

## Press release

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# Empowering rail: The Rail Sector's insights for affordable energy

**The Community of European Railway and Infrastructure Companies (CER) welcomes the prioritisation of electrification by the European Commission and shares critical insights to ensure that the EU's forthcoming Action Plan on Affordable Energy Prices supports sustainable mobility while enhancing the railway sector's contribution to the EU's climate and energy goals.**

Electrification is a cornerstone of the EU's strategy to decarbonise transport, with significant progress achieved: as of 2022, 56.9% of EU railway lines were electrified, supporting 80% of European railway traffic. However, the sector's high electrification rate also exposes it to significant energy price shocks.

According to CER's energy price tracker, initiated in April 2022 in response to the global energy crisis, data collected across 24 countries reveals that railways currently pay over €140 per MWh on average for traction electricity—more than double pre-crisis levels. This poses a severe challenge to the sector's competitiveness, especially as oil prices stabilise, further disadvantaging cleaner rail freight and passenger services compared to more polluting road transport. The Affordable Energy Prices Action Plan expected to be put forward this month by the European Commission must address this imbalance by proposing corrective mechanisms to mitigate electricity price volatility and incentivise clean energy usage.

The EU's Fit for 55 package and forthcoming 2040 climate target require support for energy-efficient transport like rail. CER urges the Action Plan to:

1. **Ensure Fair Access to Affordable and Clean Electricity:** Railways should benefit from longer-term energy contracts, Power Purchase Agreements (PPAs), and fair energy taxation.
2. **Promote Best Practices in Energy Procurement:** The Action Plan should guide companies on contract strategies and encourage innovative approaches like in-house renewable energy production and risk-hedging mechanisms.

Railways have been pioneers in utilising traction energy from renewable sources. In 2022, approximately 52% of their energy was derived from renewables. However, railway companies continue to face prices influenced by fossil fuel electricity generation. Energy-efficient users, such as railways, should be given prioritised access to renewable energy sources like wind and solar. Establishing long-term stability in energy pricing would enable rail operators to invest confidently, ensuring progress toward EU decarbonisation targets.

Support measures have been crucial in helping the railway sector navigate the energy crisis, with tax reductions and direct State aid among the most effective tools. However, recent data indicate a decline in such measures, leaving railways vulnerable to price

fluctuations. To fully utilise the existing electrified rail network and prevent a reverse modal shift to road transport, CER calls for:

- **Enhanced Support Measures:** Increased tax incentives, State aid, and innovative energy contracts like PPAs.
- **Strategic Investments:** Promoting further electrification of rail infrastructure, including last mile and discouraging the use of diesel trains on electrified lines.
- **Risk Management Tools:** Encouraging strategies like risk hedging and direct market procurement to mitigate price volatility.

**CER Executive Director Alberto Mazzola** said: *“The railway sector is vital to Europe’s competitiveness. While railways are leading the way in energy efficiency and decarbonisation, they face unprecedented challenges due to high electricity prices and market volatility. The Affordable Energy Prices Action Plan must address these challenges by ensuring fair access to affordable, clean energy and providing the necessary support to strengthen rail’s role in sustainable mobility.”*

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### **About CER**

The Community of European Railway and Infrastructure Companies (CER) brings together around 70 railway undertakings, their national associations as well as infrastructure managers and vehicle leasing companies. The membership is made up of long-established bodies, new entrants and both private and public enterprises, representing 78% of the rail network length, 81% of the rail freight business and about 94% of rail passenger operations in EU, EFTA and EU accession countries. CER represents the interests of its members towards EU policymakers and transport stakeholders, advocating rail as the backbone of a competitive and sustainable transport system in Europe. For more information, visit [www.cer.be](http://www.cer.be) or follow us on Twitter [@CER\\_railways](https://twitter.com/CER_railways) or [LinkedIn](https://www.linkedin.com/company/cer).