

Open Strategic Autonomy

Considerations from the power sector on 'Made in Europe' as a new principle in EU industrial policy

Eurelectric position paper

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:

- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

Dépôt légal: D/2026/12.105/15

WG Industrial Competitiveness and Innovation
WG Sustainable Network Technologies
WG RES & Storage
WG Thermal & Nuclear
WG Hydro
WG E-mobility
Electrification Committee
Generation and Environment Committee
Distribution and Market Facilitation Committee

Contact:
Nic Steinwand, Policy Advisor – EU Energy & Climate
Paul Wilczek Head of Energy Policy, Climate and
Sustainability
Anton Koninckx, Advisor – RES & Storage
Jessica Garcia, Advisor – Distribution and Market Facilitation

Open Strategic Autonomy – Considerations from the power sector on ‘Made in Europe’ as a new principle in EU industrial policy

A Eurelectric position paper

April 2026

KEY MESSAGES

- Eurelectric welcomes the EU’s long-term goal of diversifying supply chains and developing competitive European supply chains, especially in strategic local industries.
- Our members procure end-products from and supply electricity for European industry and see the principle of ‘open strategic autonomy’ as the balanced approach needed in relevant EU industrial policy legislation such as the recently published Industry Accelerator Act and supporting policy framework.
- As a general consideration, newly proposed ‘Made in Europe’ requirements, while being an important part of this balanced approach, must not be overly stringent to:
 - i. Maintain the affordability of the energy transition and avoid equipment availability issues
 - ii. Incentivise electrification
 - iii. Meet future demand for clean technologies
 - iv. Ensure proper market functioning and a level playing field between public and private market participants.
 - v. Support long-term investment certainty and regulatory stability
- To strike the right balance, Eurelectric recommends:
 - i. A thorough impact assessment of mandatory local content requirements to identify where they add real value
 - ii. Progressive implementation, starting first with the European value chains most at risk and where we stand to gain the most
 - iii. Strengthen cooperation and partnerships with reliable and trustworthy actors outside the EU
 - iv. Provide regulatory certainty to maintain investor confidence

Background on our role as Eurelectric & context:

We represent the **European power sector**, including distribution system operators (DSOs), power generators (wind, solar photovoltaics [PV], hydro, nuclear, thermal) as well as storage, e-mobility and wholesale and retail electricity market participants. We do not represent manufacturers nor transmission system operators.

In this context, our members are:

1. **Procuring** end-products (wind turbines, grid distribution equipment, solar PVs, battery energy storage solutions [BESS], nuclear components, charging stations, construction materials of stations, etc.).
2. **Supplying increasingly decarbonised electricity** to provide manufacturing sites and beyond with a solution for a competitive, resilient and decarbonised energy option, thus lowering the carbon footprint of their output.

Policy developments:

The **Industrial Accelerator Act (IAA)** and the revision of **Public Procurement Directive (PPD)** in the ongoing co-decision procedure at EU-level seek a further strengthening of local content requirements, building on and deepening the resilience criteria already promoted in the **Net-Zero Industry Act (NZIA)**. As an important disclaimer, this paper does not entail any detailed views or policy ask on the Industrial Accelerator Act (IAA) and the revision of Public Procurement Directive (PPD). It rather serves the purpose to outline general considerations from the power sector on 'Made in Europe' (MiE) (referred to as 'Union-origin' in the IAA) as a principle in EU industrial policy.

Accordingly, in the next pages we will detail:

1. Overall views
2. 5 key challenges
 - i. Mitigate impact on affordability
 - ii. Preserve electrification technologies' competitiveness
 - iii. Meeting future demand
 - iv. Enable competition while avoiding market distortion
 - v. Ensure regulatory certainty
3. 4 key recommendations:
 - i. Impact assessment of supply chains and where it makes added value
 - ii. Phased implementation: start with the highest impact
 - iii. Valuing collaboration and partnerships
 - iv. Ensuring regulatory certainty and a level playing field

Overall:

- **We welcome** the long-term goal of diversifying supplies, and developing competitive European supply chains, boosting demand certainty for strategic local industry and providing an opportunity to secure our energy and industry. This goes hand in hand with the long-term aim of increasing manufacturing capacity in Europe. These end-goals are intertwined means of reaching 2030, 2040 and 2050 decarbonisation targets, while fostering sovereignty and technological development in the Union. Nevertheless, it remains key that the measures are balanced and well calibrated, taking into account *the short-term* realities of EU industrial value chains, to avoid slowing down project deployment, undermining competitiveness or creating policy

overlaps. The EU should work towards **open strategic autonomy**¹, reducing its dependence on individual suppliers while **retaining or rebuilding its own expertise, innovation and value creation**. We stress the importance of **global diversification, including through new international partnerships, alongside support for vulnerable European supply chains**, as key aspects in incentivising innovation, clean technology diffusion, cost-efficiency, competition and economies of scale.

- Eurelectric **supports the endeavours of European industries and manufacturers in enhancing sustainability and competitiveness in global markets**. Supply chains are global and complex and Europe cannot secure them alone, therefore a **mix between diversification and support for European production** where it is cost-effective and strategic is the balancing act we need to work on to reduce dependence. This is an opportunity for Europe to redefine its economic strategy for success in the decades to come.
- There are many ways to achieve open strategic autonomy. We support the overall logic of MiE – cutting dependencies, combating industrial relocation – but this should not be achieved through the imposition of strict obligations on downstream users. What is also needed are enabling conditions supporting manufacturing capacity in the EU such as reduced administrative burden, faster permitting for manufacturing projects, support for lead markets and prioritisation of electrification. Positive examples include the Grids Manufacturing Package facilitating investments production in Europe as well as the NZIA provisions shortening permits for manufacturing (art. 13-16). Resilient and diversified supply chains are essential for a thriving economy.

Main challenges are:

1. Mitigate impact on affordability

Strong obligations for MiE content would risk increasing prices for the sector, at a time when our priority is to ensure sustainable and reliable delivery of electricity.

Several elements could push the cost of MiE clean technologies upwards. These include:

- I. Subscale economies triggering higher per-unit cost, specifically when manufacturing is emerging and/or sensitive to market size
- II. Demand concentration on a narrow band of suppliers reducing the overall supply of solutions for power sector procurement
Administrative costs and complexities for suppliers due to the proliferation of different approaches across the Union leading to increasing compliance burden

2. Preserve electrification technologies' competitiveness

Introducing mandatory MiE obligations in tenders would have implication on the CapEx-aspect of new projects. Since electrification is highly CapEx-intensive² - unlike fossil fuels, which are mainly OpEx-intensive - the MiE criterion in public procurement and auctions risks disproportionately affecting, indirectly, electrification at a time when we must increase the electrification rate to achieve our competitiveness, security and decarbonisation objectives.

In this context, it is important to ensure that any requirements introduced in new EU legislation such as the IAA are carefully calibrated to avoid unintended distortions and to

¹ Eurelectric, [Healthy Competition & Open Trade](#), 2024

² Eurelectric, [The New Industrial Age](#), 2025, p12-14

preserve a level playing field across all technologies, while supporting the scale-up of clean net zero technologies.

3. Meeting future demand

The challenge is not only to meet today's demand but increasing investments in grids, including technologies manufacturing capacities, as well as generation technologies, with each part of the electricity value chain having its own unique specificities. As an example, the number of transformers necessary to meet Fit for 55 (FF55) targets would need to double from 4.5 to 9 million in 2050. For conductors, the increase is from 10 to 16.8 million kilometres to 2050³. Similarly, for electricity generation, meeting FF55 objectives means doubling the total installed capacity, nearly tripling renewable energy source (RES) generation.⁴

These increases are only accounting for the needs of the European power system. However, in 2023, nearly 200 countries pledged to triple the use of RES. This points to a general increase in global demand, and thus of the competition for high quality net-zero technologies MiE. This creates a timely opportunity to **move decisively towards** the long-term objective and goals of diversifying supplies, while developing manufacturing value chains in the EU and boosting demand certainty for local industry. The approach needs to be gradual, however, as chokepoints in existing supply chains exist and strictly limiting suppliers without having new strategic partnerships in place would put upward pressure on costs for the power sector.

4. Enable competition while avoiding market distortions

As public procurement rules apply differently across Member States, a MiE preference would not apply homogeneously for the sector. In some countries, electricity generators are fully exempted, while in others, it depends on the ownership structure. For DSOs, public procurement compliance depends on the ownership, country and tender size which in turn could distort competition in downstream markets and put publicly bound entities at a structural disadvantage.

Moreover, the more restrictive the criteria, the fewer actors are involved in the bidding process. The lower the competition, the higher the price that will be socialised in the electricity bill. This concern is amplified by the fact that the average number of bids on a tender have nearly halved from 5.6 (2006-2010) to 3.4 (2017-2024), across sectors. In addition, procurement procedures attracting only a single bid are becoming increasingly common, with the share of single-bid tenders rising from 23.5 % to 41.8 % in the last decade⁵.

5. Ensure regulatory certainty

The NZIA, which entered into force in June 2024, already introduces mandatory non-price criteria for public procurement and renewable energy auctions, including sustainability and resilience requirements. The NZIA is being implemented through a series of secondary legislation acts that further specify pre-qualification and award criteria. At the same time, the upcoming revision of the Public Procurement Directive (PPD) and associated legislative initiatives are expected to propose additional European criteria. The coexistence of these instruments before a fully harmonised and coordinated framework is in place may create regulatory complexity, overlapping obligations and legal uncertainty for contracting authorities and market participants, especially as the NZIA non-price criteria have only been in place since 30 December 2025.]

³Eurelectric, [Grids for Speed, 2024](#), p. 85

⁴ Eurelectric, [Decarbonisation Speedways](#), 2022, p.27

⁵ European Commission, [Evaluation of the Public Procurement Directives](#), 2025, p. 25

The interplay of the NZIA with the upcoming revision of the PPD, as well as the IAA, where a European criterion has also been announced, highlights the need for careful alignment to ensure a coherent and effective regulatory framework. Specifically, the interaction between the current NZIA resilience criteria and potential new MiE requirements for the same public tenders calls for further clarification to facilitate smooth implementation, especially as the NZIA non-price criteria have only been in place since December 2025.

Our recommendations are:

1. Assess the impact of mandatory requirements

A detailed analysis should be conducted before implementing MiE requirements to inform a coherent strategy that optimises our open strategic autonomy and provides the right balance between diversification and local support. We would therefore encourage conducting a thorough impact assessment on supply chains, technology needs and their availability as well as interactions with the pre-existing regulatory landscape including the NZIA and PPD, as well as provisions in the recently proposed revision of the Cybersecurity Act, among others, in close collaboration with the contracting entities. The growing experience from the recently introduced NZIA rules can provide important insights into their impact and how they interact. This is an essential step in providing targeted, meaningful support, while correcting deficiencies with low to minimal unnecessary disruptions on well-functioning supply chains.

2. Target efforts progressively with initial focus on pre-existing European value chains

A strategic approach must be taken which sees a progressive introduction of MiE requirements, starting first with the segments of the value chain where Europe is at risk of losing pre-existing capacities or nascent industries. The objective should be to preserve European value chains and then expanding to sectors where MiE makes sense.

MiE criteria and requirements should also be technology-specific, to consider the level of maturity, and must be regularly reassessed to account for feedback on the ground, observed investment trends and evolution of reindustrialisation. This precaution should help avoid setting overly ambitious criteria too early, which could slow down the development of manufacturing value chains due to a lack of immediate MiE products. In addition, to provide certainty for investors and project promoters, it would be essential to:

- i. elaborate a transparent implementation timeline, with clear milestones; and
- ii. aim for gradual integration of such products – mindful of cost efficiency and supply chain developments.

Appropriate flexibility should also be introduced and foreseen, where compliance is not feasible or proportionate. This includes situations of limited or no competition (e.g. monopoly suppliers), the absence of suitable tenders, disproportionate costs or technical incompatibilities. Quality, performance, and product innovation are also essential considerations.

3. Strengthen and promote collaboration and partnerships

The principle of open strategic autonomy necessitates partnerships and collaboration to strengthen supply chain resilience and mitigate their risks. Strategic sourcing from trusted partners, including customs union countries, combined with local production enhances both the reliability and stability of critical clean technology supply chains, making them more robust against external shocks, geopolitical instability and trade overreliance on single suppliers. The conditions have to be implemented on a uniform basis throughout

the EU. Any prioritisation scheme should be in line with international trading norms. As a general consideration, Europe must continue strengthening international cooperation to ensure diversification in clean tech products and raw materials. Any MiE scheme needs to include preferential treatment to our trusted European partners.

4. Ensure regulatory certainty and a level playing field

Regulatory certainty aligns policy objectives with market incentives, creating a virtuous cycle that drives competitive uptake of technologies and sustainable economic growth. Transparency, stability and predictability are key to enabling businesses to plan and scale projects with confidence, reduce investment risk, as well as partake in voluntary collaboration, to accelerate technology uptake and strengthen long-term industrial growth. This requires a coherent and consistent approach in elaborating and implementing MiE requirements, ensuring alignment across regulatory frameworks and avoiding fragmentation that could undermine market signals and investor confidence.

Moreover, any MiE rules must provide a clear and predictable framework that ensures legal certainty and preserves the integrity of public procurement procedures. They should not unduly restrict competition or predetermine procurement outcomes.

In particular, it should be ensured that procurement-related obligations do not lead to an uneven playing field between market participants subject to public procurement rules and those operating under purely private market conditions.

Given the differences in regulatory obligations across actors and Member States, additional requirements risk disproportionately affecting regulated or publicly bound entities, thereby distorting competition in downstream markets.

Eurelectric pursues in all its activities the application of the following sustainable development values:

Economic Development

- Growth, added-value, efficiency

Environmental Leadership

- Commitment, innovation, pro-activeness

Social Responsibility

- Transparency, ethics, accountability



Union of the Electricity Industry - Eurelectric aisbl
Boulevard de l'Impératrice, 66 – bte 2 - 1000 Brussels, Belgium
Tel: + 32 2 515 10 00 - VAT: BE 0462 679 112 • www.eurelectric.org
EU Transparency Register number: [4271427696-87](https://register.transparency.europa.eu/4271427696-87)