



Vattenfall's views on the EU Electrification Action Plan

Policy Paper

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Today, Europe's competitiveness is harmed by our fossil fuel dependency. High and volatile fossil fuel costs hit industries, consumers, and public budgets alike. Carbon comes at a cost, whether through emission trading, taxes, or the physical impacts of climate change. Transitioning to affordable, fossil free electricity is not just an environmental imperative – it's an economic one.

Vattenfall therefore considers the EU Electrification Action Plan as a critical moment to make a case for electrification by:

- Sending clear, practical recommendations to Member States to build stronger demand signals for electrification
- Demonstrating immediate electrification and demand-side flexibility potential which allows us to regain decarbonisation momentum
- Identifying levers to cut system costs e.g. by tapping into flexibility potentials to ensure a more affordable transition

Ultimately, competitiveness will not come from delaying transformation, but from leading it. Seizing this opportunity will require investor confidence. To unlock capital at scale, we need stable, credible policy frameworks that reduce risk.

The Electrification Action Plan should therefore focus less on creating new rules and more on showcasing how to fully use existing ones as well as promoting high-impact (policy) actions within the current market and financial realities.

Vattenfall is a European energy company with approximately 21,000 employees. For more than 100 years we have electrified industries, supplied energy to people's homes and modernised our way of living through innovation and cooperation. We are committed to building a future where everyone can choose fossil-free ways to move, make and live. Everything we do and the decisions we take shall lead to this goal. This is the basis of Vattenfall's strategy, and we advocate for a regulatory environment that makes this transition possible – in the energy sector and beyond in transport, industry etc.

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