Supporting clean tech manufacturing in the EU: the Net-Zero Industry Act and the Clean Industrial Deal

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DG GROW I.3 'Net zero Industries, Sustainable and Circular Products', European Commission

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NZIA

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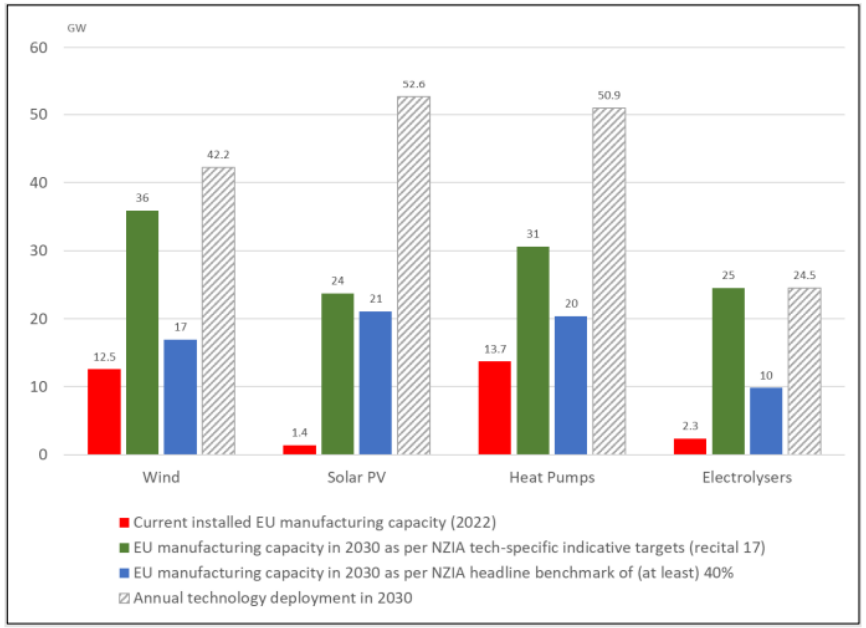
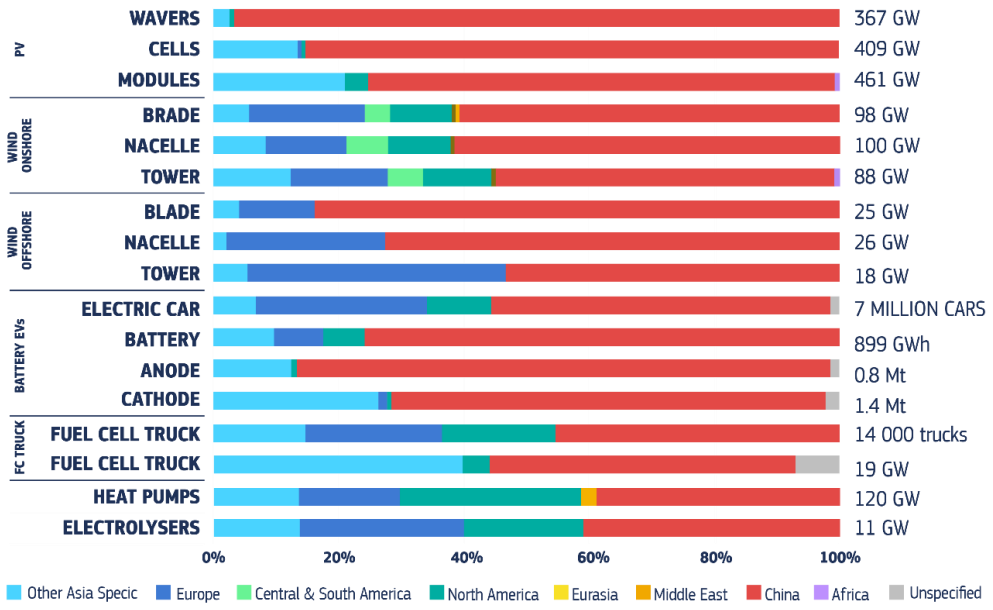
General objective of NZIA

> **“ Establishing a regulatory framework to ensure the Union’s access to a secure and sustainable supply of net-zero technologies including by scaling up the manufacturing capacity of net-zero technologies and their supply chains.**





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Two political benchmarks

Commission & Member States shall support net-zero manufacturing projects to ensure the reduction of strategic dependencies by reaching a manufacturing capacity of:

- at least **40%** of EU annual deployment needs for the corresponding technologies necessary to achieve the Union’s 2030 climate and energy targets;
- an increased Union’s share for the corresponding technologies in view to reach **15%** of world production by 2040, based on the monitoring in the Act.

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Scope (what type of projects are covered)

- Focus is on manufacturing facilities across full supply chain.
- 1 list of net-zero technologies.*
- Either via being listed in Annex or when project promoter can provide proof that product, component or machinery are “primarily used” for net-zero technology.
- Also in scope are energy intensive industry decarbonisation projects, CCS storage sites.

*
- solar technologies, including: solar photovoltaic, solar thermal electric and solar thermal technologies;
- onshore wind and offshore renewable technologies;
- battery and energy storage technologies;
- renewable energy technologies, not covered under the previous categories;
- heat pumps and geothermal energy technologies;
- hydrogen technologies, including electrolysers and fuel cells;
- sustainable biogas and biomethane technologies;
- carbon capture and storage technologies;
- electricity grid technologies, including electric charging technologies for transportation and technologies to digitalise the grid;
- nuclear fission energy technologies, including nuclear fuel cycle technologies;
- sustainable alternative fuels technologies;
- hydropower technologies;
- energy system-related energy efficiency technologies, including heat grid technologies;
- renewable fuels of non-biological origin technologies;
- biotech climate and energy solutions;
- transformative industrial technologies for decarbonisation not covered under the previous categories;
- CO2 transport and utilization technologies;
- wind propulsion and electric propulsion technologies for transportation;
- nuclear technologies not covered under previous categories.

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To stimulate investment into net-zero technologies, the Act focuses on:

Predictable and harmonised permitting

- A concrete and **key factor to increase investment certainty** and planning.
- NZIA Regulation covers the entire permit-granting process.
- Member States to set up **Single points of contact** within 6 months of entry into force.
- Single point of contact responsible for facilitating the permitting process among numerous authorities and to provide investment-relevant information to project promoters.
- **Legally binding time-limits** for entire permitting: 9-12 months for strategic projects, 12-18 months for others. Member States shall ensure sufficient staff & expertise for this.
- Authorities obliged to accept documents from project promoters in electronic format, including pre-existing and relevant studies, permits or authorisations. Next step: Digital tools.
- Spatial planning considerations and streamlined environmental impact assessments: scoping study, bundling, consultation.

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Net-Zero Acceleration Valleys

- An industrial catalyst concept based on Member States designating specific geographic areas **to foster net-zero industry clusters** and further streamline administrative procedures.
- Strong interest from regions, clusters. NZIA establishes Valleys as being of “public interest”.
- **Three obligations** on Member States as guiding principle:
  1. **A plan setting out concrete national measures**, to invest in or trigger private investment in energy, digital & transport infrastructure, to reduce operational expenditure for industry, i.e. contracts of difference for energy prices.
  2. **A dedicated Single point of contact** – to coordinate permitting and provide advice relevant to attracting new projects – “a NZ Valley is your business card to the world”.
  3. **Ex-ante environmental assessment** of area to simplify project-specific permitting.
- Public investments may benefit from max co-financing rates under ERDF, CF, JTF and ESF+.

Strategic Projects (I)

- NZIA provides possibility for net-zero technology manufacturing projects to apply for strategic project status
- The Regulation outlines the benefits (Article 15-16), the selection criteria (Article 13), and the application and recognition process (Article 14).

- **Benefits**:
  - Priority status at national level for all administrative processes, including permitting;
  - Shorter overall time-limits for entire permit-granting process (9 – 12 months);
  - Urgent treatment in dispute resolution procedures, litigation, appeals, judicial remedies
  - May be considered in the “overriding public interest” (with respect to exemptions in environmental legislation);
  - Discussed in the **Net-Zero Europe Platform** also in relation to providing advice on their financing.

Strategic Projects (II)

- **Selection Criteria:**
  - Proof of meeting at least one of the selection criteria: (i) contribution to resilience through added manufacturing capacity, (ii) positive supply-chain effects through innovation and i.e. by supporting skills development or SMEs, and (iii) contribution to the Union's climate and energy objectives through improved manufacturing practices.
  - Simplified recognition for projects with Cohesion funding, Innovation Fund or IPCEI.
- **Application process**
  - Via pre-set application form provided by the Commission.
  - Member States in charge of assessing applications, within 1 month following acknowledgment of 'complete' application (incl. business plan proving financial liability).
  - If application is refused, Commission may provide assessment, however, it will remain without prejudice to the Member State's decision.

Access to Markets

- New mandatory rules on **Public procurement** to change how authorities procure goods, works and services related to net-zero technologies.
- Authorities must take into account the **environmental sustainability** contribution, while the **resilience** contribution will be applied if there is a third-country dependence of more than 50% for a specific net-zero technology (or for its components).
- Where application of the resilience and sustainability contribution result in a disproportionate cost difference or if no suitable tenders submitted, authorities may not apply these criteria.

- When Member States design **auctions** for the deployment of renewable energy technologies, they should to apply pre-qualification and award criteria which are not price-related, such as environmental sustainability, contribution to innovation or integration of energy systems.
- These criteria will have to apply to at least 30% of the volume auctioned every year.
- Specific provisions applicable to **other forms of public intervention**.

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Regulatory Sandboxes & Skills Academies

- If a project/solution is facing regulatory barriers to be implemented, it can require authorities to create a **NZ regulatory sandbox** to get time-limited exemption from the rule in question.
- Aim is to foster start-ups and innovative technologies, to allow for trials and to see if the regulatory framework can be adjusted.
- Important tool to support communication and collaboration between innovators and energy regulators or other responsible entities.

- Launch of **European Net Zero Industry Academies**, to be based on an assessment of skills shortages in net-zero technology industries and in full respect of Member State competence in the field of education and training. Objectives:
- **Objectives:** to develop and promote the use of learning programmes, content and learning and training materials for training and education for the voluntary use by Member States' education and training providers.

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Implementation Timeline (II)

Implementing Act / Delegated Act	Date of entry into force as foreseen in NZIA
Implementing Act for guidelines on strategic projects (Art. 13(2))	March 2025 (8 months from entry into force)
Implementing Act specifying minimum requirements on environmental sustainability for public procurement (Art. 25(5))	April 2025 (9 months from entry into force)
Implementing Act further specifying the pre-qualification criteria for auctions (Art. 26(2))	April 2025 (9 months from entry into force)
Delegated Act to amend Annex X of primarily used components of net-zero technologies (Art. 46(7))	April 2025 (9 months from entry into force)
Implementing Act providing for a list of each of the net-zero technology final products and their main specific components (Art. 29(2)) linked to access to markets chapter	Not specified
Implementing Act specifying the establishment and operation of net-zero regulatory sandboxes (Art. 33(3))	Not specified

CCS Delegated Acts not listed here

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Investment sources supporting NZIA objectives

MS	EUR mln	Solar	Wind	Batteries	Electrolysers/H2	Heat pumps	CCUS
AT	355	x	x	x	x	x	x
BE	413			x	x		
CZ	30			x			
DE	11161	x	x	x	x	x	x
DK	368		x		x		
EE	65				x		
EL	827			x	x		
ES	3597	x	x	x	x	x	x
FI	445			x	x		
FR	7092	x	x	x	x	x	
HR	125			x			
HU	2360	x	x	x	x	x	x
IT	5112	x	x	x	x	x	x
LU	20	x	x	x	x	x	x
NL	1794	x		x	x		
PL	2153	x	x	x	x	x	x
PT	1962	x	x	x	x	x	x
SE	1103			x	x		
SK	1613	x	x	x	x	x	x

TCTF and IPCEIs **€ 41 bn**

€45 billion by EIB to support Green Deal Industrial Plan, to mobilize **over €150 billion** investment by 2027

STEP – Cohesion policy re-programming **€ ?? bn**

MS encouraged to spend **25% of ETS revenues** on NZIA projects

RRF & RepowerEU **€ 3 bn**

EU funding by 2027 (InvestEU, Innovation Fund, excl. H2 bank) **€ 5 bn**

The EU must act urgently to reduce dependencies and scale up net-zero manufacturing by implementing NZIA non-price criteria, faster permitting, and investment support.

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Key aspects

The Clean Industrial Deal is our business plan to **accelerate decarbonisation** and **competitiveness** for European industry - by boosting innovation and reinforcing our resilience.

Become **climate neutral** by **2050**

The Clean Industrial Deal **focuses on:**

Energy-intensive industries

to safeguard competitiveness from high energy costs and unfair global competition

Clean-tech sector

to allow it to expand in the EU as it is a key enabler of competitiveness and decarbonisation

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6 core business drivers & simplification

- Affordable Energy
- Lead Markets
- Financing
- Circularity and Access to Materials
- Global Markets and International Partnerships
- Skills Enhancement

+ Simplification

Affordable Energy, Lead Markets

Affordable Energy

Europe's energy prices are higher than those of trading partners, impacting competitiveness, especially for energy-intensive sectors

- Affordable Energy Action Plan will lower energy costs for business and citizens
- Tackling volatile prices by making Power Purchase Agreements more attractive for industrial users
- Switch to domestically produced clean energy

→ Increase economy-wide electrification rate from 21.3% to 32% in 2030

→ Install 100 GW of renewable electricity capacity every year until 2030

Lead Markets

Lack of stable and predictable market demand for clean tech products

- Foster demand for clean products made in the EU by introducing sustainability, resilience and European preference criteria in EU public procurement for strategic sectors
- Product label indicating carbon intensity to allow businesses to reap a "green premium" and inform consumers

→ Reach 40% of domestically produced key components of clean tech products on the EU market

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Financing, Circularity and Access to Materials

Financing

Not enough investments to support decarbonisation, electrification and competitiveness of the industry,

- Increase the firepower of the Innovation Fund by more synergies between existing funding instruments
- Leverage private investment by amending InvestEU
- Simplified State aid rules will give Member States more flexibility to support decarbonisation

→ The Clean Industrial Deal will leverage more than € 100 billion investments supporting the industrial transition

Circularity and Access to Materials

High dependence of EU industry on critical raw materials. Materials are not reused sufficiently, precious materials are being thrown away

- Ensure lower prices and higher availability for critical raw materials by organising joint purchases (through an EU Critical Raw Material Centre)
- The New Circular Economy Act will reduce dependencies on primary materials imports and create business opportunities

→ Increase circular material use rate from 11.8% today to 24% by 2030

New CID funding initiatives foreseen to support NZIA objectives

- New fund of 100 bn EUR
- Reinforce the use Innovation Fund
- Reinforce the EIB support (Q2 25) and Clean Tech Guarantee Facility, 2026)
- New Competitiveness Fund under the new MFF

New CID legislative initiatives foreseen to support NZIA objectives

- Review of Public Procurement (Q4 26)
- Review of State Aids (Q2 25)
- Circular Economy Act (Q4 26) and ESPR work plan (Q2 25à
- Recommendations for the Energy Taxation Directive (Q2 25)
- Industrial Decarbonisation Accelerator Act (IDAA, Q4 25)
- Delegated act on low carbon hydrogen (Q1 25)
- European Grids package (Q1 26)

Thank you

Contact

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DG GROW, European Commission

Net Zero Industry Act - Website

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