July 6 2026

To:
President of the European Commission - Ursula von der Leyen
Executive Vice-President for Prosperity and Industrial Strategy - Stéphane Séjourné
Executive Vice-President for Clean Transition - Teresa Ribera

Open State Aid to cleantech manufacturing to meet our electrification goals

On 4 March 2026 the Commission proposed the Industrial Accelerator Act (IAA), setting the ambition to lift industrial manufacturing to 20% of EU GDP by 2035 and introducing “Made in EU” requirements across public support for strategic net-zero technologies. This builds on the Net Zero Industry Act which states that by 2030, the EU’s domestic manufacturing capacity of strategic clean technologies should cover at least 40% of the EU’s annual deployment needs.

The Commission is expected to launch on July 15th the Electrification Action Plan as a response to the energy crisis triggered by the war in the Middle East and the closure of the strait of Hormuz, embarking the EU on a fast electrification of end-uses - transportation, heat, industry - to significantly reduce Europe’s exposure to future energy shocks.

This represents an enormous commercial opportunity to scale the value chains of these electrification technologies in Europe. This will only happen though if we have the right type of public support and de-risking tools where needed.

The undersigned manufacturers, project developers, investors, civil society organisations and industry associations welcome this initiative, but call on the Commission to take advantage of the upcoming Electrification Action Plan to amend the Clean Industrial Deal State Aid Framework (CISAF), in particular Article 6.2 on clean technology manufacturing capacity.

The Clean Industrial Deal, IAA and Electrification Action Plan’s ambition cannot be delivered through the current State Aid framework, as we need to make manufacturing aid genuinely bankable.

Bankability allows a company to secure private investment and debt, leveraging public de-risking included in its financial model at the moment of investment. It is a strict precondition for achieving a real incentive effect and crowding in private capital. This requires that subsidy levels are known ex-ante through objective criteria, conditions remain within the recipient’s control, and the legal framework is stable. Without these, aid may be disbursed, but its private-to-public money leverage ratio will be heavily diminished. Moreover the aid needs to not only support the initial investment, but also financially support companies in the first years of operation as they face tough and sometimes unfair competition.

The Commission has already delivered bankable aid across several areas, such as two-way Contracts for Difference for renewables or the Alternative Fuel Infrastructure Facility’s fixed €20,000-30,000 per high-power charger.

However, cleantech manufacturing aid under CISAF Article 6.2 remains an important area for further improvement. Crucially, Article 6.2 does not currently provide for output-based production support for manufacturing - the single instrument that would deliver bankable support. For large strategic investments where bankability matters most, the EU still requires individual assessment, with the aid amount set either by a funding-gap calculation or by reference to third-country support (“matching aid”). Multi-year negotiations, clawbacks, and first-of-a-kind restrictions fail addressing the challenge of scaling-up production.

We ask the Commission to re-open CISAF and amend Article 6.2 to allow temporary output-based support for key clean technologies like batteries. Specifically:

- **Permit output-based production support:** allow a fixed premium per unit of verified output (e.g. €/kWh of battery cell, €/kg of renewable hydrogen, €/W of solar module or inverter, €/km of high-voltage cable).
- **Apply clear proportionality principles: make support temporary, time-bound and degressive**, with caps per company to maintain a balanced distribution of resources. Introduce a simple, rules-based cap for Member States to ensure predictability and fairness, preventing disproportionate advantages for those with larger fiscal capacities while keeping the system open and balanced across the EU.
- **Reserve eligibility for companies with a substantial EU-based governance and operational footprint**, in line with the IAA’s approach to ensuring that public support benefits actors with a long-term strategic commitment to Europe. This includes applying the IAA’s proposed safeguards on non-EU participation - such as limits on foreign ownership or influence in FDI and JV structures where relevant - while allowing trusted international partners who invest meaningfully in Europe to remain eligible.
- **Develop clear, rules-based eligibility criteria that enable swift and predictable approval procedures** for standard cases, and apply binding timelines for the completion of any remaining assessments. This would help create a more efficient, future-proof framework that supports timely investment decisions and strengthens Europe’s competitiveness.
- **Any revision of CISAF must not be viewed in isolation or as a substitute for an EU funding instrument**. Rather it must create synergies and consistency with broader EU mechanisms, including the future European Competitiveness Fund.

We highlight that a broader revision of State Aid rules will likely be required to enable output-based support for already operational factories manufacturing strategic net-zero technologies.

The State Aid framework that ensures internal discipline at the cost of EU’s global competitiveness was designed for a world where the main competitive threat came from within the Single Market. That is no longer the case. The upcoming EU Electrification Action Plan is the moment to switch gears and align the EU State Aid rulebook with the objectives of the Clean Industrial Deal.

LIST OF SIGNATORIES

Airborne Wind Europe
Alquion
Arsenale Bioyards
Aster
BEPA (Batteries European Partnership Association)
BeNewtral
Carbon Equity
Carbyon
Catalyse Europe
Cleantech for Benelux
Cleantech for CEE
Cleantech for Europe
Cleantech for France
Cleantech for Iberia
Climate Strategy & Partners
cylib GmbH
E3G
Elyse Energy
Energy Dome
Eologix ping
Eurebat
European Initiative for Energy Security
France renouvelables
Geoclay
Ineratec
Ingrid
Jacques Delors Energy Centre
Kraftblock
Licamax
Limenet
Mercedes-Benz
MITO Technology
Novac
Orano Batteries
PT1
Radix Ventures
RECHARGE
Satgana
Scale energy
Sinergy Flow
Sizable Energy

Solar Power Europe
Stellantis
Tech for Net Zero
Telura
Transport and Environment (T&E)
Tretau
Urban Impact
Vianode
Vidia
Vireo
VivaDrive
Volkswagen Group
360 Capital

Airborne Wind Europe

alquion

ARSENALE BIOYARDS

aster

BEPA
Batteries European Partnership Association

BeNewtral

carbon equity

carbyon

catalyse europe

Cleantech for Benelux

CleanTech for CEE

Cleantech for Europe

Cleantech for France

Cleantech for Iberia

CLIMATE STRATEGY & PARTNERS

cylib

E3G

Elyse

ENERGYDOME
Our WORLD can't wait.

EOLOGIX-PING

EUREBAT

EIES
European Initiative for Energy Security

FRANCE renouvelables
système électrique pilotable

GeoClay
SOLUTIONS BAS CARBONE

INERATEC

ingrid

JDEC
JACQUES DELORS ENERGY CENTRE

KRAFT BLOCK

Licamax

Limenet

MiTO TECHNOLOGY

novac

orano

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SolarPower Europe

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TECH FOR NET ZERO

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T&E

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Vianode

VIDIA

Vireo VENTURES

VivaDrive

VOLKSWAGEN GROUP

360 CAPITAL