

Framework of measures for strengthening Europe's net-zero technology products manufacturing ecosystem (Net Zero Industry Act)

2023/0081(COD) - 07/11/2023 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Industry, Research and Energy adopted the report by Christian EHLER (EPP, DE) on the proposal for a regulation of the European Parliament and of the Council on establishing a framework of measures for strengthening Europe's net-zero technology products manufacturing ecosystem (Net Zero Industry Act).

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Subject matter

The amended text stipulates that the draft Regulation establishes the framework of measures to ensure a coordinated approach, throughout the Union, to the **innovation** and scaling up of the manufacturing capacity of net-zero technologies **as well as of the components, materials and machinery along the supply chains of those technologies** that are indispensable for their production and functioning in the Union to:

- support the Union's climate targets and climate neutrality objective;
- foster the Union's international industrial competitiveness in order to contribute to the creation of quality jobs;
- improve the Union's access to a secure and sustainable supply of net-zero technologies;
- strengthen Union's open strategic autonomy;
- safeguard the resilience of the corresponding Union's supply chains; and
- achieve the decarbonisation of the Union's economy and society.

Scope and definitions

Members enlarged the scope of the proposed Regulation to include the components, materials and machinery along the supply chains of those technologies that are indispensable for their production and functioning. The meaning of 'net-zero technologies' has also been streamlined by the Members.

The net-zero technologies within the scope of this Regulation should be, *inter alia*:

- technologies used for production of energy from renewable sources;
- nuclear fission and fusion energy technologies, including nuclear fuel cycle technologies;
- energy storage technologies;

- carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O), removal, capture, transport, injection (EPP), storage and utilisation technologies;
- hydrogen (H₂) transport infrastructure technologies;
- electrolyser and fuel cell technologies;
- electric, hydrogen (H₂), sustainable alternative fuels and wind propulsion technologies for transportation;
- electric charging technologies for transportation;
- heat pump technologies;
- energy efficiency technologies;
- biomaterials production technologies, including bio-based chemical production technologies;
- recycling technologies.

Financing of net-zero technologies

The amended text suggested that Member States should allocate **25%** of their national Emissions Trading System (ETS) revenues for expenditures aimed at achieving the objectives.

Net-Zero Industry Valleys

Members introduce the concept of Net-Zero Industry Valleys, aimed at fostering industrial symbiosis and encouraging Member States to make targeted investments in specific areas across Europe. Those Valleys should be limited in geographical and technology scope in order to promote industrial symbiosis. Valleys should be designated by Member States and each designation should be accompanied by a Plan with concrete national measures to increase the attractiveness of the Valley as a location for manufacturing activities. Valleys should in particular be used as a tool for re-industrialisation of regions, especially for coal regions in transition.