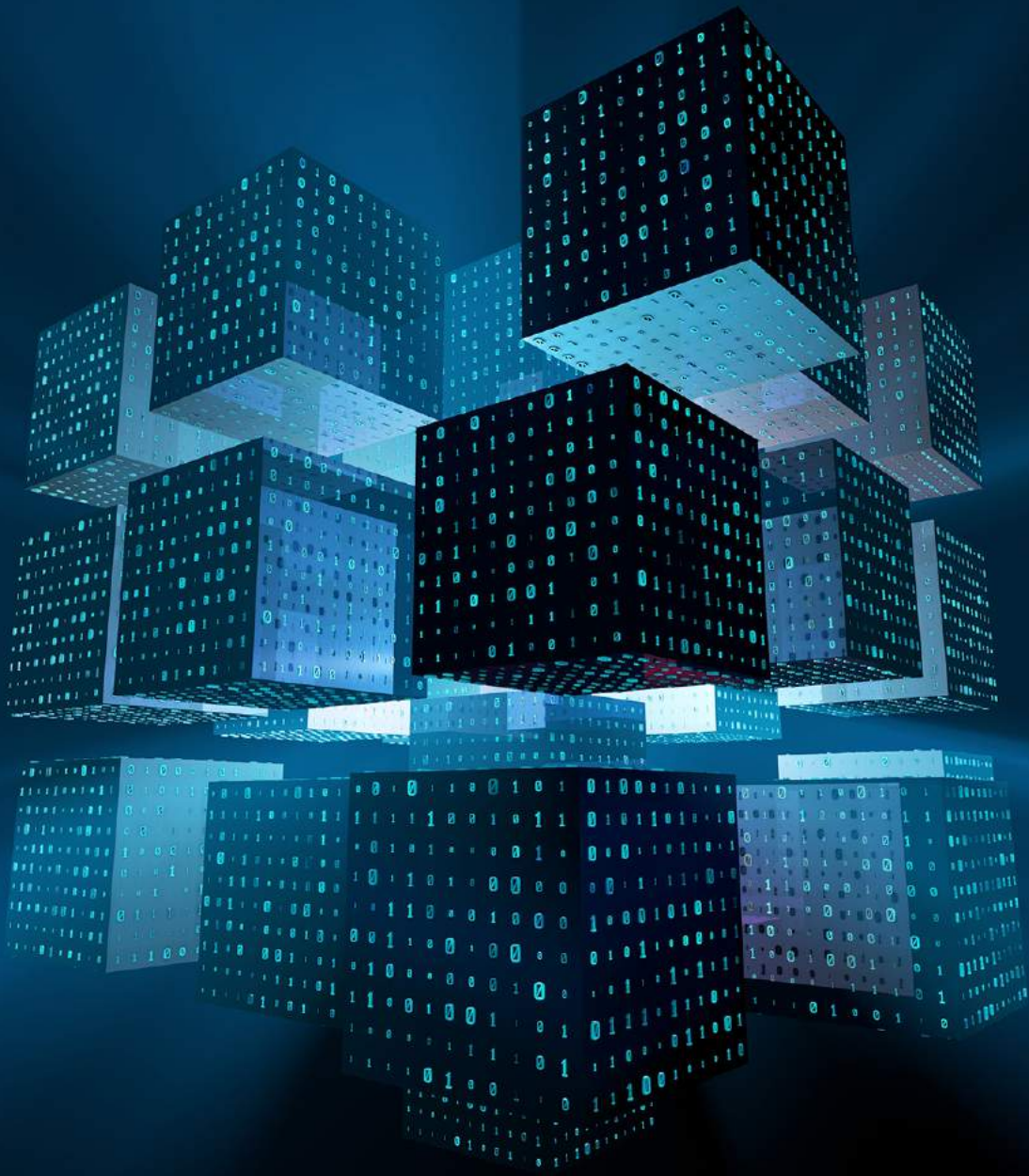


Game Changers

Policy actions & recommendations



Eurelectric recommendations for a carbon- neutral, energy sovereign Europe

We live in times of unprecedented transformations. The climate crisis is increasing the urgency to decarbonise before its devastating consequences spiral out of control. A “code red for humanity” is now in place: we have just three years to cap carbon emissions or face the consequences of temperatures rising above 1.5 degrees Celsius.

In parallel, a second crisis emerged. Russia’s invasion of Ukraine has put Europe’s energy security on the brink of collapse, exposing the bloc’s vulnerability to external price fluctuations and reliance on imported fossil fuels.

These crises are changing the energy game and are calling for unprecedented actions. We need an ever-faster energy transition, doubling down on the ambition to deploy clean and renewable generation. We need to fast-forward electrification rates. We need to future proof the backbone of the electricity system. Investments will be key. As well as partnerships with our customers.

The pressure to decarbonise Europe and become energy independent is mounting. We need transformative efforts at a scale that has never been attempted before!

Five game changing solutions can get us there:





1. Clean energy: raise the game on clean and renewable power generation

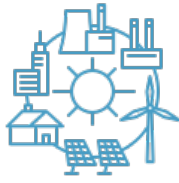
- Recognise the planning, construction, and operation of renewable power plants, as well as their connection to the grid and the grid itself, as being in the overriding public interest and interest of public safety.
- Accelerate permitting for clean and renewables capacity, to enable the deployment of at least 550 GW of green energy by 2030. Europe needs simpler and digitalised procedures, and more resources given to permitting authorities.
- Anticipate the skill gaps and provide workers with skilling and upskilling training in decarbonisation and electrification solutions, while providing clear European and national guidelines for the adaptation of workplaces to climate change.



2. Electrification: electrify everything that can be electrified

- Fast-forward the stagnating electrification rates in end-use sectors and unleash the benefits of an electric future, powered by clean and renewable energies.
- Incentivise solutions for the conversion of clean electricity into hydrogen and other energy vectors, for cases where direct electrification is not possible.
- Address the supply chain bottlenecks and access to raw materials that are slowing down projects' deployment and a faster electrification of transport.
- Unlock the benefits of demand-side flexibility, by bolstering the deployment of heat pumps, electrolyzers, smart charging infrastructure and storage solutions, which enable the smart management of the decarbonised energy system.





3. Strengthen the backbone of the transition: electricity distribution grids

- Reverse today's worryingly receding investment trends in distribution grids, by facilitating access to EU funds, accelerated authorisations, and faster permitting processes. €375-425 billion of investments are needed by 2030.
- Reinforce the grid infrastructure to facilitate the integration of decentralised energy sources, enable the creation of new services for consumers, and ensure a reliable electricity network that withstands extreme weather events or cyber threats.
- Modernise and digitise the grid to ensure its key role in an increasingly decarbonised, decentralised, and digitalised power system.



4. Secure signals, secure investment

- Safeguard, and even deepen, competitive integrated EU electricity markets, as a cornerstone of Europe's security of supply.
- Provide investors with security: ensure predictable, long-term, stable, transparent, and market-based frameworks to reassure about the financial viability of clean and renewables investment. This should notably apply to generation capacities, but also to storage, power-to-X, and demand-side flexibility.
- Guard investor confidence by avoiding distortive market interventions, like price caps and clawback mechanisms.
- Address the challenges caused by extreme price volatility in energy commodities derivatives markets by allowing emergency/temporary funding to provide liquidity facilities to clearing banks.



5. Customers: protecting and engaging with our most important partners

- Implement the EU Green Deal and decarbonisation objectives as the only way to combine affordability, energy resilience, and security of supply.
- Boost customer involvement in the energy transition, by maximising synergies between education, digital literacy programmes, and electrification promotion.
- Empower customers to play an active role in the energy transition, through greater differentiation in price signals, cost reflective network tariffs and an efficient use of both smart meters and grids. Enable financial support to facilitate customers' access to advanced and innovative energy services by mitigating upfront costs and allowing for co-investment, especially to vulnerable customers.
- Remove ad-hoc taxes and policy costs from the electricity bill. These should instead be allocated to the States' budgets. In addition, ensure a quick adoption of the Energy Taxation Directive to harmonise taxes and levies across energy carriers based on energy content and environmental impact.
- Incentivise building renovation and district heating system modernisation, while phasing out subsidies for gas boilers.



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