



Confindustria – Position on the Revision of the EU  
Framework for Energy Security

Position Paper

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## **Introduction**

Confindustria welcomes the European Commission's initiative to review the EU regulatory framework on energy security. This revision represents a crucial step to accompany and support the transition of the European energy system towards a decarbonised, flexible and resilient future.

In light of the experience gained during the 2022–2023 energy crisis, the war in Ukraine, and recent events that have revealed vulnerabilities in European energy systems, it is urgent to build an updated security-of-supply framework that takes into account geopolitical, technological, climatic and industrial challenges as well as European competitiveness. These experiences have demonstrated that energy security can no longer be addressed in a sectoral way but must be based on an integrated vision of the entire European energy system – electricity, gas, hydrogen and heat – in which infrastructures, markets and industrial policies operate in a coordinated and coherent manner.

The new framework must therefore go beyond emergency management and develop Europe's structural capacity to prevent future crises. This requires a comprehensive approach to hybrid and cyber threats, enhanced protection of energy and technological supply chains, consideration of climate-related risks and the assurance that the energy transition becomes a lever for industrial competitiveness. The revision should promote resilience, sustainability and accessibility, recognizing the direct link between security of energy supply and the strength of the European productive system as well as properly reflecting the substantial differences in terms of infrastructure, physical properties and markets functioning between the available energy sources and carriers.

## **General Principles**

Energy security must be understood as the ability of the European system to prevent, manage and respond to geopolitical, climatic, technological and infrastructural shocks, while ensuring safe, affordable and sustainable energy for citizens and businesses. It cannot be limited to the physical availability of resources but must also encompass economic stability, technological integration and social cohesion.

Energy produced in Europe — particularly from renewable sources, renewable gases, hydrogen and recovered heat — constitutes the foundation of European energy sovereignty and the basis for reducing dependence on external suppliers. Domestic energy production and storage capacity must become the cornerstone of the new European security framework, enhanced in parallel with the securitization of the critical raw materials needed and the development of the related technological supply chains to avoid new dependencies.

At the same time, the diversification of energy sources and supply routes must be accompanied by integrated infrastructure planning. Energy infrastructures — electricity grids, gas pipelines, LNG terminals, interconnections, storage systems and district heating

networks — should be developed and managed in a coordinated manner, taking into account interdependencies among energy carriers and regional specificities.

Finally, market integration and solidarity among Member States must be fundamental pillars of security. Only well-functioning, interconnected and mutually supportive markets can guarantee energy security across Europe, avoiding national fragmentation and unnecessary duplication of costs.

### **Energy Infrastructures and Resilience**

Energy infrastructures represent strategic European assets. They ensure system stability, support the transition and enable efficient management of the increasing share of renewable energy and new energy carriers. Europe must recognize the critical nature of electricity and gas infrastructures and promote their strengthening and modernisation.

It is essential to reinforce both European and national energy networks, enhancing digitalisation, interconnection capacity and integration between electricity, gas and heat systems. Investments in the electricity infrastructures must be anticipatory, coordinated across borders, and supported by stable remuneration frameworks for DSOs and TSOs. At the same time, existing gas infrastructures, including storage facilities and LNG terminals, must be preserved and upgraded to ensure security and seasonal flexibility. The objective should be to build a hybrid energy system capable of managing electricity, gas, heat and hydrogen in a synergistic way, thereby creating truly integrated and resilient European energy networks.

This must go hand-in-hand with the development of large-scale storage capacity and the promotion of smart grid technologies to enhance the efficiency and resilience of the energy system.

Confindustria believes that energy infrastructures should be recognized as projects of strategic public interest, benefiting from streamlined permitting procedures, simplified governance and strengthened coordination at European level. The European Commission should strengthen the Connecting Europe Facility by ensuring adequate support for multi-energy and storage projects, and by introducing fair cost-sharing mechanisms among Member States for cross-border projects of common interest.

### **Adequacy, Flexibility and Economic Accessibility**

Security of supply requires a constant balance between generation adequacy, operational flexibility and the economic accessibility of energy.

Forward-looking planning is central to the new architecture of the European energy security. Preparedness must anticipate risks, foresee potential, limit their impact, and reinforce resilience in advance and not only manage crises once they unfold. Structural risks such as

supply chain fragility, climate extremes, and cyberthreats are insufficiently integrated into national or European assessments, leaving gaps that ultimately raise recovery costs. Planning must therefore evolve from a narrow focus on adequacy and infrastructure to a broader scope that also integrates flexibility needs, long-term risk assessments, cross-border coordination, and cross-sector interactions.

While instruments such as the European Resource Adequacy Assessment (ERAA) and the Ten-Year Network Development Plan (TYNDP) have been valuable steps, they are still not sufficient to guide policymakers and investors effectively. The ERAA in particular must evolve to bridge the gap between theoretical modelling and real-world operational constraints. Recent experiences demonstrate that adequacy risks may materialize even when ERAA assessments suggest otherwise, exposing a disconnect that undermines confidence in the tool.

Complementarity between ERAA and NRAAs is therefore central: national assessments must remain essential to capture local specificities and operational realities. A better synchronisation of methodologies, input data, and timelines between the two levels is urgently needed with the aim to underpin the implementation of Capacity remuneration mechanisms (CRMs), which play a structural role in ensuring system adequacy and supporting higher RES penetration. Streamlining approval processes and ensuring that CRMs accommodate flexible resources would significantly bolster resilience.

Flexibility must be shared between production, storage and demand, avoiding a disproportionate burden on the productive system or final consumers. The Risk Preparedness Regulation (EU 2019/941) should be revised to explicitly recognize demand-side flexibility and energy storage as critical resources for system security.

The European energy system should be based on a dispatchable and flexible mix that combines renewable sources, low-emission gases, hydropower, hydrogen, nuclear and other zero-emission technologies in a balanced way. System stability must be ensured through efficient capacity markets, reliable balancing services and a coordinated use of energy storage. Moreover, in addition to provisions that promote large-scale, front-of-the-meter projects, Member States should also recognize and support behind-the-meter storage on customer sites, which can provide additional system flexibility, improve efficiency, and deliver local benefits such as reduced grid congestion and enhanced energy resilience.

Strategic autonomy also depends on reducing reliance on strategic technologies and manufacturing capacities located outside Europe. Ensuring an adequate level of domestic production of critical components for the electricity sector is essential, particularly in times of crisis, to guarantee the continuity and resilience of energy systems.

European manufacturing companies as a whole should be therefore recognised as structural components of energy security. Their production continuity, ability to plan consumption and to integrate efficiency and flexibility solutions make a fundamental contribution to the overall stability of the energy and industrial system. The EU security-of-

supply policy should therefore consider the manufacturing fabric as an active partner in resilience and the energy transition.

In this regard, strong collaboration between public authorities and the private sector will be needed to mobilise the required investments. Moreover, a revision of public procurement policies aiming at the promotion of strategic European supply chains can foster new made-in-Europe industrial capacity. In this regard, the aim of the Net Zero Industry Act (NZIA) is welcome to support made in EU cleantech.

Energy security is not limited to the physical availability of resources; it must also be measured by the capacity to guarantee stable, affordable and predictable prices. Electrification and decarbonization will be achieved only if energy remains competitive for all businesses. It is therefore necessary to reform the energy cost structure, reducing market prices, curbing parafiscal charges and system costs for the business sectors and using ETS revenues to compensate indirect costs in an harmonized way across Europe. Proportionate limits should also be established on levies applied to energy used for productive purposes, to ensure a fair framework for the entire European manufacturing sector.

In this view, long-term contracts such as Power Purchase Agreements, Contracts for Difference, tripartite contracts and Gas/Biomethane Supply Agreements are essential tools to provide stability and predictability to industrial consumption. Recent past has demonstrated the crucial role of the gas Storage system and the necessity for Europe to build security stocks to ensure availability and affordability of energy.

These instruments should be supported by European guarantees and by the future European Bank for Industrial Decarbonisation, designed to facilitate strategic energy investments and reduce financial risk for enterprises.

While promoting energy efficiency is and will remain a good practice both for environmental and SoS purposes, demand cut measures should be considered as last resort for their detrimental social and economic impacts.

Gas demand reduction measures, such as those implemented in the 2022 crisis, determined irreversible demand destruction dynamics (with related EU de-industrialization and competitiveness losses).

Demand reduction should first of all be prevented by making available to the energy system enough resources able also to tackle severe stresses, with a proper re-assessment of supply standard requirements.

## **Resilience and Security of Critical Infrastructures**

Confindustria welcomes the Commission's intention to broaden the definition of energy security to include hybrid and cyber threats, physical and climate risks, and the vulnerability

of technological supply chains and critical raw materials. Energy security must indeed encompass infrastructure protection and industrial resilience.

To this end, a European mechanism for monitoring and rapid response to physical or cyber events affecting critical infrastructures should be established. Common EU standards must be defined for network resilience and protection against extreme weather events, while at the same time promoting the diversification of industrial supply chains and the reduction of dependencies on extra-European suppliers, in line with the objectives of the Critical Raw Materials Act. A centralised EU Cybersecurity Centre could provide stronger coordination, funding support for critical infrastructure upgrades, and EU-wide cyberattack simulation exercises to enhance preparedness. In addition, many distributed energy technologies — such as batteries and solar inverters — are not yet subject to strong cybersecurity requirements, even though their deployment is expected to grow rapidly across Europe. It is therefore essential that the European Commission includes these products under EU cybersecurity law, with specific obligations to ensure their resilience. Strengthening cybersecurity for these devices will be key to safeguarding the integrity and stability of the future energy system.

### **International Partnerships and Integrated Planning**

European energy security is also strengthened through stable and mutually beneficial relations with third countries. Confindustria supports the development of strategic energy partnerships in the Mediterranean and North Africa, aimed at fostering joint infrastructure development, technological cooperation and shared standards in the fields of security and sustainability.

European planning must become fully coordinated and consistent with existing instruments, particularly the National Energy and Climate Plans and the Trans-European Energy Networks. Only a coordinated approach between the Union and Member States can ensure an orderly and secure transition.

### **Diversification and Decarbonisation**

Diversification concerns not only the origin of resources but also the variety of technologies employed. A secure European energy system must combine renewable and net zero electricity (e.g. nuclear), methane (abated via e.g. CCUS), biomethane, hydrogen and recovered heat, integrating efficient district heating and promoting industrial waste heat recovery as a circular and local resource.

Natural gases and hydrogen should be recognized as structural vectors of energy security, complementary to electrification and storage. At the same time, authorization procedures

must be stably simplified, and strategic energy projects should be accelerated in all Member States.

### **European Governance and Solidarity**

European energy security requires more coordinated governance, capable of ensuring a common and timely response to crises. Confindustria proposes the establishment of a permanent European Task Force on Energy Security, responsible for coordinating responses to physical, cyber or market crises.

The governance of Europe's energy system must evolve in parallel with its technical transformation. Moreover, clear roles, timely information sharing, a clear line of communication and decision making and structured coordination across sectors (transparency) are essential to ensure that all actors can respond effectively in emergencies and make informed decisions in a coordinated way that reinforce system resilience. At the same time, strengthening cross-border coordination of real-time markets is vital to manage increasing system volatility, ramping needs, and variable renewable generation. Improved market design would enable faster and more efficient responses to imbalances across Member States.

Integrated emergency plans for gas, electricity and hydrogen should be developed, periodically updated and aligned across governance levels. Binding solidarity mechanisms among Member States and enhanced cross-border cooperation instruments should become an integral part of the new regulatory framework.

Strengthening Member States cooperation can represent a valuable success factor for effectively and efficiently managing tense or crises conditions. This cooperation should include also relevant extra-EU States, under an equal and mutually recognized normative and regulatory framework.

Optimizing and coordinating European energy resources utilization in case of emergency conditions can help overcoming crises improving Union collective preparedness to prevent and/or tackle shocks.

### **Monitoring, Digitalisation and Transparency**

Modern energy security relies on reliable, timely and interoperable information. It is therefore necessary to strengthen the integrated monitoring of European energy flows, promote the digitalisation of infrastructures and develop data-sharing platforms among operators, while ensuring the simplification of reporting obligations and the proportionality of rules.



New legislative initiatives — such as the Methane Regulation, the Corporate Sustainability Due Diligence Directive and the Data Act — should be simplified and implemented in a coordinated manner, avoiding duplication and administrative overlap.