

Electric Advantage: **The Business Case for** **an Electrified Economy**

**How electrification delivers a blueprint for affordable,
secure and competitive growth, creating prosperity for all.**

March 2026



Executive summary

The future economy is electric. The macro signals are already clear: in 2024, global electricity demand outpaced economic growth for the first time in three decades, and through 2030 electricity consumption is projected to grow at least 2.5 times faster than overall energy demand (IEA, 2026). This is more than a short-term shift in consumption patterns – it points to a deeper structural change in the economy: electricity is increasingly central to how value is created, productivity is improved and growth is sustained.

Put simply, electricity is becoming the foundation for shared prosperity. As economies increasingly rely on electricity to move people and goods, heat and cool buildings, power industry and support digital services, energy shifts from being a volatile constraint to a platform for growth, resilience and better livelihoods. The result is not just lower emissions. An electrified economy means more affordable and predictable energy services, stronger energy security, cleaner air and healthier lives and a more competitive environment for investment, productivity and industrial renewal – with benefits that reach businesses, workers, households and communities alike.



Electrification is the most efficient route to this future. It is the fastest and most scalable way to modernize and decarbonize the economy at once. Electrified technologies can deliver the same heat, mobility and industrial output as fossil fuel-based systems with far less energy. They also allow economies to capture the full value of increasingly abundant clean electricity by extending its reach across end uses and displacing fossil fuels at the point of use. Clean power is growing rapidly, but it is electrification that turns clean power into economy-wide value – translating lower-cost generation into affordable, secure and competitive growth.

Capturing that value requires treating electrification as a whole-economy and business strategy, not a series of isolated technology upgrades. For governments, this means sending clear and consistent signals at every level. International signals, such as a global goal or collective commitments on electrification from governments, can provide a shared direction of travel, reduce fragmentation across markets and give investors confidence in the pace and scale of change. At the same time, national and local governments can unlock investable action through measures such as stable standards and market rules; aligned incentives and financial support; investment in grids and clean power supply; faster permitting and grid connections; and the workforce and supply chains needed to deliver at scale. Together, these conditions define a country's electrification readiness – and increasingly shape where capital, manufacturing and innovation flow.

For businesses, electrification is increasingly a core business decision: one that will shape how companies compete, invest and grow in the modern economy. It has implications across capital allocation, procurement, product and process design, site and fleet operations and supplier relationships. Companies that move early and execute well can strengthen resilience, reduce exposure to fuel price volatility and geopolitical shocks, improve productivity and unlock new markets. But moving from ambition and pilots to widespread deployment depends on the strength of the enabling environment around them.

The challenge is scale: turning early business momentum into deployment across the real economy. Many businesses are already acting, but isolated progress will not deliver the full benefits of an electrified economy. Businesses also have a role in accelerating system-wide change: by investing early, building demand, strengthening supply chains and engaging with policymakers to help remove barriers to deployment. Faster economy-wide adoption depends on governments creating the conditions for businesses to confidently invest in and deploy electrified technologies at scale. The faster countries strengthen electrification readiness, the faster businesses can help deliver the affordability, security, competitiveness and health gains of electrified economies, creating prosperity for all.

This paper sets out that pathway and introduces We Mean Business Coalition's (WMBC) four-year Electric Advantage program as a platform for collective business leadership to modernize policy, unlock investment and accelerate deployment at scale.



1.0

Introduction

An electrified economy makes energy a dependable foundation for **shared prosperity**: reliable, affordable power; warm and efficient buildings; cleaner and quieter transport; productive industry; and digital infrastructure that can scale without destabilizing the system – delivering more affordable, healthier and safer livelihoods for all alongside economic growth.

The current fossil fuel economy does the opposite. It ties competitiveness to volatile global commodity markets, exposes households and businesses to sudden cost spikes, and creates pollution that harms health and productivity. It concentrates risk in fuel supply chains that are increasingly disrupted by geopolitics and extreme weather – constraining economy-wide planning and locking policy and public budgets into reacting to security shocks, instead of investing strategically in sustained resilience and growth. For businesses, it means pricing uncertainty into investment decisions, undermining confidence and long-term value creation.

This is why the macro signal matters. For the first time in three decades, excluding periods of crisis-related disruptions, global electricity demand outpaced economic growth in 2024 – and the International Energy Agency (IEA) expects this to become a broader trend in the coming years ([IEA, 2026](#)). That shift is significant because it indicates that **economic value creation is becoming more electricity-intensive**: more of what drives growth now depends on electricity – advanced manufacturing and electrified industrial processes, electric vehicles, heating, cooling, and data centers powering an increasingly digital economy. Between now and 2030, global electricity demand is forecast to grow by a brisk average of 3.6% per year, and through 2030 electricity consumption is projected to grow at least 2.5 times faster than overall energy demand ([IEA, 2026](#)). **This marks a structural shift in how economies function: electricity, not fossil fuels, is becoming the operating system on which growth runs.**

Electrification is defined as replacing fossil-fueled technologies and processes – such as internal combustion engines and gas boilers – with electrically powered equivalents like electric vehicles and heat pumps. ([IEA, 2023](#)).

If electrified economies are the goal, electrification is the critical lever for getting there. Electrification is the fastest, most scalable way to modernize and decarbonize at once: it improves the lifetime cost, efficiency and reliability of the energy services that modern economies run on.

Many of these technologies are commercially available today, and they typically deliver the same or better service with **significantly less energy, reducing waste and lowering total energy needs to achieve the same outcomes**. That efficiency cuts exposure to fuel price volatility and improves long-term cost predictability for households and businesses. At the same time, electricity supply is getting cleaner: clean power surpassed 40% of global generation in 2024 ([Ember, 2025](#)), and by 2030 renewables and nuclear together could provide around half of global electricity generation ([IEA, 2026](#)). As power systems decarbonize and grids become more capable, the opportunity is clear – but so is the imperative: rapid electrification must be matched by clean power and grid investment. That alignment is vital for energy security, affordability and competitiveness.

This foundation paper establishes electrification as a central pillar of modern economic strategy and sets out the pathway to make electrified solutions the default across sectors and value chains. It also introduces We Mean Business Coalition's *Electric Advantage* program as a platform for collective business leadership to modernize policy and unlock investment – helping secure a people-centered transition that delivers stronger economies and better lives.

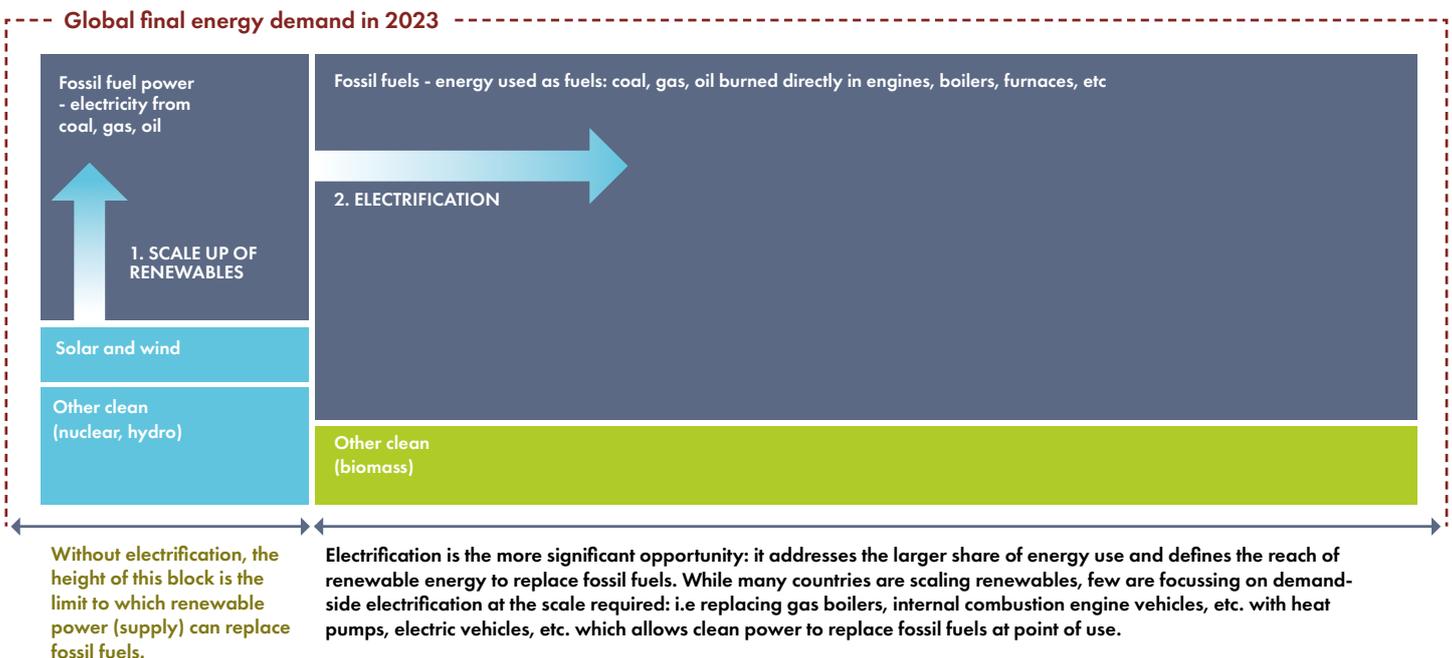
2.0 Where are we today and what is the opportunity?

Electrification is the most efficient way to accelerate the clean energy transition: it delivers the same heat, mobility and industrial output as fossil fuels with far less energy, expands the reach of renewable electricity and displaces fossil fuels at the point of use. It is the primary pathway to displacing around 60% of global fossil fuel use and energy-related emissions ([Ember, 2025](#)).

Despite the rapid growth of clean power generation, accounting for 80% of the growth in global electricity generation in 2024 ([IEA, 2025](#)), this clean power cannot significantly displace fossil fuels unless the end-uses across transport, buildings and industry are electrified. Electrifying these end uses is what makes clean power economically transformative for modern economies – delivering greater energy security, cost predictability and competitiveness across society. To capture this opportunity, governments and businesses must treat electrification as a holistic strategy – integrated across sectors, investment plans and infrastructure – not as a sector-specific add on.

Figure 1: Electrification is the most efficient way to accelerate the clean energy transition.

Renewables cleans up the electricity system; electrification enables that clean power to replace fossil fuels at point of use.



Source: Modified from IEA WEO 2024, Ember 2025

Why global signals matter – and how they help unlock real-world deployment

Electrification will scale fast when markets receive clear, consistent signals about direction and pace. Beyond domestic policy, governments can reduce cost and complexity for firms operating across markets by promoting greater international alignment – reinforcing multilateralism and international frameworks that encourage harmonization and reduce fragmentation such as clear goals and commitments.

International agreements, pledges, declarations and signals from groups of countries set that shared direction, reducing “first-mover” risk for governments and investors. With confidence that others are moving too, countries are encouraged to act earlier and more decisively – protecting industrial competitiveness and future trading relationships.

In practice, signals cascade up and down throughout the system:

International direction ↔ national policy design ↔ sub-national delivery ↔ private investment at scale.

Clear global and national signals shape expectations about future demand, influencing policy designs, incentives and infrastructure priorities – and how investors price risk in long-lived assets.

Complementary sectoral targets can be powerful where they are well-defined and measurable, but the design challenges vary by sector. It is more straightforward where clear technology substitutions exist, such as road transport and buildings, and more complex where electrification interacts with process emissions, system constraints or multiple production routes, such as heavy industry.

Today, there are explicit global goals on tripling renewable energy capacity and doubling energy efficiency by 2030, alongside a commitment to transition away from fossil fuels (UNFCCC, 2024). But electrification – the practical mechanism that shifts energy use in transport, buildings and industry – lacks an equally explicit, shared global objective despite its potential to account for a significant share of final energy demand. The result is fragmented national approaches: minimal recognition in Nationally Determined Contributions, uneven standards, stop-start incentives and weak market confidence. In practice, this slows down public and private investment: it weakens interoperability across markets and makes it harder to build repeatable delivery models and financeable pipelines, resulting in slower rollout and higher costs, even when technologies are available and commercially viable.

A global goal for electrification, or clear signals from a group of countries that they are committing to electrification, would help close that gap: it would send a strong message to markets on the direction and pace of change and lay the ground for a clear framework within which policies can be aligned across sectors. The result is greater market confidence and accelerated investment in supply chains and enabling infrastructure – unlocking more rapid deployment at scale.

Competitiveness: Electrification readiness is emerging as an investment factor

A new industrial race is emerging around electrification. Global manufacturing capacity for electric vehicles and heat pumps covers only 20-30% of expected demand through 2035 ([IEA, 2024](#)). In other words, much of the supply chain, installation capability and supporting infrastructure still needs to be built – creating major opportunities for governments and businesses that move early and consistently to capture value, jobs and exports.

Where that investment lands will increasingly depend on enabling conditions. Investors are beginning to factor “electrification readiness” into their location decisions: access to affordable clean electricity, speed of grid connections and permitting, and policy stability that de-risks long-lived investments. Countries that make it easier to deploy electrified solutions across buildings, transport and industry can lower operating costs and offer greater certainty – advantages that increasingly influence where capital investment, production and innovation clusters.

The gap between intent and scale is clear. A recent global survey found that 84% of businesses surveyed are piloting electrification solutions, but only 9% report being fully electrified ([Economist Impact, 2025](#)). This creates a concrete opportunity for governments: competitive advantage will go to those that can convert pilots into mass deployment through clear demand signals for electrified options – standards, targeted incentives and stable policy frameworks that reduce risks over asset lifetimes, backed by the infrastructure and delivery capacity to implement them.



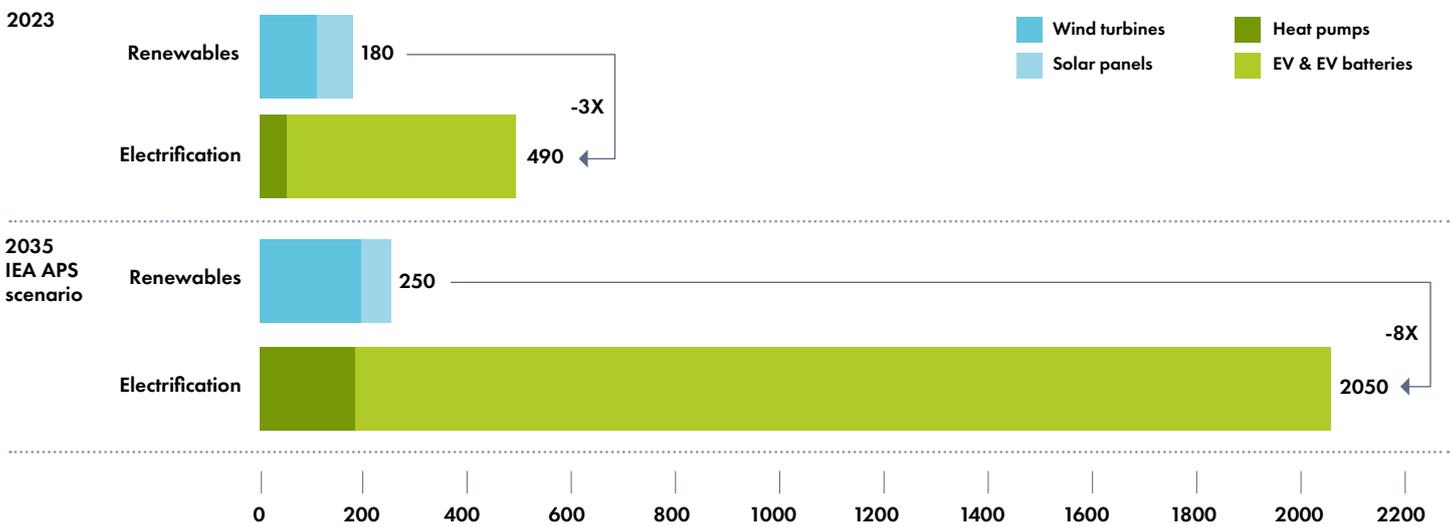
Emerging markets are leapfrogging legacy markets through electrification, providing a blueprint for developing countries to modernize their economies

Emerging markets can expand energy access and industrial output without repeating a fossil fuel dependent pathway. Steep declines in key technology costs – particularly solar, batteries and electrified end-use technologies mean countries can meet rising demand with systems that are cleaner, more efficient and less import-dependent than the traditional fossil fuel model. Two thirds of emerging markets, including Vietnam, Brazil and India, are ahead of the U.S. in solar deployment, while a quarter are ahead of the U.S. in the total share of final energy demand from electricity (Ember, 2025).

China is the clearest example of an electrostate, having rapidly scaled both renewable supply and electrification. Emerging and developing markets can now follow a cleaner, faster and often cheaper route to electrifying their economies – avoiding locking in deep fossil fuel dependency and scaling electrified solutions alongside renewables from the outset. India, for example, is nearing 20% electrification at one-sixth of China’s coal demand per capita at a similar level of development (Ember, 2026). Its public policy think tank, NITI Aayog, recently highlighted electrification as the principal pathway for its net zero strategy, identifying it as India’s opportunity to leapfrog to become a global leader in clean technologies (PIB, Gov of India, 2026).

Figure 2: Key electrification technologies are already a bigger market, with this gap set to widen.

Market size of key renewables & electrification technologies, billion US\$ revenue



Source: IEA ETP 2024, Ember 2025

Energy security: How clean electrification converts exposure into resilience

74% of the global population lives in countries that are net importers of fossil fuels ([UN, 2025](#)) – a structural source of energy insecurity in the modern economy. Electrification, powered by domestically supplied renewables, strengthens energy security by shifting reliance from volatile, global commodity markets to predictable, controllable sources of electricity. In practice, this resilience and increased security show up through:

Increased cost stabilization by extending low-cost renewables into end uses: Solar and wind are consistently the lowest-cost source of new energy: in 2024, 91% of new renewable energy projects delivered power at a lower cost than the cheapest new fossil fuel based alternatives ([IRENA, 2025](#)). Electrification expands the reach of that low-cost power by replacing fossil fuels at point of use, reducing countries and businesses' exposure to global price spikes. The EU's recent experience illustrates the stakes: during the 2021-24 gas price spike, fossil fuel imports cost the EU €1.8 trillion, €930 billion more than the same quantities would have cost at pre-crisis prices ([Ember, 2025](#)).

More resilient supply chains and reduced exposure to geopolitical disruptions: Three-quarters of net fossil fuel imports are used directly in final consumption ([Ember, 2025](#)) – i.e., in transport, buildings and industries where supply disruptions hits consumers and businesses fastest. Electrification, powered by domestic renewables, can cut exposure to fossil fuels in these sectors, with clean technologies available today having the potential to displace 75% of existing fossil fuel demand ([WMBC, 2025](#)). As renewable generation is naturally decentralized, it reduces the exposure to physical attacks and diversifies the energy supply away from single import routes and chokepoints.

Higher efficiency and lower waste that reduce total energy needs: Today's fossil fuel system is highly wasteful: almost two-thirds of primary energy is wasted in the conversion to useful energy, with losses valued at circa US\$4.6 trillion per year ([RMI, 2024](#)). Electric technologies are also more efficient for end users, with EVs two to four times more efficient than internal combustion engines ([WMBC, 2025](#)). By delivering the same services with less energy input, clean electrification lowers the overall energy demand a country or business must procure, finance and secure.

Stronger fiscal space for resilience: Continued fossil fuel use creates significant physical risks and societal costs. In 2024 alone, weather-related extreme events caused US\$304 billion in global economic losses, with lost productivity amounting to US\$1.09 trillion, or 1% of global GDP ([The Lancet, 2025](#)) – weakening fiscal space for resilience and energy investments.

75%

Clean technologies available today have the potential to displace 75% of existing fossil fuel demand

WMBC, 2025

Why fossil fuel producing countries should plan for a clean electrification transition

Falling technology costs and abundant solar and wind potential mean fossil fuel exporters should not count on emerging and developing markets underpinning long-term fossil fuel demand and GDP growth. Oil demand is already under pressure as EVs scale, with no sector – including petrochemicals – able to offset the loss of oil demand from road transport ([WMBC, 2025](#)). EVs are already replacing 1.3 million barrels of oil per day and are set to replace 5 million barrels of oil per day by 2030. As a result, oil demand is expected to peak and decline this decade, and suppliers who produce high-cost oil will struggle to stay in business ([WMBC, 2025](#)).

As fossil fuel revenue declines, some states will face fiscal stress and political strain. This is where the global energy transition takes on a significance that goes well beyond climate. Clean energy systems are not just lower-carbon substitutes for fossil fuels; they have different political and economic characteristics. They are more distributed, and investment-led, rewarding skills, planning and innovation rather than control of a single non-renewable resource. For fossil fuel producing countries, this shift offers a pathway to more resilient sources of growth through clean electrification, while helping to manage long-term economic and fiscal risk.

Affordability: Reducing economy-wide energy costs through electrification

The economics of clean electricity have shifted decisively. In 2024, solar PV was ~41% cheaper and onshore wind ~53% cheaper on average than the lowest-cost fossil fuel alternatives ([IRENA, 2025](#)). Alongside that, the operating cost advantage of renewables is structural: wind and solar do not require fuel purchases, reducing exposure to fuel-related cost escalations. Falling storage costs are further strengthening this advantage: utility-scale battery storage costs fell 93% between 2010 and 2024 ([IRENA, 2025](#)), enabling higher renewables usage and lower system balancing costs.

Long-term affordability is realized when cheaper electricity is paired with end-use electrification, because of its capacity to deliver the same – or better – service with far less energy. Switching to heat pumps, electric cooking and EVs uses two to five times less energy than fossil fuel alternatives ([WMBC, 2025](#)), converting cheaper generation into economy-wide savings: lower household spend, lower operating costs across value chains and less exposure to sustained price pressures. A recent analysis estimates that accelerated electrification could save the EU around €250 billion per year by 2040, creating fiscal headroom that can be reinvested into grids, flexibility and the broader energy transition ([Schneider Electric, 2025](#)).

Yet in many markets, low-cost renewables are not translating into lower energy bills because price signals remain distorted. Government incentives continue to favor fossil fuels and skew the market in their direction. In 2023, fossil fuel subsidies reached US\$ 1.1 trillion ([IISD & OECD, 2025](#)); realigning subsidies towards clean electrification is essential to pass on the benefits of clean, affordable power to households and businesses. This must happen alongside reforms to power market design and structure across jurisdictions, so that price signals, energy procurement and consumer offerings work together. This includes modernizing retail and network tariffs to unlock demand-side flexibility at scale – allowing consumers to shift their consumption to lower-cost periods – and reviewing taxes and levies that fall disproportionately on electricity prices relative to fossil fuels, weakening the incentives for households and businesses to electrify heating, cooking and hot water ([IEA, 2026](#)).

US\$1.1 trillion

**In 2023, fossil fuel
subsidies reached
US\$1.1 trillion**

IISD & OECD, 2025

Making electrification accessible for households and businesses

For many households and businesses, particularly small and medium enterprises (SMEs), the capital cost of switching to heat pumps, EVs and electric cooking can deter adoption even when lifetime costs are lower. To unlock mass market adoption, it is essential for governments to deliver predictable, targeted policies, financial incentives and consumer support – such as grants, rebates and low-cost finance – so businesses and communities alike can capture the full benefits of an electrified economy.

The opportunity is clear: clean power and efficient electric technologies can deliver lower-cost energy services. The constraint is not the cost curve, but whether market rules, tariffs and incentives allow those savings to reach end users. Addressing these issues enables households and businesses to capture the gains from low-cost renewables and electrification – making affordability a driver of faster adoption, instead of a barrier.

Everyday prosperity: affordable electrification leads to improved health and better livelihoods

End-use is where people and communities experience the energy system: warm homes, clean air, efficient mobility and productive workplaces. Electrification can free up 3-5% of household income each year ([Ember 2025](#)); in countries where electricity and gas prices are similar, heat pumps can reduce heating bills by 60-90% depending on insulation ([IEA, 2024](#)). Because of their superior efficiency (three to five times that of an efficient gas boiler), heat pumps need much less energy to deliver the same heating service.

Electrification also benefits health in ways that reinforce affordability. Ambient and household air pollution are associated with 6.7 million premature deaths each year ([WHO, 2024](#)). Electrifying transport, heating and cooking removes exhaust and combustion from streets and homes, improving urban air quality and eliminating indoor smoke exposure, with the greatest gains in dense cities and communities. The costs are material: global economic costs from ambient air pollution amount to about US\$6 trillion a year, equivalent to about 5% of global GDP in 2020 ([World Bank, 2025](#)). In contrast, clean energy and electrification accounted for 10% of GDP growth in 2023, equivalent to adding an economy the size of the Czech Republic to global output ([IEA, 2024](#)).

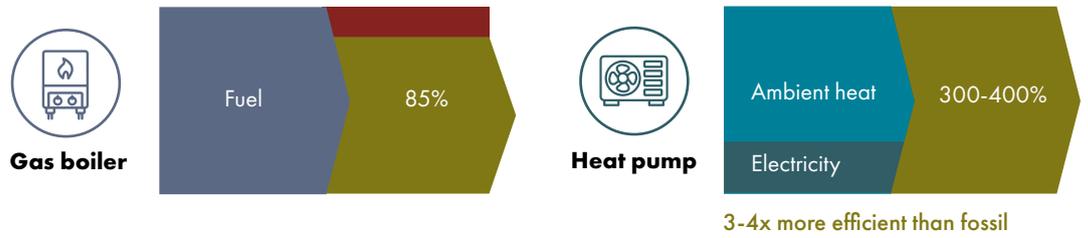
The transition is also reshaping employment. The electricity sector is now the largest energy employer, surpassing fuel supply for the first time, as the “Age of Electricity” gathers pace ([IEA, 2025](#)). In China, almost 40% of all vehicle manufacturing jobs are linked to EVs and their batteries – growth met through a mix of new roles and retraining – underscoring the importance of policies that protect workers and support skills transitions as economies modernize ([IEA, 2025](#)).

Figure 3: Electrification is efficient – switching to heat pumps, electric cooking and EVs uses two to five times less energy than fossil-based alternatives.

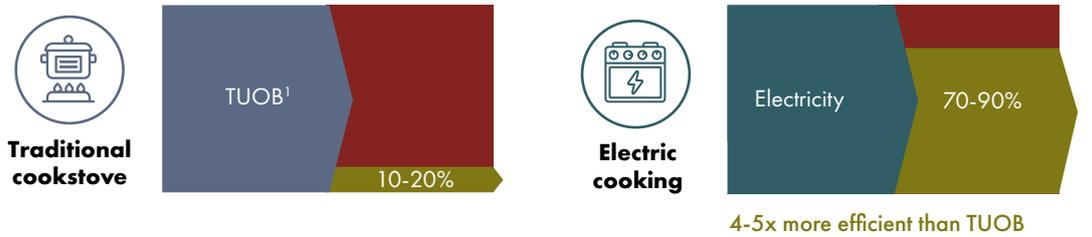
Average efficiency from appliances and vehicles incumbent fuel vs electric

Useful energy Losses

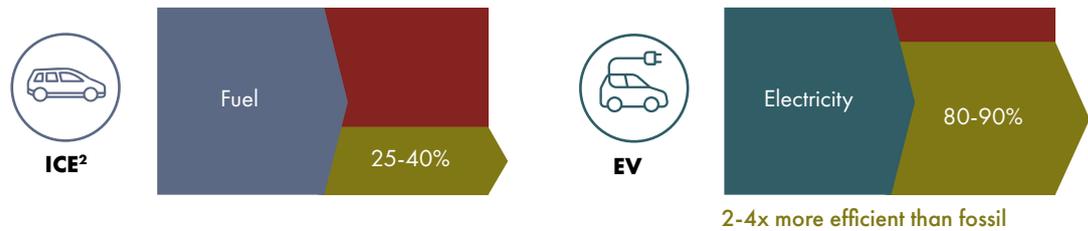
Heating



Cooking



Vehicles



1 Traditional use of biomass
2 Internal combustion engine

Source: WMBC & RMI, 2025

3.0

Why is electrification important for businesses?

Many businesses now recognize that the energy transition is not optional: it is a core condition of market access, finance and talent. We are in an era of implementation, where advantages shift to businesses that can turn ambition into operational decisions – capital expenditure (CAPEX), procurement, design, manufacturing, and operations – at pace, at scale and across value chains.

In practice, electrification is the most direct and scalable operational shift that businesses can undertake in their operations, supply chain and business model: **buildings** (space heating, space cooling, cooking and water heating), **transport** (light- and heavy-duty vehicles and the charging infrastructure to support them), and **industry** (process heat, alongside motors and drives). These are not simply “climate strategies” that determine how deeply and quickly a company can decarbonize; they are business levers in today’s markets – helping businesses compete in an economy where customers, regulators and investors increasingly reward credible action and delivery over distant pledges.

The specific electrification opportunities vary by sector, company size, operating model and geography. Electrification is often viewed as a set of discrete technology decisions – from fleet changes to building system upgrades – rather than a portfolio-level business strategy that links procurement, CAPEX planning, site and fleet operations, and suppliers’ requirements into a single, investible pathway for implementation.

Managed as a holistic business strategy, electrification delivers benefits across three connected areas:

Competitiveness: energy security and affordability

- **Lower operating risk premiums** – shifting key end uses off fossil fuel imports helps reduce exposure to sudden cost spikes that force price negotiations, margin compression and reactive cost cutting.
 - **CAPEX that retains value** – electrified assets (buildings, systems, fleets, industrial equipment, etc.) reduce the risk of stranded or prematurely obsolete investments as the clean energy transition accelerates, climate standards tighten and customers raise requirements.
 - **Commercial differentiation in bids and contracts** – electrified operations and supply chains enable credible “near-term delivery” that increasingly can influence procurement outcomes.
 - **New revenue, service and innovation markets** – electrification creates new market opportunities, from fleet charging and flexibility services to retrofit offerings.
 - **Higher operational efficiency and lower energy intensity** – electrified technologies are typically more efficient and easier to optimize digitally, enabling better process control, reduced downtime, and lower unit production costs.
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Rising demand for sustainable buildings and spaces that support businesses' low carbon goals

Demand for high-performance, sustainable office space is outpacing supply across the U.S., Asia Pacific and Europe. For investors, developers and asset managers, this demand can translate into higher rental income: research shows green-certified offices achieve lease premiums of around 7.1 – 11.6% across global markets ([JLL, 2023](#)). In other words, delivering electric, efficient buildings can strengthen occupancy and rent performance because tenants increasingly value spaces that support their operating cost, resilience and decarbonization requirements.

Compliance and customer requirements are tightening in freight markets

Many jurisdictions are expanding policies and buyer requirements for low- and zero-emission delivery; as low-emissions requirements and procurement standards evolve, businesses can transition fleets early to reduce the risks of restricted access, penalties or loss of contracts. For example, the EU's revised CO₂ emission reduction standards for heavy-duty vehicles will ratchet compliance requirements (45% by 2030, 65% by 2035 and 90% by 2040) in freight vehicle procurement and fleet transition planning ([EU, 2024](#)). On the voluntary side, initiatives like the EV100 and the Corporate Electric Vehicle Alliance (CEVA) bring together companies committed to transitioning their logistics fleets to electric vehicles, and the Sustainable Freight Buyers Alliance (SFBA) helps freight buyers shift toward zero-emissions freight transport.

Workforce readiness and skills: a competitive advantage

Electrification will shift workforces away from incumbent fossil fuel technologies and processes and toward electrified systems and new service models. A recent survey of over 1,200 executives indicated that three-quarters of firms expect to see their workforce grow as a result of electrification ([Economist Impact, 2025](#)). Despite this, a widening skills gap – from skilled trades and technicians to engineers and service roles – could become a bottleneck to growth ([IEA 2025](#)). Businesses that invest early in skills, delivery capacity and good jobs – upskilling and reskilling, supplier capability-building, living wages, and partnerships with training providers – will execute faster, be better positioned to capture new revenue opportunities and support workers and communities through the transition.

Energy security: resilience and future-proofing

- **Reduced operational exposure to fuel volatility** – electrification reduces reliance on fossil fuels for sites and fleets, making day-to-day operations less vulnerable to price spikes, shortages and delivery interruptions.
- **More resilient facilities and fleets** – electrified assets can be paired with onsite generation and storage, demand flexibility and smart controls – helping sites and fleets keep running during outages and reduce the impact of peak constraints.
- **Stronger value chain resilience** – electrification can reduce the risk of energy-driven disruption in logistics and supplier operations by reducing their dependence on volatile fuels and tightening the link to local or more diversified energy supply options.

Affordability: savings and predictability

- **Lower energy spend per unit of service** – electrified technologies are significantly more efficient than fossil fuel equivalents, delivering the same service with less energy.
- **Lower total cost of ownership** – over an asset's life, electrified equipment can reduce exposure to fuel-price volatility and deliver more predictable lifetime costs, particularly when paired with corporate procurement of clean energy.
- **Monetized flexibility** – electrification creates a controllable demand that can participate in local and national flexibility markets, turning energy management into a potential revenue and cost-avoidance capability rather than a fixed overhead.
- **Reduced downtime and maintenance exposure** – for example, electric vehicles generally require less routine maintenance than internal combustion engine vehicles as they have fewer moving parts and fluids – keeping vehicles in service for longer and reducing time off the road for service and repair.
- **Health and wellbeing productivity gains** – staff costs can account for up to 90% of a business' operating costs, meaning that even a modest improvement in employee health or productivity can have significant financial and social benefits for employers, including reduced turnover, sick days and absenteeism or presenteeism.

Increased productivity through indoor air quality improvements

In 2025, poor workplace health cost UK employers around £85 billion. This included both lost output from sickness absence and lost productivity from presenteeism (employees turning up for work unwell), estimated at between four and nine day days per employee per year (DWP & DBT, UK Gov 2025). A 2023 study of Singapore, Sydney, Los Angeles, London and Barcelona suggested that improving indoor air quality improved individual productivity by over 15%, amounting to as much as £17,400 and £37,600 additional output per worker in London and Los Angeles respectively (CBI, 2023).

3.1 What business needs from governments

Electrification readiness is becoming a competitiveness factor – shaping where companies choose to invest, build capacity and innovate. As clean power rapidly grows, the advantage shifts to countries and jurisdictions that can convert low-cost electricity into economy-wide gains by electrifying transport, buildings and industry: stronger energy security, more predictable operating costs, and a more competitive foundation for investment. Businesses are already acting, but scaling depends on the enabling environment governments provide. For governments, the faster they deliver the enabling process, the faster businesses deliver the benefits of an electrified economy.

System conditions that enable or delay electrification

Businesses need the right enabling conditions to deliver electrification. The bottlenecks are increasingly systemic: electricity demand is forecast to grow by an average of 3.6% each year to 2030, which would require annual grid investment to rise roughly 50% by 2030 from today's US\$400 billion (IEA, 2026). Currently, however, more than 2,500 GW of projects (renewables, storage, and projects with large loads) are stuck in grid connection queues worldwide (IEA, 2026); in the UK, developers face queues of up to 15 years (DESNZ, UK Gov, 2025).

To pivot from pilots to mass deployment, governments must address critical policy levers – backed by fiscal and regulatory action – to accelerate the direct uptake of electrification:

Align market rules, incentives and skills investment: Clear market rules and stable regulations are necessary to make electrified solutions bankable – but scaling also depends on the upfront-cost finance and a trained workforce to deliver at scale. Capital costs remain a primary barrier for business investment in electrification (Economist Impact, 2025). Governments can accelerate uptake by realigning incentives from fossil fuels to clean electrification options – including reforming taxes, levies and support schemes that currently favor gas, coal and oil – so that switching to electrified transport, heating, cooking and hot water is consistently rewarded. In parallel, responsible workforce and training programs – and targeted support to scale installation capabilities and key supply chains – help prevent skills and equipment bottlenecks from becoming the binding constraints.

Invest in grids, networks and clean power generation: Rapid electrification only delivers its full decarbonization, economic and social value when demand-side uptake scales alongside clean power supply and the networks that connect it. That requires both increased investment in grids and networks, and better use of existing capacity – reducing congestion and curtailment and improving reliability. It also means connecting new clean generation and loads faster, which would involve reforming permitting, interconnection processes and queue management to speed delivery and unlock near-term capacity. Scaling the grid also requires a credible approach to cost recovery – transparent, predictable network charges and regulatory frameworks that spread investment costs fairly over time, protect vulnerable consumers and give businesses confidence that connection and use-of-system costs remain investable. Done well, these investment lower friction for consumers and businesses to adopt electrified products and services, enabling wider uptake and faster scale-up.

Strengthen flexibility and system balancing: As variable renewables and new electric loads grow, flexibility becomes a core tool for affordability and security. Demand response, storage and managed charging reduce peak demand, ease network constraints and lower system costs – improving reliability and helping businesses and consumers cut energy costs and earn revenue by providing flexibility when the system needs it.

Accelerate digitalization: Digital infrastructure helps optimize the system and experience and turns electrification into controllable, optimizable demand. Smart measurement, interoperable standards and secure data access provide the foundation for managed charging, responsive assets and industrial load optimization – without which flexibility markets and efficient operation remain out of reach.

Putting people at the center of electrified economies

Electrified economies must be designed for and by people most affected by the transition – so the benefits of electrification are widely shared and the costs and disruptions are fairly managed. This begins with understanding the human impacts on electrification – such as jobs, skills and delivery capacity. Scaling heat pumps, EV charging, building upgrades and grid expansion requires trained installers, electricians, engineers and maintenance workers, backed by credible training pathways and standards.

It also requires affordability and consumer protection by design. Upfront costs, access to finance, fair network charges and trusted advice and installation quality determine whether households and SMEs can participate – particularly renters and lower-income communities. Policies should therefore pair clear standards with practical support (e.g., financing, protections, dispute resolution) so electrification is feasible, not just desirable.

Finally, public trust is essential for delivery at pace, which is why deliberate engagement with stakeholders across the value chain matters. This includes workers, SMEs, consumer groups, local authorities and communities, so business efforts and policy reflect real-world constraints and avoid unintended consequences. Cultural preferences matter too: for example, *wok hei*, a complex charred aroma from cooking with intense heat, is the cornerstone of Cantonese cooking, practiced by the Chinese diaspora across Southeast Asia and globally – but is difficult to replicate on induction or electric stoves; policymakers must consider practices such as these when scaling electrification. A people-centered approach to the transition therefore prioritizes practical support, consumer choice and trusted delivery – building durable public support and speeding adoption.

Small and Medium-sized Companies: enabling adoption and scaling delivery

SMEs are central to an electrified economy. They account for around 90% of businesses, generate 70% of employment and contribute up to 70% of global GDP (WEF, 2025). Many SMEs sit directly in the value chains that will deliver electrification – installers, builders, electricians, HVAC contractors, fleet operators and local manufacturers. This creates a dual opportunity: SMEs can benefit as adopters (lower running costs and greater predictability) and grow as providers (new demand for retrofits and heat pump installations, charging services, electrified equipment maintenance, etc.).

Many SMEs have tighter financial budgets and lease their buildings. As smaller operators, they are less likely to have purchasing power when negotiating green lease terms, service or product agreements, which can limit the pace and scale of electrification. Scale up of SME electrification will depend on fiscal and policy support to help with upfront costs, access to capital and delivery models that make upgrades easy to adopt: standardized services, trusted installers, aggregated procurement, leasing and service models that support an affordable, competitive transition.

AI and data centers: aligning growth with clean power and flexibility

AI and data centers can either accelerate electrification – by anchoring investment in clean power, flexibility and modern grids – or impede it where growth is poorly planned, highly concentrated and crowds out local grid capacity – competing with households, businesses and public services for connections and reliable supply and driving up electricity prices. Global data center electricity use is projected to double to ~945 TWh by 2030, representing just under 3% of global electricity consumption (IEA, 2025). In practice, constraint is often felt locally. In the U.S., data center loads are highly concentrated: around 80% of 2023 demand sat in 15 states, led by hubs such as Virginia and Texas (EPRI, 2024). That level of local concentration drives congestion, delays and affordability pressures even when national power generation is expanding. To ensure energy affordability, reliability and wider access, governments should manage data center growth as part of the electrification strategy – for example, by linking permitting and grid connection to clean power sourcing, efficient designs and flexible operations, and requiring contributions to local grid upgrades and community benefit measures that protect other users.

Business needs clear, durable direction from governments that translates into implementable policy – this is essential given businesses invest in assets with lifetimes measured in decades, not years. That means stable standards and incentives; aligned fiscal and regulatory design that fixes distorted price signals; faster permitting, connections and delivery capacity; routes for demand flexibility participation; and consumer protection that makes switching fair and feasible.

Domestic policy sets the pace at home, but businesses operating across borders also benefit when governments align internationally on key elements – definitions, timelines, standards – so firms face fewer duplicative requirements and less fragmentation across markets. Where countries coordinate, it lowers compliance friction and cost, strengthens supply-chain coordination, and supports faster scaling of electrified solutions.

In that context, stronger international signals on electrification would help reinforce confidence in the direction of travel. Clear, credible signals can anchor expectations, support more consistent national policy design and give investors greater confidence to scale supply chains and enabling infrastructure for deployment at pace and scale.

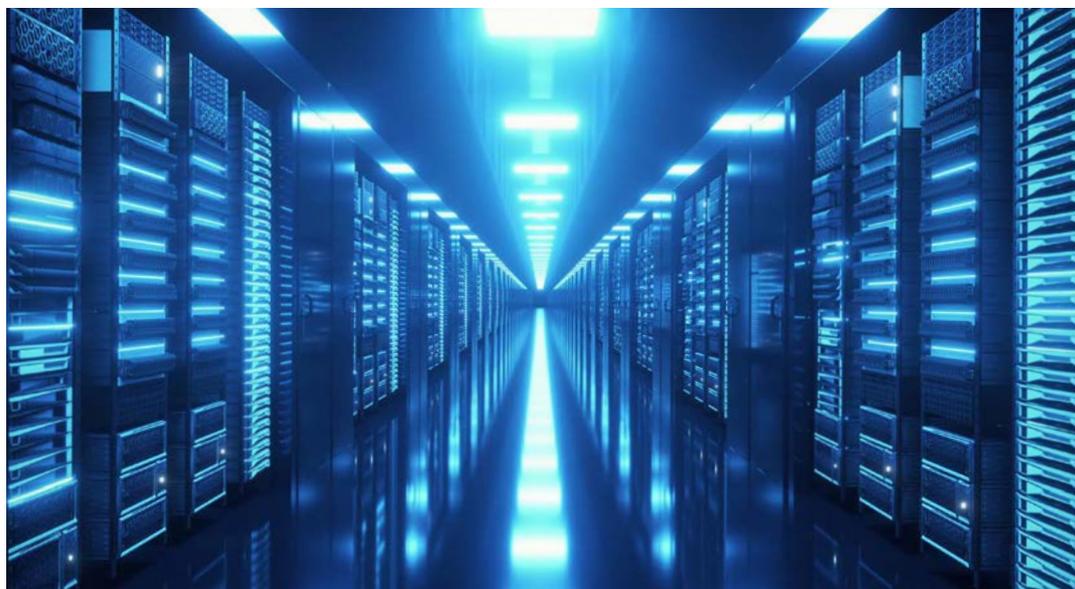
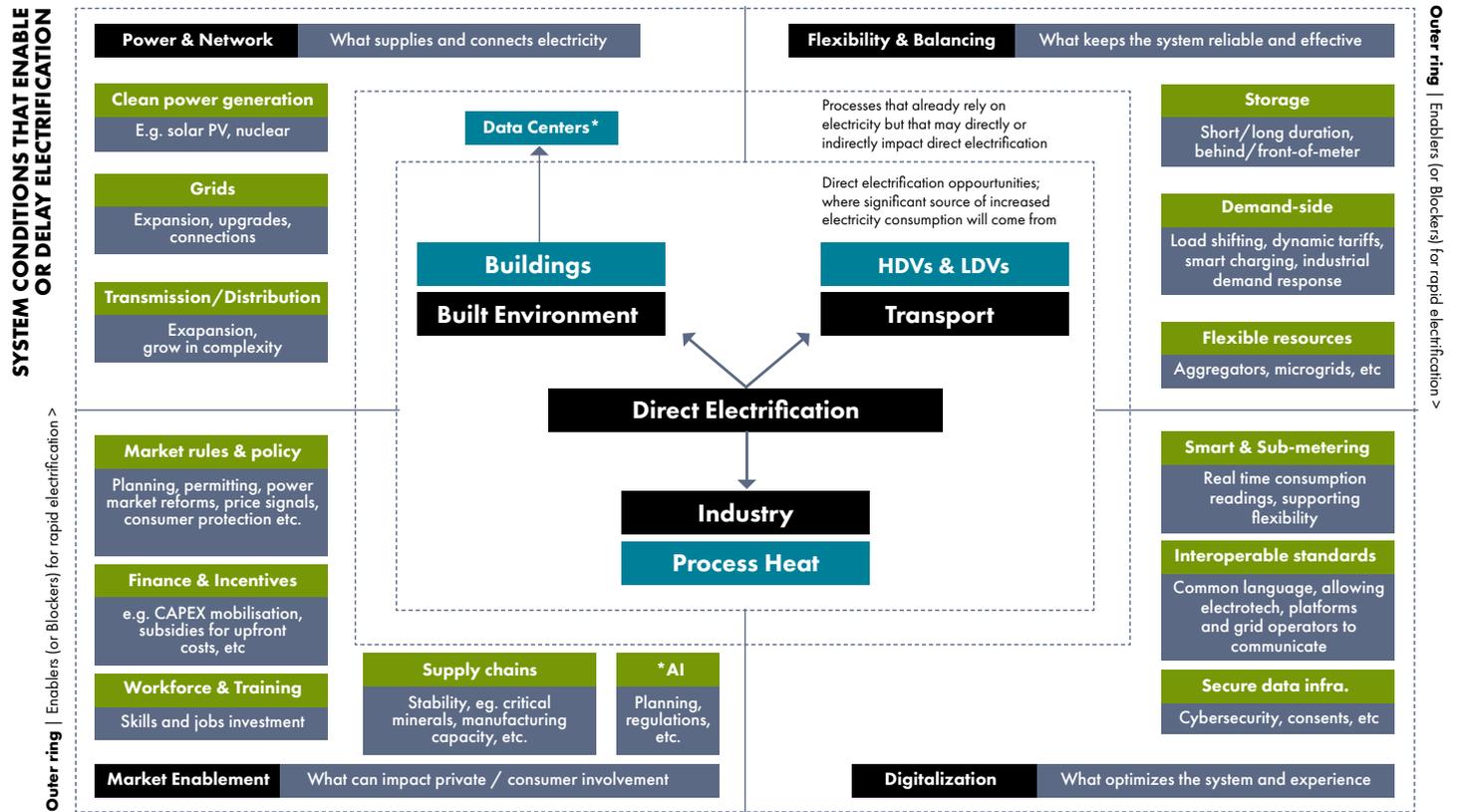


Figure 4: System conditions that enable or delay electrification; note that the focus on direct electrification is related to WMBC’s Electric Advantage program.



Source: WMBC, 2026

4.0 **Electric Advantage program**

Electrification is moving from a technical debate to a defining economic strategy. The clean power agenda has a strong, coordinated approach; the demand-side shift for end-use electrification – switching how energy is used in buildings, transport and industry – lacks the same coordinated business voice. Today, electrification is too often treated as a siloed technology conversation, rather than a holistic, economy-wide transition in how energy is used. Definitions vary, benefits are unevenly understood, and electrification is frequently an afterthought in policymaking – leaving limited shared metrics, benchmarks and accountability mechanisms to guide action and measure progress. The result is fragmented policy and slower scale-up, even as businesses are ready to move.

We Mean Business Coalition’s four-year *Electric Advantage* program seeks to build the coordinated, credible business voice that is currently missing – focused on demand-side electrification and the policy environment and market conditions to make it investable and equitable. This is not only about emissions. It is about modernizing the foundations of prosperity: raising productivity through efficient electric technologies, strengthening energy resilience, and unlocking investment and innovation as clean electricity becomes the platform for growth and better livelihoods. We will help companies prepare, lead and benefit from electrification – showing how it creates real, long-lasting advantages for economies and people.

Vision for 2030

By 2030, electrification is embedded in the strategies, investments and policy frameworks that shape economies and markets, with demand for electrified solutions – powered by abundant, resilient and affordable clean electricity – accelerating the transition away from fossil fuels, and acting as the driving force for competitiveness, security, affordability and better livelihoods.



How we will deliver – from global to local:

Delivering this vision requires aligned action at three levels, which interact and reinforce each other:

1

Elevate electrification as a global priority.

Encourage governments to send collective signals, such as agreeing on a global goal on electrification or demonstrating their commitment to electrification, to provide clarity on the pace and scale of transition, align investment expectations and accelerate deployment across economies.

This would complement and reinforce existing commitments around renewable energy, energy efficiency and the transition away from fossil fuels – supporting the translation of ambition into investable national strategies.

2

Accelerate the pace of implementation in a people-centered manner.

Help national and sub-national governments deliver coherent standards and financial incentives, investable market design, and consumer protections that make switching feasible for households, SMEs and businesses, and durable over asset lifetimes.

3

Pilot and scale real-world solutions.

Mobilize business and industry leadership to demonstrate what works, de-risk investment and replicate quickly – turning pilots into deployment and building confidence in cost, performance and delivery models.

Pathways will vary by geography, sector and company size. The program is designed to be globally coherent while locally relevant – supporting tailored pathways that reflect different starting points while maintaining a shared trajectory.

How businesses can engage

Businesses interested in joining or shaping the *Electric Advantage* program are invited to engage directly with We Mean Business Coalition:

Arrange a 1:1 conversation

Contact the team at electrification@wmbcoalition.org to discuss your priorities, learn more about the program and how you can contribute. We are keen to engage with businesses across the value chain, of all sizes, sectors and geographies.

Join the program community

Sign up to the [newsletter](#) to stay informed on events, briefings, working groups and opportunities to collaborate on shared advocacy, positions, pilots and implementation pathways.

About We Mean Business Coalition:

We Mean Business Coalition works with the world's most influential businesses to take action on climate change. The Coalition is a group of seven nonprofit organisations: BSR, CDP, Ceres, Climate Group, CLG Europe, The B Team and WBCSD. Together, we catalyze business and policy action to halve emissions by 2030 and accelerate an inclusive transition to a net-zero economy.

Find out more at wemeanbusinesscoalition.org

Social media:

[linkedin.com/company/wemeanbusiness](https://www.linkedin.com/company/wemeanbusiness)

[youtube.com/wemeanbusinesscoalitions](https://www.youtube.com/wemeanbusinesscoalitions)

About Electric Advantage:

Electric Advantage is a multi-year program focused on spurring industry action, reforming regulations and driving investment in electrification to accelerate us all toward a cheaper, safer, healthier future. It is a collaborative effort between BSR, Ceres, Climate Group, CLG Europe, The B Team and WBCSD.

Find out more about Electric Advantage: wemeanbusinesscoalition.org/electric-advantage
