

Heat pump sales soar across Europe after states cut electricity taxes, data shows

EU to push member states to cut tax rate below duty on gas, with 11% surge in sales also put down to fallout from Iran war

Julia Kollwe, *The Guardian*, 28 September 2026

Sales of residential heat pumps increased 11% across Europe in the first six months of the year as the Iran war sent oil and gas prices rocketing and some countries lowered electricity taxes.

Homeowners bought 1.16m heat pumps across 12 European countries, up from 1.05m in the first half of 2025, according to the European Heat Pump Association (EHPA).

5 Iran's de facto closure of the strait of Hormuz, an important shipping passage, severely disrupted the flow of oil and gas shipments and sent the price of crude oil as high as \$126 a barrel in late April.

Soon after the US-Israeli attacks on Iran on 28 February that started the war, the European Commission published plans to encourage EU governments to lower electricity taxes and speed up
10 the shift from fossil fuels oil and gas to renewable sources of energy.

Soaring energy prices and electricity tax changes have fuelled the growth in heat pump sales so far this year, said the EHPA, which has long argued that the popularity of the heating systems depends heavily on the price of electricity.

15 Rather than generating heat from burning fuel, the pumps transfer heat energy from one place to another and can be used for warming and cooling a home.

In its electrification action plan, the commission said tax on electricity should be no higher than that on gas. Brussels hopes to amend the network charges that consumers pay on their utility bills to reward flexible options such as heat pumps.

Heat pump sales have risen in European countries where electricity taxes have been cut, the EHPA
20 said. In Germany, a subsidy scheme has led to heat pumps being the No 1 heating tech being installed, it added.

The 12 countries covered in the data are Austria, Belgium, Switzerland, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Portugal and Sweden.

Paul Kenny, the EHPA director general, said: "Europe is ending its addiction to a toxic, costly
25 drug from dodgy suppliers: gas. The sooner electricity becomes the most affordable solution, the quicker we'll get clean.

"The fix? Dropping taxes on electricity and shifting them over to fossil fuels. The European Commission has made this clear—but now all EU governments must enact it, following in the footsteps of the Netherlands and Belgium."

30 The industry body found that taxes on electricity were often higher than on gas, which drives up the cost sharply. In the UK, electricity costs more than four times as much as gas, similar to Belgium. The only country where the ratio is higher is Romania, where electricity prices are five times as high as those for gas.

The EHPA said countries that taxed electricity more than gas saw slower adoption of heat pumps
35 and were more dependent on fossil fuels. It pointed to Belgium, where heat pump uptake remains low, although the government announced tax changes for 2026 that will cut electricity costs by 3% and raise gas costs by 3%.

Separately, a two-year study by the London-based Centre for Net Zero found that installing solar panels and a battery in a UK home saves £681 a year on average. Families' annual bills fell by
40 almost two-thirds (62%) after they received free solar panels and a battery, based on smart meter data used to calculate their electricity bills, in news first reported by the *Times*.

Great Britain recorded more new solar power installations in the first half of this year than in any six-month period since 2011, according to government figures published in July.