An Electrification Plan to Deliver Real Decarbonisation

June 2026

The European Commission is set to publish its **Electrification Action Plan** in **July 2026**, announced in the Affordable Energy Action Plan (COM/2025/79), in February 2025.

Clean electrification is one of the most impactful and cost-effective ways to decarbonise industry while increasing competitiveness and reducing dependence on volatile fossil fuel markets. However, the rate of industrial electrification of the EU has stagnated at around 33% over the past few decades[1]. Ageing and undersized grid infrastructure, outdated grid planning that still assumes continued fossil fuel use, volatile electricity prices, tax regimes that favour fossil fuels over electricity, supply chain vulnerabilities, and slow and uneven national implementation of EU electricity market rules undermine the economic case for fuel-switching in industry and households.

The Electrification Action Plan is an opportunity to address these structural barriers that hold back fuel-switching. A well-designed plan should align industrial strategy, energy pricing, network investment, and climate ambition into a coherent and durable framework to send the long-term signals that investors and industrial consumers need to commit to electrification at scale. To ensure climate integrity, the plan must be built with clear climate safeguards, ensuring that electrification genuinely displaces fossil fuels rather than simply adding to energy demand.

1. An electrification target to drive competitiveness and decarbonisation

The AccelerateEU Communication (COM/2026/370) confirmed that the Electrification Action Plan will include an EU-wide electrification target. A well-designed target can deliver on two equally important fronts:

- **Industrial competitiveness**: replacing fossil fuel with electricity shields European industry from fossil fuel price shocks and supply disruptions, reduces total energy costs, and strengthens the position of European producers globally.

[1] EU Observatory, Climact, 2023

- **Climate mitigation**: accelerating the elimination of fossil fuel end uses and driving down greenhouse gas emissions.

To deliver on both sides, the target must focus on the transformation of energy consumption and avoid only tracking an aggregate growth in electricity demand. A purely quantitative target disconnected from fossil fuel displacement risks rewarding the wrong outcomes. To ensure effectiveness, the target must also be accompanied by two structural conditions:

- **A strong and binding renewable energy target**: electrification only insulates industry from fossil fuel price risk, and only delivers climate results, if clean electricity supply is available.

- **Efficiency as a core design principle**: the electrification target must systematically prioritise efficiency. Energy efficiency reduces the volume of new electricity supply and grid infrastructure needed, lowers the overall cost of the transition, and ensures that demand growth remains within the bounds of what the power system can absorb.

2. Distinguish between transformative electrification and additional electricity demand.

Where new electricity demand does not replace a fossil fuel end use, it risks cannibalising the renewable generation capacity needed to decarbonise existing demand, without delivering a proportionate reduction in energy costs or emissions. The Electrification Action Plan must draw a clear distinction between transformative electrification (where electricity substitutes for a fossil fuel application) and additional demand, where no such substitution occurs. Emerging activities with high electricity consumption like data centres or electrolysers for the production of hydrogen should be **subject to specific criteria** (such as additionality) to ensure they do not have a harmful impact on the energy system.

3. Ensure regulatory stability and alignment with the post-2030 energy framework.

Investment in electrification is capital intensive and long-lived. Investors and industrial consumers cannot commit without confidence that the targets and incentives underpinning their investment decisions will remain stable. Thus, the Electrification Action Plan must be designed for durability. **The target should be embedded in a stable legislative framework that is compatible with the post-2030 Energy and Climate.**

4. Consider the specific challenges of electrifiable subsectors that are often overlooked.

Given the scale of impact across industry, transport and buildings, targeting electrification at a major sector level is the right starting point. However, the same logic should extend to subsectors. This includes smaller or harder-to-electrify activities with real decarbonisation potential of their own yet facing specific barriers. An example is **construction machinery**, which to reduce greenhouse gas emissions and noise should be electrified. The sector faces obstacles in securing reliable on-site power, managing charging logistics and building a business case in a context of high electricity prices and battery costs. The Electrification Action Plan should include measures tailored specifically to the decarbonisation of construction sites and machinery, as well as targeted financial instruments such as grants, low-interest loans, guarantees and tax incentives, to reduce the risk of investment and encourage private investment in zero-emission equipment and infrastructure[2].

Contact:

Guillermo Ramo Fernandez

Senior Policy Manager, Energy Systems

guillermo@bellonaeuropa.eu

+32 (0) 456 38 47 00

Arianna Avallone

Policy Advisor, Energy Systems

arianna@bellonaeuropa.eu

+32 487 74 41 45

[2] At Bellona, we have been working on zero-emission construction sites for almost a decade. We developed a database of zero-emission machinery in the market, compiled lessons learned from front-runner entities and engage with stakeholders at various levels of governance to drive the transition forward.