

## EU Electrification

*Prelims: Current events of national and international importance | Environment*

### Why in News?

Recently, the European Commission has proposed an ambitious plan to raise the European Union's electrification rate.

- **Electrification Target** - European Union aims for 46% electrification by 2040.
- **Aim** - To position Europe as the "World's First Electro Continent."
- **Key Objectives**
  - To reduce annual fossil fuel imports, currently valued at €260 billion.
  - To lower overall electricity costs across member states.
  - To enhance the competitiveness of European industries.
  - To ensure alignment with established climate targets.
- **Current Status** - Currently, 70% of electricity is generated from domestic clean energy sources.
- Electrification of final energy demand remains stagnant at 23%.

# EU ELECTRIFICATION PLAN



Powering a Clean, Competitive and Independent Europe



## ELECTRIFICATION TARGET



EU aims for  
**46%**  
electrification  
by **2040**.

## STRATEGIC AIM



Position Europe as  
the “**World’s First  
Electro Continent.**”

## KEY OBJECTIVES



Cut fossil fuel  
imports  
(**€260 bn annually**).



Lower electricity  
costs across  
member states.



Enhance  
industrial  
competitiveness.



Ensure alignment  
with climate  
goals.

## CURRENT STATUS



70% of electricity  
from domestic  
clean sources.



Electrification of  
final energy demand  
stagnant at **23%**.



Clean Energy. Strong Economy. Sustainable Future.



## Electrification Action Plan

The primary focus is to reduce costs and accelerate the adoption of electrification.

- **Measures**

- To reduce the price disparity between electricity and natural gas.
- To reduce taxes and network charges for industrial consumers.
- To accelerate the deployment of smart meters.
- To utilise financial instruments such as social leasing, ETS support, the Social Climate Fund, and the Clean Heat Market.
- To expand electricity grids through the implementation of the Grids Package.
- Investment in clean tech manufacturing, supply chains and workforce skills.
- **Economic & Social Impact**
- Electric vehicles are 78% less expensive to operate compared to fossil fuel-powered cars.
- Heat pumps can reduce household heating bills by up to 60%.
- These initiatives have the potential to create several hundred thousand new jobs.

## Reference

[Down to Earth | EU targets 46% electrification by 2040](#)