

CLEAN HEAT
EUROPE

Manifesto

Clean Heat Industry Group

May 2025



CLEAN HEAT EUROPE

About Clean Heat Europe

Clean Heat Europe is a coalition which advocates for affordable, accessible, and climate friendly heat for households across Europe. The coalition calls for political action in support of affordable clean heating in Europe, and a competitive Heating and Cooling sector in Europe.

In May 2025, Clean Heat Europe hosted the first meeting of its Industry Group, an alliance of 17 industry leaders across the clean heat space. Clean Heat Europe brings them together to speak jointly in support of measures which raise the tide for the entire clean heat sector. This document is their manifesto, calling on the European Commission to take action to strengthen the business case for clean heat solutions.

The members of Clean Heat Europe are:

- The European Heat Pump Association
- Euroheat and Power
- Solar Heat Europe
- The European Climate Foundation
- The European Copper Association
- SolarPower Europe

And the companies signing this manifesto, their respective members



Heating and Cooling makes up around half of Europe's energy consumption, and 70% of that energy comes from fossil fuels¹, of which a large portion is imported from outside of the EU.² By replacing fossil fuel heat with clean Heating and Cooling solutions, Europe has an opportunity to strengthen our energy security and geopolitical resilience, bring down the cost of heating, and contribute substantially to meeting our climate targets.

Europe already enjoys a position of global industrial leadership in this sector, with great capacity to manufacture and accelerate the roll-out of clean heat solutions already in place³. Maintaining and capitalising on this leadership position is key to Europe's economic competitiveness, meeting our climate targets and securing a great number of jobs in the EU.

However, **demand for clean heat is undercut by several systemic issues**:

- Volatile and ever-changing regulatory conditions, in which legislation is difficult to navigate, combined with slow and complex permitting procedures for clean heat projects
- A cost premium on the total cost of ownership for clean heat solutions compared to fossil fuels, caused by unbalanced costs on clean energy sources and technologies, as well as high installation costs levied onto households
- High up-front costs for the development of clean heat facilities and the expansion and modernisation of heating and cooling networks
- Infrastructural deficiencies, such as underdeveloped heating networks and electricity grids which hamper the faster rollout of a diverse clean heat mix

Encouragingly, numerous clean heat solutions are mature for large-scale deployment. And so, it is a matter of great importance for Europe's industrial competitiveness at large, that demand for clean heat is boosted by a clear business case.

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https://energy.ec.europa.eu/topics/energy-efficiency/heat-pumps_en#:~:text=Heat%20pumps%20are%20key%20to,carbon%20neutrality%20goal%20by%202050.&text=According%20to%20Eurostat%20data%2C%20about,ambient%20energy%2C%20and%20waste%20heat.&text=This%20is%20a%20modal%20window.&text=Beginning%20of%20dialog%20window, cancel%20and%20close%20the%20window.&text=Activate%20subtitles%20for%20a%20better,to%20turn%20on%20autogenerated%20subtitles.&text=In%20buildings%2C%20heat%20pumps%20are,cycles%20that%20are%20heat%20driven

2 https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Energy_statistics_-_an_overview&oldid=648311

3 <https://solarheateurope.eu/wp-content/uploads/2025/03/Open-Letter-Clean-Heat-Wave-3-compressed.pdf>

This manifesto outlines a series of actionable proposals (see Annex 1) that the European Commission could implement in order to help Europe's Clean Heating and Cooling sector fulfill its potential. It is undersigned by 17 companies which together represent the range of clean heat solutions available on the market, who have joined forces to call for an ambitious policy agenda that strengthens the entire Clean Heating & Cooling sector as whole, for the benefit of households and companies across the entirety of Europe.

The European Commission is on the one hand doubling down on Europe's economic competitiveness by moving forward with a number of industrial policy deliverables within the scope of the Clean Industrial Deal, while at the same time looking to simplify its previously-passed legislation for businesses. It is vital to note that regulatory stability and predictability is critical for a clean heat business case.

The Green Deal, now set to be implemented, forms the basis for the demand and the necessary long-term investment decisions by citizens, companies and municipalities for transitioning away from fossil fuels. So as the Commission endeavours to simplify regulation, the guiding star must be to maintain ambition levels, objectives and timelines for policies already agreed upon, while simplifying the life of the companies that deliver the solutions that fulfill the ambitions and expectations of our legal framework.

The policy proposals of the Clean Heat Industry Group take aim at a number of key issues faced by Clean Heating & Cooling manufacturers, developers, operators and customers, looking at key policy files currently under development by the European Commission.

The Annex below contains a longer set of granular policy proposals, all designed to address the following critical points:

- Europe must provide a stable policy environment with the full implementation of the agreed-upon policies for 2030 and reliable 2040 targets, to ensure a clear long-term business case for Clean Heating and Cooling
- Households' total ownership costs must be lowered by rebalancing energy taxation and VAT to ensure the price ratio between clean heat solutions vs fossil fuels favours clean options
- The EU must support large-scale investment schemes and facilitate the business case for clean heat facilities and the expansion and modernisation of heating networks to address the high upfront costs, while also rebalancing taxation on such facilities
- Support for Europe's Clean Heating & Cooling sector must be a core part of the EU's broader ongoing industrial policy work

Annex 1: Detailed Proposals

Publish an updated EU Strategy on Heating & Cooling aligned with 2040 and 2050 targets, which aims to:

- End direct and indirect fossil fuel subsidies across the board
- Ensure the implementation of Local Heating and Cooling Plans in cities across Europe
- Support local investment decisions into clean heat by regional and local actors, ensuring a level playing field between all clean heat solutions.
- Promote local renewable, clean heating solutions, encouraging synergies between renewable heat producers, heating and cooling resources as well as industry and service facilities.
- Launch and implement dedicated action plans for critical clean heat sectors, such as Heat Pumps, Geothermal, Solar Thermal and District Heating
- Build up a skilled clean heat work force via financial support for up- and reskilling of installers, public-private partnerships with installers and technicians to ensure technicians and installers are trained primarily in clean heat solutions, as opposed to previous generation fossil fuel technologies
- Support the purchasing of clean heat equipment, with clear, predictable EU incentives for the whole range of clean heat solutions
- Enable the scale-up of large-scale clean heat manufacturing capacity across Europe, with support spanning the whole clean heat sector value chain

Publish an Electrification Action Plan to boost EU clean heat competitiveness by:

- Moving taxes and levies out of the electricity bill to bring down clean heat running costs
- Monitoring and ensuring consumers have access to competitive dynamic tariffs
- Investing in the electricity grid with clean heating and cooling sector integration in mind, to balance demand and enable surplus energy absorption

Fund the clean heat transition by:

- Using the Clean Industrial Deal State Aid Framework Opening as well as the Decarbonisation Bank to open up for support to local clean heat solutions, direct electrification, industrial efficiency, and clean heat manufacturing and purchasing of clean heat equipment throughout the value chain.
- Streamline approval procedures of clean heat state aid schemes under the CEEAG
- Establishing targeted EU-level de-risking mechanisms to support clean heat, such as including clean heat solutions in the scope of the announced Clean Tech Guarantee Facility, the Clean Energy Investment Strategy, as well as leveraging the extension of InvestEU for clean heat
- Offering low interest loans and partnerships to enable end consumers to access clean heat solutions.
- Promoting coherent, visible, simple and stable long-term national subsidies schemes to boost demand for clean heat solutions, for example by providing Member States with templates and guidelines for socially responsible financial incentives and tools for the built environment
- Stimulating additional clean heat first-of-a-kind (FOAK) projects, while building on best practices from frontrunner countries and technologies

Provide a supportive regulatory environment for end users to enable clean heat deployment by:

- Ensuring the highest level of legislative ambition established by the European Green Deal, including maintained 2040 targets, as well fully implementing policies such as the Energy Efficiency Directive, Energy Performance of Buildings Directive, Renewable Energy Directive, and the Ambient Air Quality Directive
- Establishing and maintaining long-term clean heating & electrification ambitions
- Provide manufacturers with a coherent, stable regulatory framework that coordinates manufacturers' obligations across different pieces of legislation such as ecodesign, demand response, and pollution emission ceilings which currently result in a permanent need to redesign products and slow down time to market for innovative solutions.
- Simplifying planning and permitting laws across the value chain, and thus slash permitting timelines for deploying clean heat solutions
- Accelerate permitting procedures for decarbonised heating manufacturing
- Support Member States in producing plans for up-front land dedications for clean heat facilities

Ensure a swift, effective implementation of ETS 2 by:

- Proactively informing citizens about the various available clean heat sources and the public incentives attached to them
- Ring-fencing ETS 2 revenues for investment into sustainable solutions across the sectors covered by the Emissions Trading System, and ensuring funding for clean heat in facilities such as the Decarbonisation Bank
- Promoting the use of the Social Climate Fund to bring down both up-front and operational costs for clean heating solutions, so as to offset the transitions' impact on low-income households
- Establishing a frontloaded EU lending facility guaranteed by future ETS 2 Revenues and based on the Social Climate Fund's spending principles, directly offering lending to Member States for investment-related spending starting before 2026

Address the different needs of different clean heat solutions, for example by:

- Ensuring that waste heat potential assessments are performed as mandated by the Energy Efficiency Directive (EED), and that such district heating projects are adequately funded and successfully implemented
- Facilitate access to subsurface data and accelerate licensing and permitting procedures for deep geothermal
- Including clear heat pump projections as announced in the Heat Pump Action Plan in upcoming legislation, based on the 2040 modelling dataset (which projects a need for 60 million heat pump units by 2030 and 90 million by 2050), and improve national tracking of heat pump deployment and make this data publicly available, and provide yearly updates on heat pump deployment and gaps towards reaching RePowerEU, 2030 and 2050 targets
- Soften regulations such as aesthetic neighbourhood considerations that currently hamper the installation of solar thermal and PV panels by potential end users

Contacts and Credits

This manifesto was crafted with the support of all signatory members as well as input from policy experts within the member organisations of Clean Heat Europe. The following colleagues warrant a special 'Thank You' for their diligent support in bringing the industry group together:

- **Carlos Emanuele Jervis**, Euroheat and Power
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- **Esteban Gas**, Solar Heat Europe
- **Mélanie Auvray**, European Heat Pump Association

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