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The Net Zero Industry Act requires a full value chain approach

Energy-intensive industries (EIIs) provide direct employment to around 2.6 million people and represent the foundations of critical and strategic value chains for the EU economy and society.

Our sectors provide materials which are indispensable for the decarbonisation of the industry and the economy as a whole and for the manufacture of the Strategic Net Zero Technologies identified in the draft Regulation. At the same time, energy-intensive industries will also be key users of these technologies, accounting for a major share of the demand. By focusing almost exclusively on the manufacturing side of specific technologies, the draft Net Zero Industry Act presents significant shortcomings.

Our sectors ask that:

- **The Net Zero Industry Act recognises the role of Energy Intensive Industries** in providing products, material and affordable energy to strategic renewable and low-carbon value chains. Its value chain approach shall be significantly reinforced to take into account the role of energy-intensive industries.
- **The Net Zero Industry Act must contain concrete measures for users of Net Zero technologies.** For instance, easier permitting procedures as well as the ‘one stop shop’ concept should apply throughout the value chain – not only to manufacturers of technologies, but also to industrial end-users, covering also the related infrastructure.
- **The Net Zero Industry Act is complemented with a strong innovation funding to accelerate industrial decarbonisation.** Both EU and national funding – ETS Innovation Fund, Recovery and Resilience Facility, national funding instruments – should be directed at greening Europe’s industrial base and support the rapid deployment of breakthrough technologies. The conditions to access to EU and national funds must be simplified. New supporting schemes (such as Carbon Contracts for Difference), covering both capital and operational costs and based on the technologically neutral principle, should be created.
- **Policymakers clearly identify the availability of affordable low carbon and renewable energy as key to enable the Net zero transition.** European companies have been already suffering from soaring energy prices, which threaten their short-term viability and risk widening the imbalance in terms of competitiveness with international competitors. The EU needs a structural and ambitious rethinking of its energy policy to secure a resilient and competitive climate neutral economy.

We remain ready to engage with the Commission, Parliament and Member States to achieve successful outcomes for European Energy Intensive Industries and our many stakeholders across European Society.