

## **CEFACD Response to the European Commission Call for Evidence on the Electrification Action Plan**

Main recommendations:

- Local space heaters (LSH) have an important role to play in supporting the electrification of Europe by reducing pressure on peak electricity consumption.
- By heating only the space in which they are needed, they reduce total consumption of electricity and gas and if they are wood LSHs reduce total energy system demand significantly.
- European SMEs' ability to supply consumers with affordable and sustainable LSHs depends on the regulatory environment in which we operate. It is essential that their views are effectively considered and that impact assessments address the effects of EU proposals on SME competitiveness.
- Ensure affordable, fair choices for consumers by correctly assessing the environmental impact of heating technologies and avoiding energy poverty.
- The Electrification Action Plan should consider all low carbon and grid supporting technologies and not create an uneven playing field for certain low-carbon solutions, as this can create a superficial market distortion. Technology neutrality towards all sustainable heating options should be supported, without favouring one over another. This includes sustainable electric, gaseous, and biomass LSH.

CEFACD welcomes the European Commission's proposed Electrification Action Plan. As the European representatives for individual heating and cooking appliances, running on gas, wood, pellets or electricity, we fully support the ambition to increase the share of renewable electricity in the grid, strengthen energy security and competitiveness, and deliver the benefits of decarbonisation to consumers. With more than 50 million appliances in use across Europe, local space heaters (LSH) are a cornerstone of household heating, particularly in rural and energy-vulnerable regions.

Our contribution to this consultation underlines how LSH can effectively support the Action Plan's objectives:

- LSHs offer affordable and sustainable solution for electrification, provided the regulatory framework gives them the necessary certainty to thrive. By heating

only the space they are in they allow consumers to control their heating accurately reducing grid draw.

- It also underlines the important role of solid fuel LSH in supporting electrification – use of efficient wood burning LSHs offer consumer low carbon renewable and sustainable heat without the cost and draw on the electricity network and gas supply system.
- Wood fired LSHs offer household and grid resilience and security.

The Electrification Action Plan's objective to increase the share of electricity in final energy consumption is both timely and necessary. To succeed, however, it needs to entail **a technology-neutral approach that recognises system-level performance and does not favour one sustainable technology over another**. This will be important in ensuring sufficient supply of products that would enable an affordable energy transition for all Europeans. LSH are central to this ambition. With their ability to deliver an affordable and sustainable heating, LSH directly reduce energy poverty while helping households move away from fossil fuels.

They play a particularly important role in complementing electrification: LSH allow heat pumps to operate at their most efficient low temperature settings, by providing the top-up comfort temperatures needed in older building and colder periods. A [recent CEFACTD paper](#), based on a study by and CERIC Laboratory, shows that solid fuel local space heater sector growth is compatible with the EU's emission reduction objectives. The new-generation appliances emissions in terms of mass or number of particulates are significantly lower than those of older appliances. Between 2012 and 2023, PM2.5 emissions from domestic wood heating decreased by 36%. By increasing the number of wood-fired appliances and replacing older ones, PM2.5 emissions are expected to fall by more than 70% by 2035. Moreover, this reduction will be accelerated by the improved performance of new appliances and the replacement of older ones.

Wood heating is also a tool for resilience and sovereignty, reducing pressure on peak electricity consumption as part of the trend towards electrification. A study in France, where 40% of houses have a domestic wood-fired appliance, has shown that wood heating reduces electricity demand on winter evenings by 10 GW, the equivalent of 10 nuclear units and 20 combined-cycle gas power plants. If the coverage rate for domestic wood heating in Europe were identical to that in France, the potential for mitigating peak electricity demand would be more than 50 GWh, equivalent to the peak electricity consumption of the United Kingdom.

For many households, especially in rural or lower-income areas, replacing LSHs with air-to-air heat pumps is not also always financially feasible. In such cases, direct heating through electric **LSH offers reliable, precise, and cost-effective solution that avoids extensive retrofits or costly new infrastructure**.

Ensuring a level playing field is essential. The Action Plan must **avoid policy or regulatory choices that unintentionally distort the market by favouring a single technology. Instead, it should recognise the contribution of all sustainable heating technologies, including electric, gaseous and biomass LSH**, to Europe's decarbonisation pathway. In regions such as Eastern Europe, where dependency on expensive or imported fuels is high, LSH can provide immediate, practical and decentralised solutions that strengthen energy sovereignty while keep costs down for consumers. Non-electric LSH can also reduce pressure on already strained grids, offering an inclusive pathway to decarbonisation.

We therefore call for a balanced approach that accelerates decarbonisation while protecting consumers, supporting SMEs, and ensuring energy sovereignty. Such a strategy should explicitly acknowledge the role of other technologies such as LSH, as valid decarbonisation tools and secure their eligibility for renovation funding, public procurement and incentive schemes.

### **Create regulatory certainty for heating**

To unlock the potential of LSH in decarbonisation and electrification, regulatory certainty for heating is essential. Buildings, transports and industry have different levels of readiness for electrification. For buildings, in particular, electric heating offers a low-infrastructure, consumer-friendly pathway to decarbonisation when combined with fabric improvements and integration with renewables are feasible.

Yet, today, economic barriers remain. An unfavourable electricity-to-fossil fuel price ratio and high upfront costs discourage households, while an inaccurate Primary Energy Factors (PEF) and misaligned labelling methodologies create an artificial disadvantage for clean electric systems. The Action Plan should therefore **prioritise reforms to retail electricity pricing, taxation and network charges, while revising PEF and labelling rules to reflect Europe's rapidly decarbonising grid and the real system performance of modern technologies.**

At the same time, Europe's manufacturing and installation value chain, mostly driven by SMEs, needs a stable and proportionate framework. Excessive regulatory burdens risk slowing innovation and market entry, while being in opposition with the Competitiveness Compass agenda. **Harmonised compliance rules, digitalised processes and proportionate requirements would give SMEs the certainty to deliver efficient appliances at scale.**

Finally, Ecodesign and Energy labelling must evolve in step. Current methodologies do not compare technologies on a comparable basis and ecodesign and labelling should ensure just technological comparisons.

Our industry supports strong regulation and efficiency standards. But **clarity, coherence and fairness are indispensable if SMEs and manufacturers are to deliver the clean, affordable heating solutions needed for Europe's energy transition.**

We reiterate our strong commitment to the Commission's objective of increasing the optimal use of electricity in final energy use and ask that LSHs role in ensuring this is recognised and supported. LSH offer affordable, efficient solutions that complement electrification and reduce energy poverty. However, to deliver on this potential, **the Electrification Action Plan must ensure technology neutrality, and provide regulatory certainty for SMEs**, to make sure no one is left behind.

#### **About CEFACD**

The Comité Européen des Fabricants d'Appareils de Chauffage et de Cuisine Domestique (CEFACD) represents the European manufacturers of individual heating and cooking appliances. We represent over 300 local companies generating € 5 billion in sales volume. Our members have a strong European footprint and contribute to wellbeing by providing local heating appliances to European households. More information: <https://www.cefacd.com>.