



Net-Zero Industry Act: Making the EU the home of clean technologies manufacturing and green jobs

Brussels, 16 March 2023

Today, the Commission proposed the [Net-Zero Industry Act](#) to scale up manufacturing of clean technologies in the EU and make sure the Union is well-equipped for the clean-energy transition. This initiative was announced by President **von der Leyen** as a part of the [Green Deal Industrial Plan](#).

The Act will strengthen the resilience and competitiveness of net-zero technologies manufacturing in the EU, and make our energy system more secure and sustainable. It will create better conditions to set up net-zero projects in Europe and attract investments, with the aim that the Union's overall strategic net-zero technologies manufacturing capacity approaches or reaches at least 40% of the Union's deployment needs by 2030. This will accelerate the progress towards the EU's 2030 climate and energy targets and the transition to climate neutrality, while boosting the competitiveness of EU industry, creating quality jobs, and supporting the EU's efforts to become energy independent.

President of the European Commission, Ursula **von der Leyen**, said: *"We need a regulatory environment that allows us to scale up the clean energy transition quickly. The Net-Zero Industry Act will do just that. It will create the best conditions for those sectors that are crucial for us to reach net-zero by 2050: technologies like wind turbines, heat pumps, solar panels, renewable hydrogen as well as CO₂ storage. Demand is growing in Europe and globally, and we are acting now to make sure we can meet more of this demand with European supply."*

Together with the proposal for a European Critical Raw Materials Act and the [reform of the electricity market design](#), the **Net-Zero Industry Act** sets out a clear European framework to reduce the EU's reliance on highly concentrated imports. By drawing on the lessons learnt from the Covid-19 pandemic and the energy crisis sparked by Russia's invasion of Ukraine, it will help increase the resilience of Europe's clean energy supply chains.

The proposed legislation addresses technologies that will make a significant contribution to decarbonisation. These include: solar photovoltaic and solar thermal, onshore wind and offshore renewable energy, batteries and storage, heat pumps and geothermal energy, electrolysers and fuel cells, biogas/biomethane, carbon capture, utilisation and storage, and grid technologies, 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. The **Strategic Net Zero technologies identified in the Annex to the Regulation will receive particular support** and are subject to the 40% domestic production benchmark.

Key actions to drive net-zero technology manufacturing investments

The Net-Zero Industry Act is built on the following pillars:

- **Setting enabling conditions:** the Act will improve conditions for investment in net-zero technologies by enhancing information, **reducing the administrative burden** to set up projects and **simplifying permit-granting processes**. In addition, the Act proposes to give priority to **Net-Zero Strategic Projects**, that are deemed essential for reinforcing the resilience and competitiveness of the EU industry, including sites to safely store captured CO₂ emissions. They will be able to benefit from shorter permitting timelines and streamlined procedures.
- **Accelerating CO₂ capture:** the Act sets an EU objective to reach an annual 50Mt injection capacity in strategic CO₂ storage sites in the EU by 2030, with proportional contributions from EU oil and gas producers. This will remove a major barrier to developing CO₂ capture and storage as an economically viable climate solution, in particular for hard to abate energy-intensive sectors.
- **Facilitating access to markets:** to boost diversification of supply for net-zero technologies, the Act requires public authorities to consider sustainability and resilience criteria for net-zero

technologies in public procurement or auctions.

- **Enhancing skills:** the Act introduces new measures to ensure there is a skilled workforce supporting the production of net-zero technologies in the EU, including setting up **Net-Zero Industry Academies**, with the support and oversight by the Net-Zero Europe Platform. These will contribute to quality jobs in these essential sectors.
- **Fostering innovation:** the Act makes it possible for Member States to set up **regulatory sandboxes** to test innovative net-zero technologies and stimulate innovation, under flexible regulatory conditions.
- A **Net-Zero Europe Platform** will assist the Commission and Member States to coordinate action and exchange information, including around Net-Zero Industrial Partnerships. The Commission and Member States will also work together to ensure availability of data to monitor progress towards the objectives of the Net-Zero Industry Act. The Net-Zero Europe Platform will support investment by identifying financial needs, bottlenecks and best practices for projects across the EU. It will also foster contacts across Europe's net-zero sectors, making particular use of existing industrial alliances.

To further support the uptake of renewable hydrogen within the EU as well as imports from international partners, today the Commission is also presenting its ideas on the design and functions of the [European Hydrogen Bank](#). This sends a clear signal that Europe is the place for hydrogen production.

As announced in the [Green Deal Industrial Plan](#), the first pilot auctions on renewable hydrogen production will be launched under the Innovation Fund in Autumn 2023. Selected projects will be awarded a subsidy in the form of a fixed premium per kg of hydrogen produced for a maximum of 10 years of operation. This will increase the bankability of projects and bring overall capital costs down. The EU auction platform can also offer "auctions-as-a-service" for Member States, which will also facilitate the production of hydrogen in Europe. The Commission is further exploring how to design the international dimension of the European Hydrogen Bank to incentivise renewable hydrogen imports. Before the end of the year, all elements of the Hydrogen Bank should be operational.

Next Steps

The proposed Regulation now needs to be discussed and agreed by the European Parliament and the Council of the European Union before its adoption and entry into force.

Background

The [European Green Deal](#), presented by the Commission on 11 December 2019, sets the goal of making Europe the first climate-neutral continent by 2050. The EU's commitment to climate neutrality and the intermediate goal of reducing net greenhouse gas emissions by at least 55% by 2030, relative to 1990 levels, are made legally binding by the [European Climate Law](#).

The legislative package to deliver on the [European Green Deal](#) provides a plan to put the European economy firmly on track to achieve its climate ambitions, with the [REPowerEU Plan](#) accelerating the move away from imported Russian fossil fuels. Alongside the [Circular Economy Action Plan](#), this sets the framework for transforming the EU's industry for the net-zero age.

The Green Deal Industrial Plan was presented on 1 February to boost net-zero industry and ensure the objectives of the European Green Deal are delivered on time. The plan sets out how the EU will sharpen its competitive edge through clean-tech investment, and continue leading on the path to climate neutrality. It responds to the invitation by the European Council for the Commission to make proposals to mobilise all relevant national and EU tools and improve framework conditions for investment, with a view to safeguarding the EU's resilience and competitiveness. The first pillar of the Plan aims to create a predictable and simplified regulatory environment for net-zero industries. To this end, in addition to the Net-Zero Industry Act, the Commission is presenting a [European Critical Raw Materials Act](#), to secure a sustainable and competitive critical raw materials value chain in Europe, and has proposed a reform of the electricity market design that will allow consumers to benefit from the low production costs of renewables.

For More Information

[Questions & Answers](#)

[Factsheet on the Net-Zero Industry Act](#)

[Factsheet on the European Hydrogen Bank](#)

[A Net-Zero Industry Act](#)

[A Green Deal Industrial Plan for the Net-Zero Age](#)

[A Green Deal Industry Plan](#) press release

[A European Green Deal](#)

[European Critical Raw Materials Act](#)

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Quotes:

We need a regulatory environment that allows us to scale up the clean energy transition quickly. The Net-Zero Industry Act will do just that. It will create the best conditions for those sectors that are crucial for us to reach net-zero by 2050: technologies like wind turbines, heat pumps, solar panels, renewable hydrogen as well as CO2 storage. Demand is growing in Europe and globally, and we are acting now to make sure we can meet more of this demand with European supply.
President Ursula von der Leyen - 16/03/2023

Net zero technologies and renewable energy are crucial to reaching climate neutrality. Clean tech is a booming market, and the more we enhance our competitive advantage, the more quality jobs can be created in Europe. The Hydrogen Bank will aim to close the current investment gap on the development of renewable hydrogen and ensure the EU maintains its global lead in this critical technology. In the global race to net zero, we want to put EU industry in the best possible position to compete. Today's proposals do just that.
Frans Timmermans, Executive Vice-President for the European Green Deal - 16/03/2023

The Net-Zero Industry Act will provide a framework for net-zero technologies for businesses and society as they make the transition to a more sustainable future. It will enable the development in Europe of projects in key sectors such as batteries, solar cells, hydrogen and wind turbines, as well as all other projects in the connected value chains. This will help us deliver on the Green Deal objectives whilst ensuring a level playing field.
Margrethe Vestager, Executive Vice-President for a Europe Fit for the Digital Age - 16/03/2023

Our dependency on Russian gas has taught us a number of lessons. Let's not replace that dependency with a reliance on others to produce solar panels and other technologies we rely on. With the Net-Zero Industry Act, we are building a strong manufacturing base in Europe along the clean technology value chain. To ensure our security of supply and remain an industrial leader that exports its products and technologies – not its jobs.
Thierry Breton, Commissioner for Internal Market - 16/03/2023

Clean energy is at the heart of the European Green Deal, and it will be the life blood of Europe's Green Deal Industrial Plan and today's Net Zero Industrial Plan. By supporting more domestic investments in production, we will build the products that Europe and the world need, generate valuable jobs for European citizens, and boost our industry. We have already shown what Europe can achieve with the REPowerEU plan, which is ending our dependence on Russian fossil fuels. This is the next step to a sustainable and green energy transition.
Kadri Simson, Commissioner for Energy - 16/03/2023

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