

# AccelerateEU Communication

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## Context

Europe's continued reliance on fossil fuel imports, accounting for **57%** of total energy consumption, remains a core strategic vulnerability. The recent closure of the Strait of Hormuz has already imposed an additional **€24 billion** in import costs within just 52 days, threatening GDP growth and driving inflation across the EU. In response, the **AccelerateEU plan** outlines a shift from reactive crisis management to a proactive structural transformation of the European Energy Union. It promises immediate relief for households and industry and a long-term commitment to homegrown, clean, and abundant energy.

## Pillar 1: The benefits of greater EU coordination

The Commission emphasizes that the EU's strength lies in its collective weight as a single market buyer. Building on the success of previous joint procurement efforts, this pillar focuses on addressing internal competition for scarce resources that drives up prices. Attention is given to transport fuels like jet fuel and diesel, where supply chains are cross-border by nature and disruptions at regional hubs can lead to widespread flight cancellations or logistics failures.

- **Establishment of a Fuel Observatory** by May 2026 to map EU-produced and imported transport fuel stocks and refining capacities.
- **Facilitation of coordinated gas storage filling** and the release of emergency oil stocks, specifically for jet fuel and diesel.
- **Revision of the Oil Stocks Directive** in 2026 to address weaknesses identified during the current crisis and consider specific requirements for different refined products.
- **Enhanced international outreach** through the EU Energy and Raw Materials Platform to improve global market transparency and secure supply from third countries.

## Pillar 2: Protecting consumers and industry from price shocks

This pillar addresses the immediate socio-economic impacts of energy poverty and rising industrial costs. The Commission advocates for "targeted, timely, and temporary" measures that provide relief without removing the incentive for energy efficiency. Member States are encouraged to combine income support with structural upgrades, such as replacing gas boilers with heat pumps. The goal is to shield the most vulnerable while ensuring that fiscal support accelerates the transition away from fossil fuels.

- **Adoption of a new State aid temporary framework** in April 2026 to allow Member States to support sectors most exposed to price spikes.

- **Promotion of social leasing schemes** for clean technologies, such as electric vehicles and residential batteries, to support low-to-middle-income households.
- **Creation of a digital repository** to share national emergency measures and promotion of good practices between neighbouring Member States.

### **Pillar 3: Accelerating the shift to homegrown clean energy and electrification**

AccelerateEU frames electrification as the main pathway to industrial competitiveness and price stability. The Commission notes a positive correlation between Member States with higher shares of clean energy and energy systems currently enjoying electricity prices below the EU average. To replicate this success, the EU must overcome permitting bottlenecks and scale the deployment of technologies like heat pumps, which are largely manufactured within Europe.

- **Setting an electrification target** and proposing a market-based instrument to accelerate the uptake of heat pumps.
- **Implementation of "Renewable Acceleration Areas"** by late 2026, with permitting procedures capped at a maximum of two years.
- **Targeting 100 GW per year** of new renewable electricity capacity.
- **Review of renewable hydrogen production criteria** to support industrial decarbonization and the development of sustainable aviation and maritime electro-fuels.

### **Pillar 4: Stepping up our energy system**

Modernizing the EU's physical infrastructure is essential to accommodate a decentralised, renewable-heavy grid. The Commission identifies grid congestion and lack of interconnection as major barriers that prevent cheap power from reaching consumers. This pillar calls for a "digitalization of energy," where solutions such smart meters allow consumers to act as active participants in the market. By treating energy infrastructure as a unified European "Energy Highway," the EU intends to eliminate regional price disparities and improve overall system resilience.

- **Fast-tracking the "Energy Highways" initiative** to address priority corridor bottlenecks and upgrade grid productivity.
- **Mandating 50% smart meter coverage** for final consumers in every Member State by 2031 to enable large-scale demand response.
- **Expanding EU energy storage capacity** from 55 GW to 200 GW by 2030, with a focus on large-scale batteries and pumped hydro.
- **Legal proposal on network charges and taxation** in May 2026 to ensure electricity is taxed less than gas and incentivizes system-friendly consumption.

## Pillar 5: Boosting investment

Recognizing that public funds cannot meet the estimated **€660 billion** annual investment gap, this pillar focuses on de-risking private capital. The Commission intends to use the EU Emissions Trading System (ETS) as a primary engine for industrial reinvestment. By frontloading funds and creating new financial products through the **Energy Efficiency Financing Coalition**, the plan seeks to provide the long-term certainty required by institutional investors like pension funds to commit to high-impact energy projects.

- **Launch of the Industrial Decarbonisation Bank**, mobilizing €100 billion to support heavy industry in its clean energy shift.
- **Establishment of an "ETS Investment Booster"** using 400 million allowances to provide investment certainty for energy-intensive sectors.
- **Organization of a €2 billion double-sided auction** specifically for eSAF production through the Early Movers Coalition.

## The Malta Case

The AccelerateEU plan carries significant implications for Malta, particularly regarding its total dependence on maritime and aviation connectivity. The proposed Fuel Observatory and coordinated fuel management are important lifelines for Malta's tourism and logistics sectors, which are disproportionately affected by disruptions in the Mediterranean and beyond.

On grid infrastructure, Malta's current capacity constraints require targeted EU support to de-risk the distribution network. Furthermore, for Malta to truly benefit from Pillar 3, the local grid must eventually open to other operators after 2027<sup>1</sup> to allow private firms to utilize the energy they generate more flexibly.

Finally, while the Industrial Decarbonisation Bank is welcome, Malta must ensure that "geographic disparities" are considered in its funding criteria. Targeted grants are necessary to help Maltese transport operators adopt expensive low-carbon fuels, preventing a loss of competitiveness relative to mainland European operators who have easier access to diversified energy sources.

The full EU communication can be found [here](#).

**Disclaimer: This is a policy brief to create awareness about the legislative proposal(s) and for information purposes. It is not an official position of the Malta Business Bureau.**

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<sup>1</sup> The Maltese Government has expressed its intention to seek an extension of the derogation until 2035, subject to approval by the European Commission. See: [Malta's Energy Shift, pg. 15](#)

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