

Brussels, 7 February 2025

Dear Commissioner Teresa Ribera,

The EEB represents more than 30 million concerned individuals active in over 180 citizens-led environmental NGOs, small and big, across 41 countries.

We are writing you about the forthcoming **Affordable Energy Action Plan** which we consider as a critical opportunity: ensuring affordable energy for households and industrial users is fundamental to Europe's social and economic resilience. In line with the spirit of the Commission's Competitiveness Compass, we welcome the occasion to recommend that the Affordable Energy Action Plan prioritise the following actions:

1. **Effectively accelerate the deployment of renewable energy to lower energy costs.** Solar, geothermal and wind are now the cheapest and cleanest sources of energy. A strong focus on closing local regulatory and investment gaps in renewables will reduce household and SME's bills while improving the resilience of the wider energy system. A substantial increase in renewable electricity generation is also needed to ensure that reasonable green hydrogen production volumes are within reach by 2030, thus enabling cheaper energy to decarbonise industry and transports
2. **Cut costs by promoting communities.** There are countless examples of how communities can trim energy costs for members, particularly in areas where energy poverty strikes the most: by having lighter distribution and transportation costs in bills to skipping profits altogether these business models present several ways to lower energy costs. They also instill a sense of belonging and support for energy transition in participants. Guidance on how to best promote this and dedicated funds, particularly for cities and regions, could speed up their uptake.
3. **Prioritise efficiency and make affordable heating and cooling solutions the norm.** The electrification of home heating with renewable technologies - such as heat pumps-- offers households a cost-effective and sustainable alternative to burning fossil fuels or wood. This is particularly true when heat pumps work on climate-proof natural refrigerants and harness the power of synergies with geothermal and solar thermal or PV energy. Combined with building retrofits, energy storage and demand response, direct electrification will help reduce heating costs and protect consumers from future price shocks.
4. **Promote national action to lower taxation on electricity:** While member states are free to determine their level of taxation on transport and heating, for instance, within the boundaries of the current and future Energy Taxation Directive, a concerted effort is required from good-willed countries to lower levies and taxations on electricity to make the economic case for heat pumps, which otherwise would result in higher bills for consumers. In countries with lower running costs than fossil fuels counterparts, an effort in lowering VAT on purchase and installation and on the promotion of zero-upfront business models is needed. As with the commitments in the Repower EU, such effort requires strong guidance from the Commission.

5. **Promote the cheapest renewable sources and avoid costly reliance on nuclear power:** Nuclear power is not only more expensive and slower to deploy than renewable alternatives, it also poses significant risks in terms of security and dependence on Russian uranium. While we do not have any ideological opposition to the technology, the current geopolitical context clearly calls for a prioritisation of the cheapest and fastest decarbonisation means: local renewable generation will offer greater resilience and affordability and will bring the opportunity to loop local communities in the business, lowering local opposition to green infrastructures.
6. **Reduce wholesale price by enhancing electricity market integration and modernising grids.** Fully integrated cross-border electricity markets will reduce wholesale prices and give households and industry access to more affordable energy. Accelerating investment in electricity grids, including local distribution networks, and storage will support the integration of large-scale renewable energy, stabilise prices and improve security of supply. They will also prevent renewable over-capacity and hence speed up the decarbonisation of the grid as a whole
7. **Cut energy prices by promoting Flexibility and Fair Energy Pricing.** Enabling demand-side flexibility for households, (i.e. via time-of-use or dedicated heat pumps tariffs) and encouraging industrial energy users to participate in flexibility markets can significantly reduce overall energy costs. The introduction of fair tariff structures will be necessary to allocate network costs more fairly, to protect both vulnerable households and energy-intensive industries, and to ensure cost-reflective pricing

By closely reflecting these measures, the Affordable Energy Action Plan can protect both domestic and industrial energy users from high energy costs, allowing them to flourish and thrive. All this while driving the transition to a sustainable, renewable energy system that will bring the EU closer to meeting its climate change commitments. We encourage the Commission to work closely with civil society to ensure that this plan is both inclusive and effective in addressing household energy needs.

Finally, we are pleased to share with you a more comprehensive vision for this new legislature, the result of extensive analysis within our citizen networks: [The European Pact for the Future](#). This in-depth document outlines a green and social deal for a one-planet economy and includes a concrete action plan. We believe it can make a valuable contribution to the legislative framework you are working on so intensely.

Best regards,



Patrick Ten Brink

Secretary General