

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

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The European Parliament adopted by 361 votes to 121, with 45 abstentions, a legislative resolution 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 European Parliament's position adopted at first reading under the ordinary legislative procedure amends the proposal as follows:

Subject matter

The general objective of this Regulation is to improve the functioning of the internal market by establishing a framework in order 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 to safeguard their resilience while contributing to achieving the Union's climate targets and climate neutrality objective, with a view to the decarbonisation of the Union's economy and society, and by contributing to quality jobs in net-zero technologies, and thereby also improving the competitiveness of the Union.

To achieve the general objective, this Regulation lays down measures aiming to:

- lower the risk of supply disruptions related to net-zero technologies likely to distort competition and fragment the internal market, in particular by identifying and supporting the scale-up of the manufacturing capacity of net-zero technologies and their supply chains;
- establish a Union market for CO2 storage services;
- encourage demand for sustainable and resilient net-zero technologies through public procurement procedures, auctioning and other forms of public intervention;
- enhance skills through the support of the Academies, thereby safeguarding and creating quality jobs;
- support innovation through the creation of net-zero regulatory sandboxes, coordination of research and innovation activities through the Strategic Energy Technologies Plan Steering Group, as well as through the use of pre-commercial procurement and public procurement of innovative solutions;
- improve the Union's ability to monitor and mitigate supply risks related to net-zero technologies.

Benchmarks

The Commission and Member States should support net-zero manufacturing projects in accordance with this Chapter in order to ensure the **reduction of strategic dependencies** in the Union of net-zero technologies and their supply chains by reaching a manufacturing capacity for those technologies of: (i) a benchmark of at least **40 % of the Union's annual deployment needs** for the corresponding technologies

necessary to achieve the Union's 2030 climate and energy targets; (ii) an increased Union share for the corresponding technologies with a view to reaching **15 % of world production by 2040** on the basis of monitoring carried out by the Commission.

The technologies supported include all renewable technologies, battery and energy storage technologies, heat pumps, hydrogen, electricity networks, nuclear, sustainable alternative fuels, biotechnology and CO2 transport and technologies.

Streamlining administrative and permit-granting processes

By 6 months from the date of entry into force of this Regulation, Member States should establish or designate one or more authorities as single points of contact at the relevant administrative level. Each single point of contact should be responsible for facilitating and coordinating the permit-granting process for net-zero technology manufacturing projects, including for net-zero strategic projects.

The amended text **simplifies the permitting procedure**, setting maximum deadlines for the authorisation of projects depending on their scope and level of detail.

For strategic zero-net projects, the permitting procedure should take no longer than twelve months for installations with an annual output of 1 GW or more, **nine months** for installations with an annual output of less than 1 GW, or eighteen months for all permits required for the operation of a strategic CO2 storage site and the deployment of related CO2 capture and transport projects.

For "net-zero" technology production projects, the permitting process should take no longer than eighteen months for installations with an annual production of 1 GW or more, and twelve months for those with an annual production of less than 1 GW.

Net-zero Acceleration Valleys

Member States may decide to designate net-zero Acceleration Valleys as specific areas to accelerate net-zero industrial activities, in particular to accelerate the implementation of net-zero technology manufacturing projects, including net-zero strategic projects or clusters thereof, or to test innovative net-zero technologies. The objectives of the Valleys should be to create clusters of net-zero industrial activity and to further streamline administrative procedures. The decision should: (i) define a clear geographic and technology scope for the Valleys; (ii) take into account areas that include artificial and built surfaces, industrial sites, and brownfield sites; (iii) be subject to an environmental assessment.

Sustainability and resilience criteria

National support schemes aiming to get households and consumers to move over to technologies such as solar panels and heat pumps more quickly will have to take into account sustainability and resilience criteria. Public procurement procedures and **auctions** to deploy renewable energy sources should also meet such criteria, albeit under conditions to be defined by the Commission, and for a minimum of 30% of the volume auctioned per year in the member state, or alternatively for a maximum of six Gigawatt auctioned per year and per country.

Member States should seek to use, where appropriate, **pre-commercial procurement** and public procurement of innovative solutions in order to stimulate innovation in net-zero technology and the creation of new manufacturing capacity for net-zero technologies in the Union.

Moreover, the Strategic Technologies for Europe Platform (**STEP**) will help to better channel existing Union funds towards critical investments aiming to support the development or manufacturing of critical technologies, including clean technologies.

