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European solar products enter a new era

Today, the Net-Zero Industry Act (NZIA) <u>has been published in the Official Journal</u> of the European Union, marking a significant milestone as it enters into force tomorrow (29th June) across all 27 EU Member States. This enables the Member States to apply the NZIA provisions in public procurements, auctions, and other forms of public intervention.

The European Solar Manufacturing Council (ESMC) welcomes the NZIA as the key instrument to move towards a competitive, sustainable and resilient EU net-zero industry. The enforcement of the legal framework for NZIA's implementation is particularly timely, given the global challenges faced by PV manufacturers, who are currently forced to selling modules below production costs. Incorporating resilience and sustainability criteria in public procurements and auctions will enhance the competitiveness of EU-produced PV modules.

"Today marks a new era for European PV manufacturing and other net-zero technologies. From now the competitiveness of the European PV manufacturing industry is in the hands of the Member States. As the legal instrument is already launched, we are highly expecting that the Member States will turn on the green light for sustainable and resilient European-made solar modules in public procurements, auctions, and other national schemes right now to make EU PV manufacturing more competitive, especially within the circumstances of the current crisis", – emphasizes Žygimantas Vaičiūnas, Policy Director at ESMC.

ESMC strongly advocates for the early implementation of NZIA provisions in Member States public procurements and auctions. In early May, ESMC urged Member States, signatories of the European Solar Charter, to commit by the declaration to quantitative off-take of resilient and sustainable EU PV modules and has gained substantial support already. ESMC is continuously making efforts in mobilising the Member States for the respective commitments. With the NZIA now effective, it is crucial to take concrete actions to advance its implementation as currently the European PV manufacturing industry is dependent on fast and comprehensive applicability of NZIA provisions.

To ensure smooth and effective application, the European Commission will adopt an Implementing Act and establish the Net-Zero Europe Platform, bringing together the European Commission, Member States, and industry representatives to coordinate actions.

The NZIA, adopted by the European Council on May 27th, 2024, following the European Parliament vote on April 25th, 2024, specifies non-pricing criteria (resilience and sustainability) and tolerance of price differences of up to 20% in public procurements and up to 15% in auctions. It also includes pre-qualification criteria for environmental sustainability and resilience, including selective criteria (social considerations, cybersecurity, timely delivery).