
Bold investments key for climate-neutral and competitive industry

Press Release

Agora welcomes the European Commission's 'Affordable Energy Action Plan' and 'Clean Industrial Deal' as important initiatives to stabilise energy prices and drive industrial transformation. The think tanks underline the importance of robust measures and strategic financial support to secure affordable, clean energy and competitiveness on Europe's path to climate neutrality.

Brussels, Berlin, 26 February 2025. Today, the European Commission published the 'Affordable Energy Action Plan' and 'Clean Industrial Deal'.

Commenting on the Affordable Energy Action Plan, **Émeline Spire, Director Europe, Agora Energiewende** said:

"The Affordable Energy Action Plan charts a clear and realistic path towards an affordable and resilient energy future: accelerating the clean energy transition and deepening the integration of EU energy systems pave the way for independence from fossil fuels. Member states will play a key role in turning this vision into reality – by rebalancing taxes between fossil gas and electricity, incentivising demand-side flexibility and energy storage, and by making sure that the benefits of the transition directly reach consumers.

The short-term emphasis on securing fossil gas supplies, however, risks undermining the ambition of the plan. Prioritising lower gas prices brings uncertain results, while creating an unfavourable environment for electrification. Meanwhile, investing in overseas gas infrastructure could lock Europe into the very fossil-fuel dependencies it must break free from. Instead, investments must be channeled into clean technologies that build a resilient, climate-neutral energy future – striking the right balance between addressing short-term energy costs and staying the course set by today's plan. "

Commenting on the Clean Industrial Deal, **Julia Metz, Director, Agora Industry** said:

"Amid economic headwinds and geopolitical tensions, the Clean Industrial Deal sends a welcome message: industrial competitiveness and climate action not only coexist – they reinforce each other. Reinstating the Commission's commitment to a 90 percent emission reduction target for 2040, the initiative outlines pragmatic measures to modernise industry, from securing affordable electricity to offering targeted investment incentives for climate-neutral technologies. It also fosters green lead markets for example through sustainability criteria for public and private procurement.

The ultimate test for the CID will be translating the proposals into concrete actions backed by a robust financial foundation. For example, the upcoming 'Electrification Action Plan' will need to unlock the significant potential in electrification of low-temperature industrial heat. Rapidly scaling clean technologies this decade will require a stable financial and policy framework in addition to the existing incentives from carbon pricing. While private capital will drive much of the investment needed, strategic public financing remains essential to catalyse this shift, and governments need to ensure that new investments are compatible with climate neutrality."

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About Agora Energiewende

Agora Energiewende develops scientifically sound and politically feasible concepts for a successful pathway to climate neutrality – in Germany, Europe and internationally. The organisation which is part of the Agora Think Tanks works independently of economic and partisan interests. Its only commitment is to climate action.

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