

Industrial Accelerator Act

Position Paper

25 September 2026

With the publication of the Industrial Accelerator Act the Commission has opened the next phase in a fundamental discussion on the future of Europe. It is a first flagship initiative to strengthen the European industrial base with the aim of contributing to the EU's decarbonisation objectives, while preserving our independence and strategic autonomy in the face of international competition. Europe's electricity infrastructure is the backbone of our current and future prosperity. It is critical that Europe gets it right and translates this in well-defined policy measures that support and strengthen both our competitiveness and resilience.

Keeping industry in Europe is important as Europe continues to possess strong capabilities in future-oriented fields such as smart grids. However, this position cannot be taken for granted. Demand-side instruments can form part of the response by mitigating unfairly distorted competition and turning transformation markets into a business case for European industrial value creation. However, the IAA is neither a panacea, nor is localisation a cure-all. The IAA needs to strengthen a clear and workable business framework that shapes the twin transformation of decarbonisation and digitalisation under conditions of massive global competitive distortions. The interplay with Net-Zero Industry Act, the Critical Raw Materials Act, the European Chips Act, the Public Procurement Act, the Cybersecurity Act needs to be ensured, strengthened and leveraged.

Strategic nature of the electrical networks

When identifying strategic European industrial sectors, it is necessary to highlight the special place of electricity grids and to qualify support for Europe's transmission and distribution (T&D) technology sector as a vital European and national interest. In the face of increasing external dependencies and growing number of subsidized foreign competitors in the EU, Europe needs to maintain and strengthen its strong industrial base that can supply and support the electricity system as a critical infrastructure. It should thus take the right measures to enable the sector to continue to operate, deliver,

and innovate for a secure, reliable, flexible, and resilient electricity network. Europe needs to support Europe-based manufactures and software developers in strengthening the domestic production of strategic grid technologies.

Power transmission and distribution technology for electricity grids and electricity intensive sites – including buildings, factories and data centres is a central part of Europe’s clean energy tech industry. Europe’s T&D technology industry is a strategic net-zero industry sector, as defined by the Net-Zero Industry Act, consisting of more than 600 companies and more than 450 factories across Europe. Over 175,000 people in our industry manufacture, innovate and supply smart systems for the efficient transmission and distribution of electricity, enabling the energy transition and the goal of a climate-neutral Europe by 2050.

The European industry is making major efforts in ramping up its capacity to meet growing demand for transmission and distribution technology. Over the past 24 months T&D Europe’s 12 corporate members alone have announced a total investment of more than €12 billion in expanding global manufacturing capacity.

T&D Europe regrets that the IAA proposal seems to be based on an approach aimed primarily at addressing the challenges of certain struggling industrial sectors, rather than on maintaining and further strengthening future-oriented strategic sectors such grid technologies.

The IAA needs to include electricity grid technologies (and its sub-categories) in the scope of the provisions for public procurement (Article 11) and foreign direct investment (Articles 17), as soon as the text meets the following conditions:

- *Straightforward application and enforcement*

It is important to ensure that a “European preference principle” is clearly defined to ensure that their application is straightforward and that their implementation can be enforced without additional bureaucratic burden on manufacturers.

This means that harmonised terminologies and methodologies, developed within the framework of the European standardisation bodies, are in place to ensure the comparability, reliability and transparency of the low carbon requirements. These criteria should be part of an overall “best value” approach, to valorise the most efficient solutions from both an environmental and industrial point of view.

- *Strengthening resilience*

“European preference criteria” has a role to play for clearly defined critical infrastructure sectors (such as the transmission and distribution technology sector), rather than a one-size-fits-all. Any “European preference principle” needs to strengthen the resilience of Europe’s supply chains both for manufacturing of hardware as well as the development of digital and cybersecurity solutions and technologies.

This means that it is essential for the strategic sectors identified to allow public buyers to include in their purchasing policy criteria targeted at the local level, on the product as a whole or on certain key components or stages of production in particular. For technologies that still have a significant industrial base in Europe, such as grid technologies including for example transformers, the introduction of such criteria is essential to offset the effects of competitiveness losses linked to certain social and environmental constraints specific to Europe (e.g. CBAM, Steel Safeguards, EPBD). This approach must be based on a ‘best value added’ approach, enabling public purchases and support schemes to incorporate not only the cost of acquisition, but also life cycle costs, demonstrable operational performance, security of supply and interoperability, and the resilience of value chains.

This means that the foreign direct investment (FDI) screening mechanism for electricity grid technologies and equipment connected to them should include the application of the ‘high-risk suppliers’ principle, in line with the cybersecurity objectives of critical infrastructure.

In designing, adopting and implementing “European preference criteria” the IAA must ensure that manufacturing from close, long-term partner countries, including Switzerland, Turkey and the UK is not placed at a disadvantage.

- *Ensuring consistency when products include non-European components*

To ensure the credibility and effectiveness of any “Made in Europe” requirement, it is essential that the principle applies even when products include components or subcomponents manufactured outside Europe. The definition should be based on clear criteria such as the ownership of the design (i.e. intellectual property rights), the origin of the R&D&I, the location of the final assembly and factory testing, the proportion of value added within Europe, and the level of control over quality, sustainability, and cybersecurity standards. This approach avoids loopholes and ensures that public

procurement truly supports European industrial capacity, while acknowledging the reality of global supply chains. It also allows for a fair and strategic application of the principle, ensuring that products substantially developed and manufactured in Europe are not excluded due to minor external dependencies.

This means that the IAA requirements must not hinder European manufacturers' access to their global supply chains, which is a prerequisite for maintaining their competitiveness, both on the internal market and for exports. With this in mind, a differentiated approach can be envisaged, based on a gradual strengthening of requirements for critical segments and maintaining controlled openness, based on reciprocity, for the other segments ("made with Europe").

We call on the European Parliament, the Council and the Commission to take these comments into account and reflect them in the revision of the legislative proposal by including the following amendments in the text.

Three proposed amendments:

Commission text:

(66) The provisions on public procurement laid down in this Regulation should build on the provisions of Regulation (EU) 2024/1735 on resilience; and complement them by introducing additional requirements for battery energy storage systems, solar photovoltaic technologies, heat pumps, onshore and offshore wind technologies, electrolyzers and nuclear fission energy technologies. Such additional requirements should ensure that a certain share of the products and their main specific components originate in the Union. That approach should ensure sufficient diversification while strengthening strategic manufacturing capacity and technological sovereignty within the Union. The system for verification of compliance with the requirements should limit the administrative burden and align with common public procurement practice as well as the existing system of verification of compliance under Regulation (EU) 2024/1735. It should therefore rely on a self-declaration by economic operators.

T&D Europe proposed amendment

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electrolysers, ***electricity grid technologies*** and nuclear fission energy technologies. Such additional requirements should ensure that a certain share of the products and their main specific components originate in the Union. That approach should ensure sufficient diversification while strengthening strategic manufacturing capacity and technological sovereignty within the Union. The system for verification of compliance with the requirements should limit the administrative burden and align with common public procurement practice as well as the existing system of verification of compliance under Regulation (EU) 2024/1735. It should therefore rely on a self-declaration by economic operators.

Commission proposal:

Article 17, paragraph 2

(2) This chapter shall apply to foreign direct investment in manufacturing in any of the following emerging strategic sectors:

- (a) battery technologies and its value chain for battery energy storage systems;
- (b) pure electric vehicles, off-vehicle charging hybrid electric vehicles and fuel cell electric vehicles, including components related to electrification and digitalisation;
- (c) solar PV technologies;
- (d) extraction, processing and recycling of critical raw materials.

T&D Europe proposal :

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(e) electricity grid technologies

Commission proposal:

No proposal

T&D Europe proposal:

Article 34, paragraph 1, point (8)

Regulation 2024/1735

ANNEX II Part I

1(e)(bis)(new) Electricity grid technologies: From [OP: please insert the date = 1 year after entry into force of this Regulation], transformers, switchgear, high-voltage direct current transmission equipment, onshore and offshore substations, grid digitalisation and protection systems, and other strategic electricity network technologies identified by delegated act shall originate in the Union.

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