate of electrification is stagnating at less than ¼ of all energy use. This means that while we are working hard to decarbonise electricity, large parts of the economy are still running on fossil fuels. If we are to have any hope of achieving our climate and energy policy, we need to ramp up electrification as quickly as possible.

We are calling for an **Electrification Action Plan in the first 100 days** of the upcoming mandate, pledging to:

1. **Set a target of 35% electrification of final energy use across the EU by 2030;**
2. **Add an electrification indicator to the National Energy and Climate Plans to measure progress;**
3. **Take concrete action to accelerate electrification:**
   a. planning for a grid infrastructure that enables climate neutrality;
   b. equipping Europeans with the skills we need;
   c. leveraging finance; and
   d. empowering end-users.

1. Setting the course for a resilient and climate neutral energy system

Electricity makes up 23% of all the energy consumed in Europe. All modelling shows the rate of electrification will need to reach 58 to 71% by 2050 for Europe to deliver a resilient and climate neutral energy system. Meeting the top end of that range will maximise the benefits of electrification for society in terms of economic development, consumer empowerment and quality of life.

Europe must set the right milestones to deliver that trajectory. This means switching the European economy into electrification mode with a dedicated Electrification Action Plan – setting a target of at least 35% by 2030.

Doing this will send clear investment signals across the energy supply chain – not least as the energy sector works to overcome recent Government interventions in electricity markets, which have damaged investor confidence.

2. Delivering at national level

The national level is where the rubber meets the road. Ambitions set out at EU level need to be implemented at national level through rigorous planning. The National Energy and Climate Plans (NECPs) are the blueprints covering, amongst others, renewable energy production and consumption, infrastructure, Research and Innovation, and competitiveness.

To reinforce the direct electrification of Europe's economy, the NECPs should include and report on a national electrification indicator. And so we are calling on the EU Commission to recommend the inclusion of this indicator in the ongoing review of the National Energy and Climate Plans. At the same time, we also urge the Commission to formally propose adding this indicator into the Energy Union Governance legislation.

3. Planning networks, getting skills right, leveraging finance, empowering end-users

a. **Europe needs to get its grid ready for net zero.** We have seen substantial underinvestment in our electricity grids in recent years. 40% of Europe's distribution grid is at least 40 years old. At the very least, we need to double investments in our electricity grids – at the distribution and transmission levels – to deliver our energy security and decarbonisation objectives. But the current grid planning system is too short-termist, badly coordinated between national and EU authorities, and insufficiently focused on grid optimisation.

   Europe needs to overhaul its energy infrastructure planning – starting with an immediate reform of TEN-E Regulation and Ten-Year Network Development Plan processes for both TSOs and DSOs. Firstly, grid planning needs appropriate political oversight to ensure it delivers on net zero. Energy regulators should all firmly enshrine net zero in their mandates. Then grid planning should also prioritise system optimisation, primarily through direct electrification. Anticipatory investments in grids will be essential and need to be coordinated with gas grid decommissioning and investments in any necessary hydrogen infrastructure. All this will require joined up thinking and leadership.

b. **Europe must boost the number of green workers and equip them with the right skills** to deliver the efficient, clean, and safe electrical installations we need. In this way electrification can also help to fuel local growth and career opportunities.

   This will mean expanding the 'pipeline' of workers by reaching out to young people, existing professionals and workers looking to change careers. We can do this by making green jobs more attractive, increasing gender diversity, ensuring that technical education and apprenticeships are properly valued, and making upskilling readily available. Europe must make the most of the Skills chapter in the Net Zero Industry Act (NZIA).

   Concretely, the NZIA's Net Zero Platform should: 1) continuously monitor the gap between the number of workers available and the numbers required to deliver the energy transition; 2) engage young people and workers looking to re-skill with targeted communication campaigns and training opportunities – especially in regions transitioning from fossil fuels; 3) frontload the recognition of qualifications to maximise worker mobility. This will give industry, especially SMEs, the confidence to invest in their workforce.

c. **Europe must prioritise electrification in all its energy funding and financing through a new 'electrification test'.** Any funding and financing that is not consistent with Eur ope's decarbonisation trajectory is wasteful and only deepens Europe's energy crisis. Member States and the Commission should prioritise direct electrification when allocating existing funds (Innovation Fund, Connecting Europe Facility, Recovery and Resilience Facility). And the 2027-2034 Multi-Annual Financial Framework should also mainstream electrification. This will channel investments to where they are most needed: a set of cheap, clean and future-proof technologies, and a qualified workforce that will lead the push to net zero.

   This is key to getting infrastructure right. It is also vital to ramping up the supply chains at the heart of net zero – including the sourcing, refining and recycling of critical raw materials. The EU must streamline funding and financing into manufacturing the technologies we need for electrification, provide CAPEX support to electrify industrial processes and support home installations.

   At the same time, we urge Member States to reach a deal on the Energy Taxation Directive. National taxation urgently needs to shift away from clean electricity and onto fossil fuels, reflecting their negative environmental impact. The principle of energy efficiency-first needs to be reflected in our financial incentives and energy bills.

d. **Europe must push for the smart electrification of end-users** with the swift and proper implementation of existing rules, and the development of pan-European data interoperability requirements to unleash the full potential of demand-side flexibility. This will empower consumers to use, produce and store energy at optimal times.

   By doing all this, we will ensure that direct electrification plays a guiding role in delivering an efficient, secure, and decarbonised energy system.