

# Swedenergy feedback on the update of the Governance of the Energy Union and Climate Action

In its work programme for 2026, the European Commission announced an update of the [Governance of the Energy Union and Climate Action](#), including the phase-out of fossil fuels subsidies, planned for the fourth quarter of 2026. The proposal aims to help the EU prepare an enabling energy and climate policy framework for the decade ahead and to support its efforts to achieve the long-term objectives of the Paris Agreement.

Swedenergy fully supports the EU's objective of becoming climate-neutral by 2050 and the science-based intermediate target of a 90% reduction in net greenhouse gas emissions by 2040. Efforts to limit climate change must accelerate, and the 2040 target must pave the way toward the EU goal of climate neutrality in 2050.

## One overarching climate target

EU climate policy after 2030 should be guided by one overarching climate target. Multiple parallel targets with equal status risk increasing costs and reducing efficiency. A clear hierarchy, with the climate target at the top, provides better socioeconomic outcomes and stronger investment signals.

The EU Emissions Trading System (ETS 1 and ETS 2) must remain the central and most cost-effective instrument for reducing emissions across sectors and technologies. A robust and predictable ETS is crucial to drive long-term investments in clean energy, electrification and industrial decarbonisation. ETS revenues should be used strategically to support the transformation of industry.

Europe's climate transition requires large investments to happen rapidly. Regulatory predictability and stability are therefore fundamental. Ad hoc political interventions or backtracking on agreed legislation increase uncertainty, raise the cost of capital and risk delaying the energy transition. Stable market fundamentals are essential for investor confidence.

## Renewables targets after 2030

After 2030, the priority should be emissions reduction rather than technology-specific targets. A binding EU renewables target is not technology-neutral and risks disadvantaging other fossil-free solutions, such as nuclear power. If an additional target is pursued alongside the GHG target, it should be indicative and include both renewables and nuclear, while ensuring a balanced development of supply and demand.

Energy efficiency remains important, but rigid quantitative targets risk misallocating resources and constraining electrification and industrial growth. Swedenergy supports a flexible, qualitative energy efficiency target that reflects energy-system realities, supports electrification and focuses on cost-effective efficiency gains.

## Implementation, governance and public acceptance

Meeting the 2040 target requires full and timely implementation of existing EU legislation. The post-2030 framework should be underpinned by strong governance, clear accountability for Member States and early corrective mechanisms where needed. Electrification should be recognised as a core driver of decarbonisation in national energy and climate plans (NECP). Tracking electrification progress is essential to anticipate infrastructure needs, guide investment and support member states in sectoral transitions.

The Regulation should provide both long-term clarity and flexibility, allowing Member States to adjust their plans as circumstances change, while maintaining accountability and investor confidence. In addition, the European Commission needs stronger powers to act quickly and effectively in cases of non-compliance, ensuring consistent enforcement and upholding commitments across all Member States.