European Commission

EU NET-ZERO INDUSTRY ACT: MAKING THE EU THE HOME OF CLEAN TECH INDUSTRIES

March 2023

The COVID-19 pandemic and the energy crisis driven by Russia's invasion of Ukraine have exposed dependencies that can harm the competitiveness of EU industry. Making Europe an industrial base for net-zero technologies and increasing the EU's manufacturing capacity is essential to avoid harmful dependencies and to meet EU's ambitious climate and energy targets.

The **Net-Zero Industry Act** will create a simpler and more predictable legal framework for net-zero industries in the EU, as part of Europe's Green Deal Industrial Plan. It will support the EU's climate-neutrality commitment and the clean energy transition, strengthen the resilience of the EU's energy system, and contribute to establishing a secure supply of clean energy in line with REPowerEU.

EU AMBITION FOR NET-ZERO TECHNOLOGIES

This legislation will help scale up net-zero technology manufacturing in the EU to provide **at least 40%** of the EU's annual deployment needs for strategic net-zero technologies by 2030.

Simplifying the regulatory framework for net-zero technologies

Scaling up manufacturing of net-zero technologies

Fostering competitive and resilient European net-zero industry

The Act supports in particular **Strategic net-zero technologies** that are commercially available or soon to enter the market, and have significant potential for rapid scale-up to contribute to the EU's decarbonisation targets.

- Solar photovoltaic and solar thermal
- Electrolysers and fuel cells
- Onshore wind and offshore renewables
- Sustainable biogas/ biomethane
- Batteries and storage
- Carbon capture and storage
- Heat pumps and geothermal energy
- Grid technologies

Other net zero technologies are also supported by the measures in the act, including sustainable alternative fuels technologies, advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle, small modular reactors, and related best-in-class fuels.

ACTIONS

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

Net-Zero Strategic Projects

Priority projects essential for reinforcing the resilience and competitiveness of the EU net-zero industry

CO_2 injection capacity target

Carbon capture and storage projects will be supported, notably by enhancing the availability of CO_2 storage sites

Facilitating access to markets

Sustainability and resilience criteria in procurement procedures and auctions to help boost demand of renewables

Enhancing skills

Net-Zero Industry Academies, with the support and oversight by the Net-Zero Europe Platform, wil provide training and education on net-zero technologies, and lead to quality job creation

Cutting red tape and accelerated permitting

Lower administrative burden for developing net-zero manufacturing projects and simpler and faster permitting procedures, in particular for strategic projects which will benefit from even faster permitting, to increase planning and investment certainty

Attracting investment

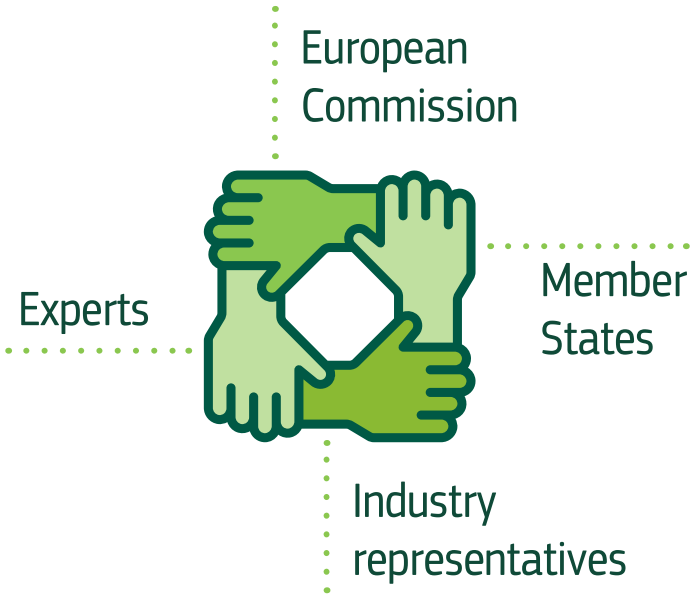
A **Net-Zero Europe Platform** and the **European Hydrogen Bank** will help attract investment

Innovation

Regulatory sandboxes to help develop and test innovative net-zero technologies and create a level-playing field for innovation

IMPLEMENTATION

The **Net-Zero Industry Platform** will help oversee the measures under the Act. It will bring together the **European Commission and Member States**, to coordinate and discuss the actions. **Industry representatives and other experts** can be invited to the Platform.



NET-ZERO TECHNOLOGY TRENDS

The net-zero technology global market is worth about **€600 billion per year by 2030**

3x key mass-manufactured net-zero technologies expected by 2030

The EU net-zero ecosystem **doubled in value from 2020 to 2021**, reaching €100 billion

Deployment of renewables will **nearly quadruple by 2050**

Deployment of heat pumps will increase **6-fold by 2050**

Global production of electric vehicles will increase **15-fold by 2050**

But the EU currently depends on imports for many net-zero technologies:

More than 90% of solar photovoltaic (PV) wafers and certain other PV technology components are imported from China

More than ¼ of electric cars and batteries are imported from China

China accounts for **90%** of global investments in net zero technology manufacturing facilities.

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