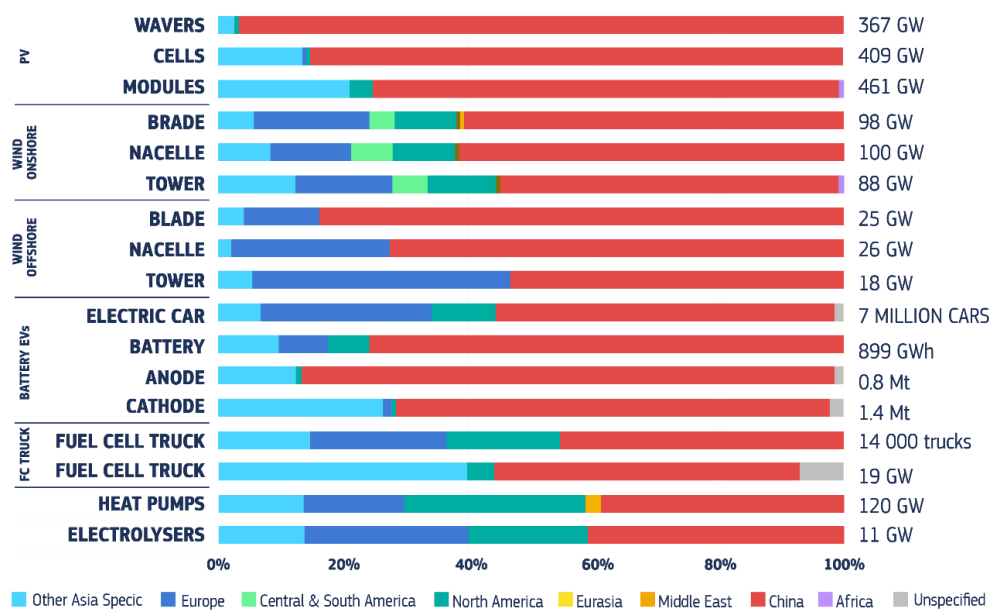
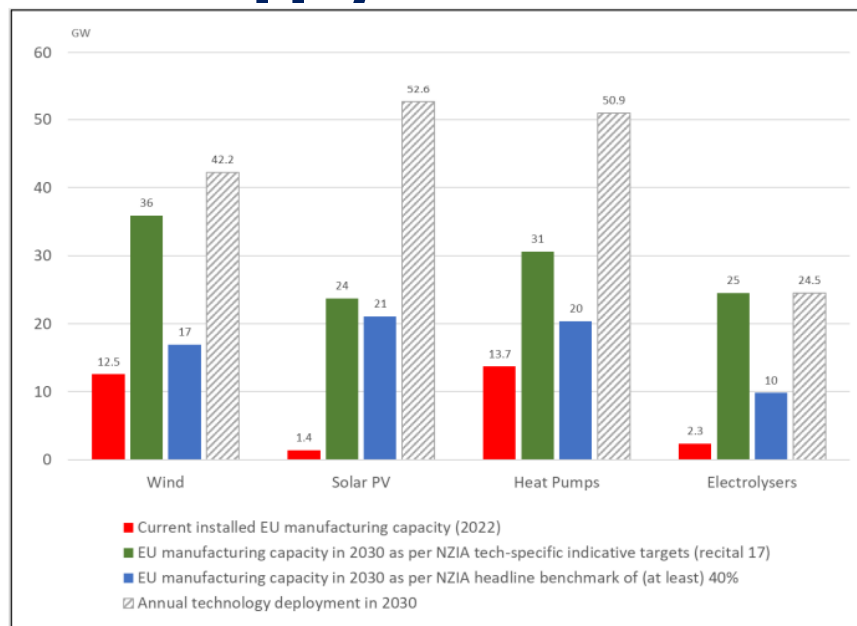


# General objective of NZIA



“ 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.





# Net Zero Industry Act: New public procurement rules for net-zero technologies



## OBJECTIVES

- Developing and maintaining an industrial basis for the net-zero technologies in scope to secure the EU's energy supply and to avoid dependencies for the supply of these technologies that would delay the EU's GHG emission reductions efforts or put the security of energy supply at risk
- Support manufacturing of sustainable and resilient products
- Achieve wider societal benefits (cybersecurity, environment, etc.)

# Public Procurement

## SCOPE

Procurement procedures

- falling within the scope of public procurement directives (2014/23/EU, 2014/24/EU, 2014/25/EU), and
- where contracts have net-zero technologies as part of their subject matter or work contracts including those technologies
- Technologies covered: Solar; wind; battery; heat pumps; hydrogen; sustainable biogas and biomethane; carbon capture and storage; electricity grid; nuclear fission energy; sustainable alternative fuels; hydropower.





# Technologies covered by procurement article

- 1. Solar technologies, including: solar photovoltaic, solar thermal electric and solar thermal technologies;**
2. Onshore wind and offshore renewable technologies;
3. Battery and energy storage technologies;
4. Renewable energy technologies, not covered under the previous categories;
5. Heat pumps and geothermal energy technologies;
6. Hydrogen technologies, including electrolysers and fuel cells;
7. Sustainable biogas and biomethane technologies;
8. Carbon capture and storage technologies;
9. Electricity grid technologies, including electric charging technologies for transportation and technologies to digitalise the grid;
10. Nuclear fission energy technologies, including nuclear fuel cycle technologies;
11. Sustainable alternative fuels technologies;
12. Hydropower technologies;



## New criteria for public procurement



1. Minimum mandatory requirement on **environmental sustainability** (in the form of technical specifications or requirements or contract performance clauses)
2. Additional criterion – one among the following:
  - Special condition relating to **social or employment-related considerations**
  - Requirement to demonstrate compliance with **cybersecurity** requirements
  - Specific contractual obligation to **deliver on time**
3. **Resilience** contribution

# Minimum requirement on environmental sustainability



## Legal text

- 25(1): apply minimum mandatory requirement
- 25(2): shall not preclude using other minimum mandatory requirements
- 25(5): requires implementing act
- 25(9): Exceptions
  - Only one supplier
  - No suitable tenders in similar previous procedure
  - Disproportionate costs
- 25(10): Estimated cost differences above 20% can be considered disproportionate

## Implementing act

... is due 30 March 2025.



# The resilience criterion (1/2)



## Trigger: dependency

- Commission determines dependency of EU supply from a single source of supply of **over 50%** or
- Dependency of **over 40% of supply**, having **grown by >10 percentage points** on average in the **past two years**

## Consequence: diversification

1. No more than 50% of the overall technology may come from that single source of supply
2. No more than 50% of the “dependent” component may come from that source of supply

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### Implementation:

- Provide evidence upon request
- Pay charge of >10% of the value of the technology in the contract

## The resilience criterion (2/2)



### Exceptions

If application of 25(7) / resilience criterion leads to no suitable tenders:

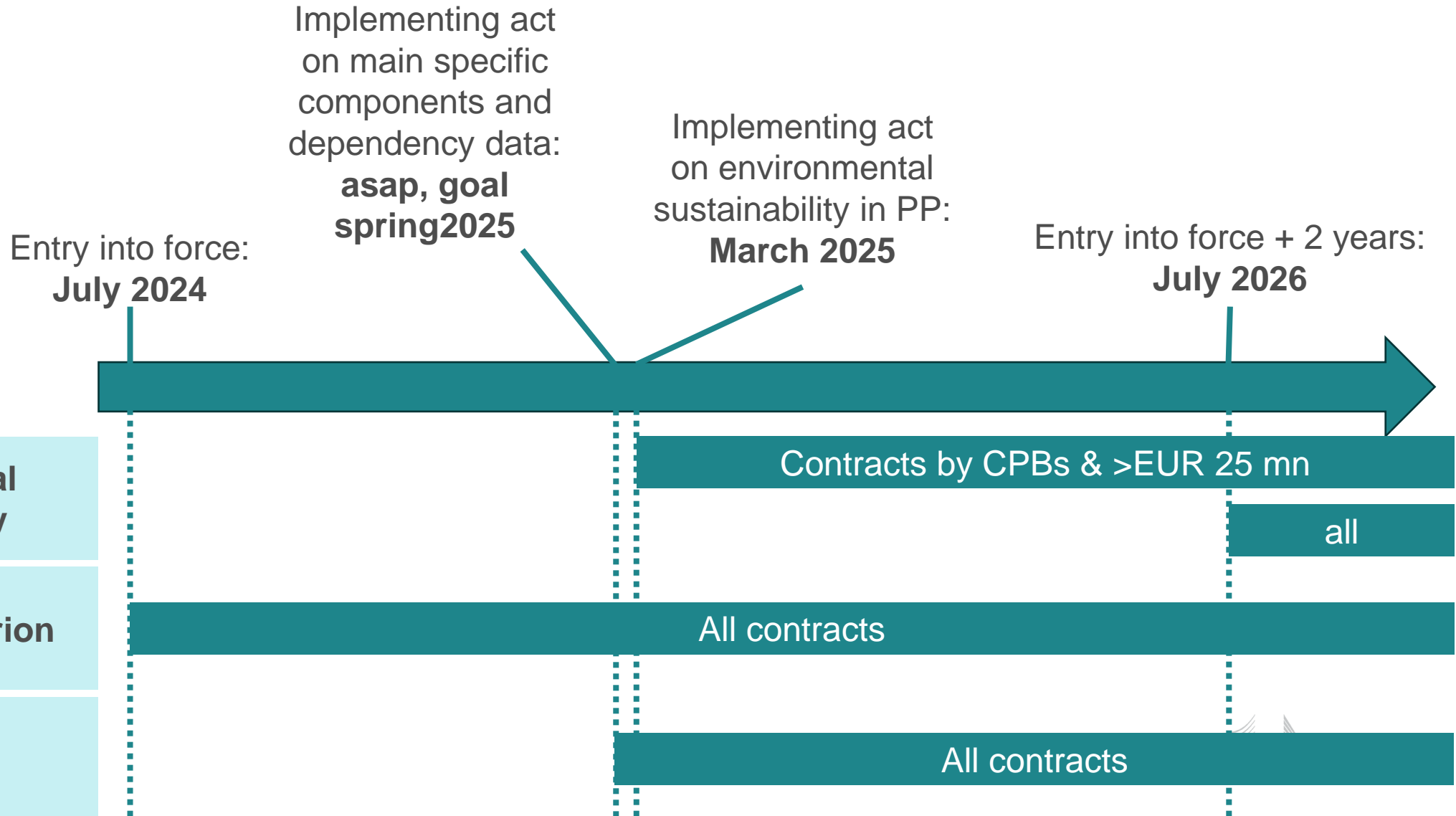
- a) Use negotiated procedure without prior publication, using same conditions **or**
- b) Do not apply resilience conditions in a new subsequent public procurement procedure

#### Article 25(8):

The resilience criterion shall not be applied were the net-zero technology or its components from sources that are signatory to the GPA or other relevant international agreements.



# Public procurement – timeline



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

Permitting	Investment	Markets	Skills	Innovation	Governance
Streamlined procedures and transparent information on process	Crowding-in private investments in net-zero strategic projects by Commission and Member States	Sustainability & resilience criteria in auctions, public procurement and public support measures	Skills for quality jobs through Net-Zero Industry Academies	Regulatory Sandboxes to promote innovation and to test innovative net-zero technologies	Net-Zero Europe Platform as a reference body for the Commission to coordinate actions jointly with Member States including international partnerships
One stop shop			Credentials for skills transparency, transferability & cross-border mobility		
Predictable deadlines, incl. for gigafactories	Net-Zero Industry Europe Platform to advise on financing of projects	CO2 injection capacity for carbon dioxide capture and storage markets		Bridging the gap between R&I and manufacturing through the SET Plan	