

EU's Electrification Action Plan risks increasing inequalities

Lack of targeted support risks leaving millions behind and undermining Europe's electrification goals. The EAP misses a crucial opportunity to ensure that all households — not only those who can already afford to electrify — **can benefit from the proposed 46% electrification target by 2040.**

Brussels, 20 July 2026 – The set of policies on electrification announced last Friday by the European Commission misses a crucial opportunity to ensure that all households – not only those living in good-quality homes and can afford to electrify – can benefit from the proposed 46% electrification target by 2040.

The EU Commission's 'Electrification Action Plan' proposes measures to reduce the ratio between electricity and fossil fuel prices, lowering upfront costs for electrification, as well as providing the necessary infrastructure. However, it falls short of proposing adequate measures which, instead of deepening existing inequalities, provide the greatest benefits to those who have no means to electrify.

"Electrification will only succeed if everyone can participate. The plan does not even mention energy poverty. Without targeted support, the households that stand to benefit most from lower energy bills will remain locked into expensive fossil fuels while better-off households capture most of the gains." – says dr. Eva Schwab, Energy Poverty Policy Officer of FEANTSA

Electrification needs to go hand in hand with energy efficiency.

We welcome the recognition of energy efficiency within electrification. However, without a clear connection to energy-savings indicators, the electrification target risks incentivising infrastructure-intensive and socially regressive decarbonisation pathways.

The lowest-income households are still disproportionately dependent on fossil fuels, live in homes with leaky roofs, drafty windows and mold, and outdated electrical wiring¹. However, energy efficiency is not only to improve the safety and affordability of electrical heating and cooling but a necessity for the transition to be successful. The goal of fully replacing fossil fuels with renewable energy by 2040 can only be reached by halving Europe's total energy demand. Renovation of worst-performing buildings is the most effective way to reach this target².

The Electrification Action Plan fails to speak to the living realities of vulnerable households.

We welcome the recognition of upfront costs as one of the five key challenges that need to be tackled. However, the measures proposed in the EAP will not help. Households experiencing energy poverty frequently struggle with debt and meeting their everyday needs. They are unable to take on additional monthly commitments such as down payments for a **credit** that would enable a renovation or **leasing** rates for a heat pump. In the absence of a clear legal framework and strong consumer protection, leasing increases the

1 [More than half of European buildings, 132 million dwellings, have obsolete electric wiring.](#)

2 Targeted renovations that prioritise the worst-performing buildings can drastically reduce energy demand. In Germany alone, renovating only the worst-performing buildings could save the equivalent electricity generation of 6,000 wind turbines. [Heat pumps are more expensive than gas boilers for building in classes F, G, H.](#)

vulnerability of households to disconnection in the case of inability to pay³.

Energy price reforms that incentivise electrification must be accompanied by binding safeguards that guarantee lower-income households are protected from higher energy bills. This should include social tariffs, targeted income support, energy efficiency measures, or other mechanisms that reduce energy needs and ensure that no household is worse off as a result of the transition. At the same time, reducing electricity taxes across the board would disproportionately benefit households with higher energy consumption, while providing only limited support to those who need it most. Additionally, the benefits of **Demand Side Flexibility** are inaccessible for households whose energy use is constrained by poor housing conditions, lack of electrical devices, caregiving responsibilities, shift work, and chronic illness⁴.

A comprehensive plan to make electrification accessible for all

The new electrification target needs to be complemented by energy efficiency targets and funding instruments that enable renovations for low-income households living in the worst-performing buildings. The proposed **Better Homes Partnership** should be given the mandate to deliver on these goals.

The upcoming Cooling and Heating Action Plan should ensure that the expansion of district heating and cooling also reaches vulnerable households. To achieve this, it should propose support for network connections, central heating installation, energy efficiency improvements, and other enabling works.

Energy price reforms must be accompanied by targeted financial support, social tariffs, technical assistance, and protection for vulnerable consumers.

Finally, we welcome the proposal of a **Fair Transition Observatory** to monitor the distributional impacts of electrification policies. We further call on the Commission to monitor the social fairness of taxation and electricity price reforms, the fair distribution of renewable energy deployment, particularly through the **Geothermal Stakeholder Partnership**, and participation of vulnerable households and disadvantaged communities in the benefits of the energy transition, such as employment programmes.

3 BEUC Policy Brief [From boilers to heat pumps](#)

4 Review study finds that [dynamic pricing often increases the risk of energy poverty](#).



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