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Europe's Electrification Ambition Must Be Matched by a Broader Decarbonisation Approach

The publication of the European Commission's Electrification Action Plan sets out an ambitious framework for accelerating electrification across Europe's economy. However, it does not establish a comprehensive role for complementary renewable fuels and existing energy infrastructure, particularly in buildings, rural and off-grid and outermost areas, and transport applications, where direct electrification may not always provide the fastest, most affordable, or most resilient decarbonisation pathway.

The Cooling and Heating Action Plan Is an Opportunity to Broaden Europe's Decarbonisation Pathways

The Electrification Action Plan recognises several barriers to accelerating electrification, including high upfront costs, constraints on electricity-grid capacity and delays in securing grid connections. However, it gives limited consideration to how these challenges affect rural and off-grid communities and outermost regions, where local infrastructure and consumer circumstances may make the transition more complex.

The Commission's proposed response focuses predominantly on overcoming these barriers through greater investment in electrification technologies and electricity infrastructure. Liquid Gas Europe believes that the implementation of the Action Plan should also recognise where renewable fuels, decentralised energy solutions and existing distribution infrastructure can complement electrification, reduce pressure on electricity networks and provide consumers with affordable, resilient and practical decarbonisation pathways.

Liquid Gas Europe therefore welcomes the Commission's announcement that it will adopt a Cooling and Heating Action Plan. The future Plan should have a broader scope than the accelerated deployment of heat pumps and provide a comprehensive framework for addressing Europe's diverse heating and cooling needs. Sustainable solutions should be assessed according to their lifecycle emissions reductions, affordability, overall system costs, resilience, energy security and suitability for different consumers and buildings.

Complementary solutions lower system costs

Independent analysis by Frontier Economics shows that renewable liquid gases can complement electrification by providing a competitive decarbonisation pathway, particularly for rural and off-grid consumers. The study found that renewable liquid-gas heating solutions can be broadly cost-competitive with air-source heat pumps in representative homes in Germany, Poland and Italy when assessed on a total cost-of-ownership basis. It also found that the full electrification of current liquid gas demand



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would materially increase winter peak electricity demand, potentially requiring between €11 billion and €56 billion in additional investment in electricity generation capacity.

This economic potential is supported by Liquid Gas Europe's Renewable Liquid Gas Outlook, developed by NNFCC and Frazer-Nash. The Outlook estimates that, under its High scenario, European production of renewable liquid gases from locally sourced feedstocks could reach approximately 7.5 million tonnes by 2040, equivalent to around 96 TWh of renewable energy. This would represent more than half of the current EU-27 LPG consumption for energy purposes. By 2050, production could reach approximately 350 TWh, demonstrating the potential for renewable liquid gases to become a mainstream renewable energy carrier across heating, transport and industry.

The Electrification Action Plan rightly identifies energy security as a strategic objective. However, energy security should be assessed not only in terms of clean electricity generation and grid expansion, but also through Europe's capacity to produce renewable fuels domestically. Renewable electricity and renewable fuels produced from European feedstocks are complementary—not competing—solutions that can together reduce import dependency, strengthen resilience and support European competitiveness.

Transport and industry also require a balanced approach

The Electrification Action Plan places significant emphasis on accelerating electrification in transport, including through the implementation of the Alternative Fuels Infrastructure Regulation (AFIR). While electrification will play an important role in reducing transport emissions, it should not become the only pathway promoted by European policy.

Transport decarbonisation should remain technology-neutral, enabling renewable electricity and sustainable renewable fuels to contribute where they deliver the greatest environmental and economic benefits. This is particularly important for applications where electrification is not yet the most practical or cost-effective solution. The implementation and revision of AFIR and related transport legislation should therefore support a diverse range of sustainable energy carriers, ensuring that innovation, consumer choice and emissions reductions remain at the centre of Europe's transport policy.

The same principle applies to industry, where businesses require reliable, flexible and affordable energy solutions to remain competitive while reducing emissions. The Action Plan estimates that electrification is technically feasible for approximately 60% of industrial energy demand currently met by fuels. It also acknowledges that equipment must often be adapted for specific applications, that some high-temperature processes remain at the demonstration stage and that direct-use renewable heat may be more efficient than electrification for certain industries and geographies. Europe's industrial decarbonisation framework should reflect this diversity and support each low-carbon solution where it can deliver the greatest value.

Europe's energy transition requires all sustainable technologies

Europe's future energy system should not be built on electricity alone. It should combine electrification with renewable fuels and other low-carbon technologies, allowing each solution to contribute where it delivers the greatest environmental, economic and societal benefit.



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Commenting on the publication of the Electrification Action Plan, **Ewa Abramiuk-Lété, General Manager of Liquid Gas Europe**, said:

The objective of European energy policy should be to deliver the fastest and most cost-effective decarbonisation while recognising Europe's social, economic and territorial diversity. Electrification, while key, should not be the only pathway if Europe is to deliver an affordable, competitive and socially fair energy system for all citizens, including those living in rural areas, outermost regions and islands. This is precisely why Europe needs a Cooling and Heating Action Plan that enables all sustainable low-carbon technologies to contribute to climate neutrality, ensuring that no community is left behind.

Heating, transport and industry each face different challenges, and Europe's policy framework should reflect that reality. It must therefore be genuinely technology-neutral, enabling renewable electricity, renewable fuels, and other sustainable energy solutions to work together where they can deliver the greatest impact. This approach will reduce emissions, strengthen energy security, preserve consumer choice and make the best use of Europe's existing infrastructure.

As the European Commission begins implementing the Electrification Action Plan and preparing the Cooling and Heating Action Plan, Liquid Gas Europe stands ready to work with EU institutions, Member States and stakeholders to ensure that future policy reflects the diversity of Europe's energy landscape. A successful transition will require realistic assessment of grid capacity and system costs, particularly in rural and off-grid areas, and recognition of the complementary contribution that renewable electricity, renewable fuels and existing energy infrastructure can make to Europe's climate, competitiveness and energy-security objectives.