A Fossil-free, Secure, and Competitive Energy Future for Europe

The Congress of the Alliance of Liberals and Democrats for Europe (ALDE) Party convening in Vienna, Austria, on 3-4 of July 2026:

Notes that:

- the energy crisis, evident after Russia's invasion of Ukraine, and exacerbated by the current war in Iran, has exposed the vulnerability of Europe’s economy and security due to dependencies to volatile fossil fuel markets and unreliable, authoritarian suppliers;
- the closure of the Strait of Hormuz in early 2026 triggered a severe energy price shock, causing crude oil prices to surge past USD 100 per barrel for the first time since 2022, while European natural gas prices are also rising dramatically, with direct impact on European households and businesses;
- the Strait of Hormuz is a critical global chokepoint through which approximately 20-25% of the world's oil and a significant share of its Liquefied Natural Gas (LNG) and fertiliser are transported, making European energy markets highly susceptible to geopolitical instability in the region, and global knock-on effects of disruptions;
- these developments demonstrate the fragility of global energy supply chains, reaffirm the risks and costs associated with continued fossil fuel dependency for Europe and highlight the importance of resilient local and regional energy infrastructure, including modernised electricity grids and storage capacity;
- renewable energy sources, particularly wind and solar power, are now the cheapest and fastest forms of new energy generation to deploy, with new installations between 2021 and 2023 having saved EU electricity consumers an estimated EUR 100 billion;
- the EU has recently adopted its 2040 Climate Targets, is currently working on key legislative initiatives like the EU Grids package, and is preparing to revise its Emissions Trading Scheme (EU ETS).

Believes that:

- the recent price shocks following the closure of the Strait of Hormuz provide further proof that achieving energy independence through a rapid transition to a fossil-free energy system is imperative for Europe's geopolitical security, climate transition, and long-term prosperity;
- the transition to a climate neutral economy constitutes a significant opportunity to boost Europe’s competitiveness, create quality jobs, permanently lower energy bills for households and businesses, and establish the EU as a global leader in green industries and clean technologies;
- a successful fossil-free transition requires massive electrification of industry, transport and heating, supported by abundant, affordable and reliable fossil-free electricity, which will be decisive for Europe’s ability to attract investments, reindustrialise and compete globally;
- a market-based approach, ensuring a level playing field and providing stable, predictable, and technology-neutral regulatory frameworks, is the most effective way to attract the vast private investments that are needed to build a resilient and fossil-free energy system;
- a modernised, stable, and interconnected European electricity grid with integrated energy markets is the backbone of an effective Energy Union, enabling the efficient sharing of fossil-free resources and enhancing our collective resilience against external shocks;
- an integrated grid which already extends beyond the EU to other European states, which have considerable renewable resources, such as wind and wave power, should extend eventually to include

North Africa with its enormous potential for solar energy production;

- all fossil-free energy sources have a role to play, in achieving Europe's climate goals, and Europe should accelerate the deployment of renewable energy, such as onshore and offshore wind, solar power, energy storage and nuclear power. At the same time, existing nuclear plants in safe operating condition should not be prematurely decommissioned, and investment in Small Modular Reactors (SMRs) should be incentivised, particularly in energy-poor regions such as the western Iberian Peninsula, as part of a technology-neutral fossil-free energy mix;
- to ensure security of supply and price stability, Europe must pursue a technology-neutral energy policy where renewable energy, nuclear power, storage, flexibility solutions and strengthened grids are necessary components in building a resilient fossil-free energy system;
- nuclear energy should be recognised as a low-carbon and strategic component of Europe’s energy security and decarbonisation pathway;
- innovation plays a key role in achieving climate neutrality. For this reason, research in nuclear fusion and the deployment of small modular reactors shall be enhanced.

Regrets that:

- Europe failed to shift its energy policy after the annexation of Crimea in 2014, and has instead grown increasingly dependent on unreliable countries for our energy supply, particularly after the Russian invasion of Ukraine in 2022, as well as for critical materials and clean technology, risking our long-term strategic autonomy;
- permitting procedures for renewable energy projects and grid reinforcements remain unacceptably long and complex across many European states, constituting a massive obstacle to achieving energy security and independence;
- the development of electricity grid infrastructure, particularly cross-border interconnectors, is lagging behind with the deployment of fossil-free electricity generation, leading to unnecessary bottlenecks of clean energy;
- European energy markets are not yet fully integrated and the Energy Union is not yet fully implemented. Significant subsidies for fossil fuels persist within the EU, distorting the market and decreasing incentives to shift to fossil-free alternatives, slowing down the climate transition and leaving European consumers and businesses exposed to geopolitical shocks like the recent closure of the Strait of Hormuz;
- existing climate and energy policies have not provided enough incentives to end harmful fossil dependencies, in some cases showcasing the EU’s willingness to subsidise harmful fossil-lock ins;
- the lack of political commitment and investments in bioenergy have failed to supply fossil dependent sectors, such as agricultural, shipping and aviation, with real alternatives to fossil fuels, keeping the sector dependent on imported input and hampering its transition to a more resilient system of production.

Calls on the EU and European national governments to:

- address the climate emergency and the energy crisis by urgently accelerating the transition to a fossil-free economy;
- set regulatory frameworks and targets that stimulate investment in all forms of flexibility, including grid-scale batteries, permanent carbon removals and energy storage technologies, to complement fossil-free energy generation. Incentivise co-located renewable energy installations with storage capacity, including closed-loop pumped hydro systems, to maximise grid stability and energy self-

sufficiency;

- accelerate the electrification of transport, heavy industry and heating sectors through market-based incentives, expanded charging and grid infrastructure, and long-term investment frameworks that enable large-scale fossil-free electricity production;
- energy storage technologies, to complement fossil-free energy generation. Incentivise co-located renewable energy installations with storage capacity, including closed-loop pumped hydro systems, to maximise grid stability and energy self-sufficiency;
- protect and promote market-based solutions like the Emissions Trading Scheme that has been Europe's most effective instrument for both emissions reduction and the development of green and clean technologies, and to design it in a way that enhances investment predictability, especially for frontrunners;
- end, in a coordinated manner, all direct and indirect fossil fuel subsidies and use public funds and tax breaks to incentivise innovation, and target support to vulnerable households to ensure fossil-free energy is the most affordable and secure option for everyone;
- continue research into safer nuclear technologies such as fusion and thorium reactors, including investment in next-generation nuclear technologies such as Small Modular Reactors (SMRs), and fusion technologies;
- put words into actions in the European Bioeconomy strategy, increase incentives for investments in sustainable biogas, next-generation biofuel, green hydrogen as a feedstock for fertiliser and synthetic hydrocarbons, and biomaterial production and remove regulatory barriers and ceilings for use of biofuels, while ensuring environmental integrity;
- expand energy efficiency initiatives, ensuring optimal use of grid capacity and capitalising on periods of high renewable energy production;
- urgently prioritise and fast-track investments in electricity grid infrastructure, and the expansion of cross-border interconnectors, to eliminate bottlenecks and build a resilient European grid fit for an energy system based on fossil-free energy generation;
- ensure a stronger role for local and regional authorities in grid planning, permitting and infrastructure delivery to avoid unnecessary delays;
- ensure that permitting procedures and EU regulation do not create unnecessary barriers to investments in new nuclear power, including small modular reactors, where member states choose to pursue such technologies as part of their fossil-free energy mix;
- ensure acceptance for an interconnected Europe by facilitating energy markets integration and set market-based criteria, such as stability and resource adequacy, as an obligation for new interconnection projects;
- implement policies that put a price on fossil content in products, using the polluter pays principle and making the cost and emissions of carbon-intensive materials more transparent;
- promote the development and localisation of supply chains for wind and solar energy components within Europe and among trusted partner countries, thereby strengthening industrial resilience and ensuring secure access to critical technologies in a context of geopolitical uncertainty;
- prioritise investment in rail freight corridors and motorways of the sea connecting Southern European ports — gateways for African, American and Asian trade — with Central Europe, including historic routes such as the Via de la Plata, reducing fossil fuel dependency in logistics and strengthening the EU's strategic transport resilience;

- strengthen Europe's strategic autonomy by robustly implementing the Net-Zero Industry Act and the Critical Raw Materials Act to scale up domestic manufacturing capacity for green and clean technologies, diversify supply chains away from single-country dependencies, and promote a circular economy for critical materials;
- reduce strategic dependencies on authoritarian energy suppliers, particularly the Russian Federation;
- remove administrative and regulatory barriers for energy communities, and implement Guarantees of Origin for energy, empowering citizens, SMEs, and municipalities to easily produce, consume, share, and sell certified renewable energy, contributing to a more decentralised and resilient energy system;
- support the ramp-up of sustainable fuels production via the use of double sided auction systems thus giving investment certainty as liquid fuels will be the most suitable decarbonisation path in aviation and maritime transport;
- support fast-charging stations for electric vehicles and trucks, as well as hydrogen refuelling stations — especially along highways;
- expand the European rail network, including cross-border high-speed and night train connections, to provide competitive alternatives to fossil fuel-based transport and strengthen European connectivity;
- nuclear energy to be a critical tool of Europe's energy sovereignty, providing stable, reliable and low-carbon power that reduces dependence on external fossil fuel suppliers. Maintaining and expanding nuclear capacity strengthens grid resilience, works as a "bridge" while other options of the energy mix are further developed and secures long-term strategic autonomy for the European Union.