

# **Is the NZIA Enough to Rebuild European Solar PV Industry? An Industry Perspective on the Net-Zero Industry Act**

**WEBINAR**

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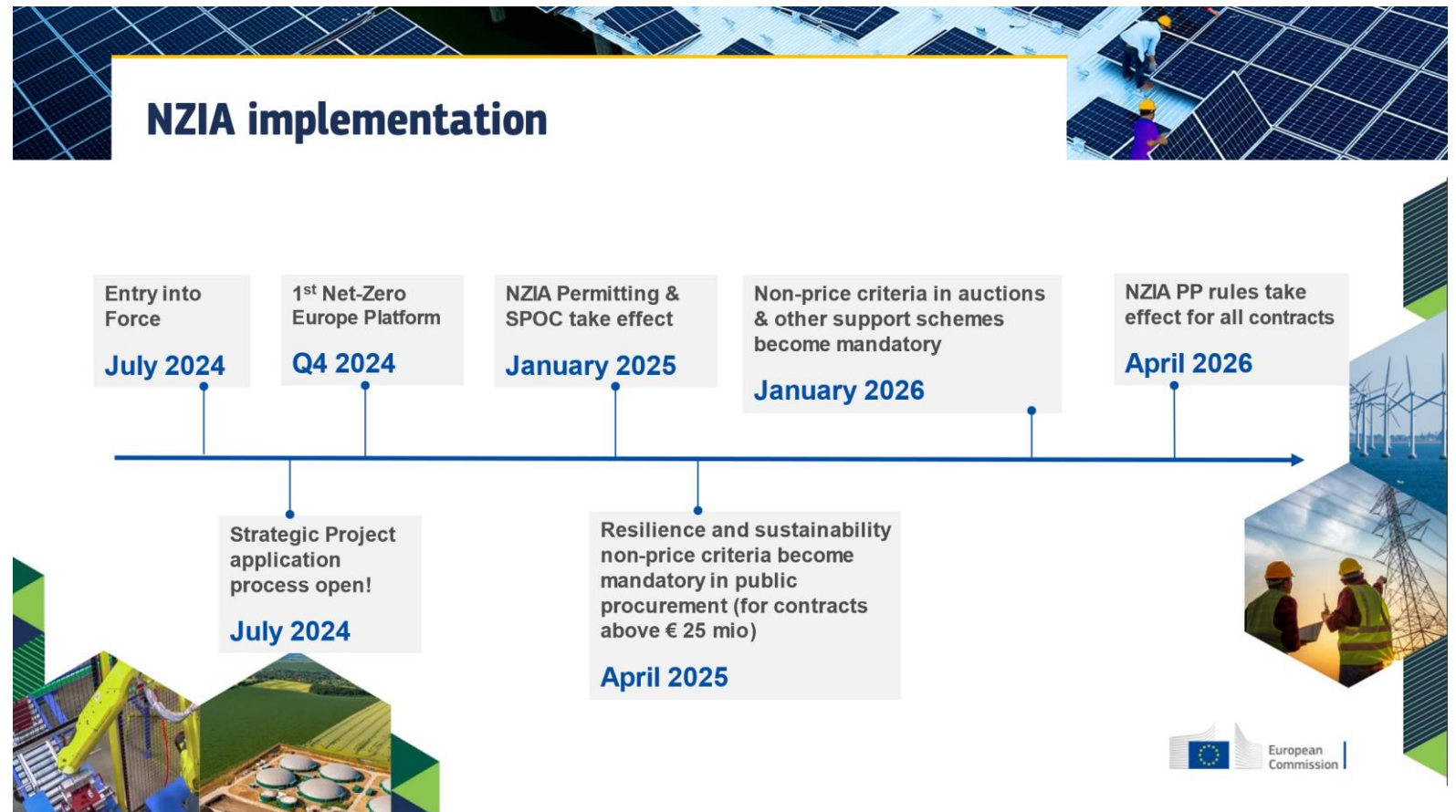
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# NZIA – WHY IT MATTERS?

- NZIA – possibility to apply **20% price premium** in public procurements and **15% price premium** in auctions (on system, but not on the components level).
- Non-price criteria (NPC) – combined weight of **between 15 % and 30 %** of the award criteria.
- Resilience and sustainability criteria will be the key in applying the NZIA in auctions and public procurements within the Member States.
- NZIA impact will depend on concrete quantities of PV modules and components procured.
- In auctions – at least 30 % of the volume auctioned per year per Member State or alternatively to at least 6 Gigawatt per year per Member State.
- Public procurements – Implementing Act on environmental sustainability. Gradual entry into force.
- Auctions – Implementing Act on prequalification and award criteria. Obligation to apply from January 2026.



# NZIA IMPLEMENTING ACT – KEY PROPOSALS BY ESMC

- ESMC proposals distributed – on 27<sup>th</sup> August 2024:
  - Purpose – to maximize the potential for the EU PV manufacturers;
  - “Single source” – originating not only from within the third country’s borders, but also that produced outside by entities controlled directly or indirectly by companies based within that country;
  - Pre-qualification and award criteria should be combined to achieve better presence of EU content;
  - Proposals for sustainability criteria;
  - Verification and enforceability of resilience and sustainability criteria;
  - VAT reduction or 0% VAT for residential sector as a concrete proposal for “other forms of public intervention”.

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## ESMC PROPOSALS FOR THE NZIA IMPLEMENTING ACT

### General remarks

**We, the European Solar Manufacturing Council (ESMC), representing nearly the entire European solar photovoltaics (PV) manufacturing industry (almost 80 companies), urgently request the European Commission to swiftly adopt NZIA Implementing Act to safeguard EU PV module producers and associated parts of the value chain.**

Due to current existential challenges in the global and the EU PV manufacturing industry it is an urgent need for NZIA to become effective without delay. Hence the application of resilience and sustainability criteria in auctions and public procurements should be promoted as soon as possible.

Currently, the concrete impact of NZIA for the competitive and sustainable EU PV manufacturing is not yet clear as presumably it will be applied gradually, and the Member States will have certain flexibilities. Consequently, the resilience and sustainability criteria should be designed in a way to maximise the potential for the European PV manufacturers to benefit from auctions, public procurements and other forms of public intervention.

Resilience and sustainability criteria should be defined individually for each Net-Zero technology to allow the Member States to apply the NZIA provisions in full scope and without any delay. Certain flexibilities among the Member States are unavoidable, however, well-defined criteria from the European Commission would allow Member States to apply the criteria earlier in harmonized way.

ESMC strongly advocate that the NZIA “single source” dependency specification, e.g. “*the obligation for the duration of the contract not to supply more than 50 % of the value of the specific net-zero technology from each individual third country as determined by the Commission*” should refer to a country that has more than 50% market share which should mean the combined global market share of all the production, originating not only from within the third country’s borders but also that produced outside of its national borders by entities controlled either directly or indirectly by companies based within that country.

### Sustainability and resilience pre-qualification criteria and award criteria (Applies for Art. 25 and Art. 26)

Applicability of resilience and sustainability criteria should be based on two-tier approach — first of all as a pre-qualification criteria to be followed by an award criteria for those products that exceed the minimum pre-qualification criteria.

#### Resilience criteria:

The number of steps in solar supply chain completed in the European Economic Area (EEA) / “single source” dependency specification should be used as the basis for both the pre-qualification criteria and the award criteria. The steps should include metallurgical silicon, polycrystalline silicon, ingots, wafers, solar cells, solar glass, frames, back sheets, encapsulants, ribbons, junction boxes, final

<sup>1</sup> Regulation (EU) 2024/1735 of the European Parliament and of the Council of 13 June 2024 on establishing a framework of measures for strengthening Europe’s net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724, [Regulation - EU - 2024/1735 - EN - EUR-Lex \(europa.eu\)](#)

# TIMING AND THE NEXT STEPS

Date	Deliverables	ESMC actions
29 June 2024	NZIA in force – legal possibility to apply in full scope	Request to the Member States to apply the provisions of NZIA as soon as possible – proposed Declaration received support, but the Member States are waiting for the NZIA Implementing Act
16 <sup>th</sup> and 30 <sup>th</sup> July 2024	NZIA Implementing Act Workshops	Extensive participation of ESMC members, ESMC proposals distributed on 27 <sup>th</sup> August, 2024
5 <sup>th</sup> September and 11 <sup>th</sup> October	NZIA Delegated Act – components description	ESMC consultations with DG GROW and DG ENER
23 <sup>rd</sup> October	Webinar on <a href="https://ec.europa.eu/commission/strategic-projects/nzia">Strategic projects under the NZIA - European Commission (europa.eu)</a>	ESMC members will be invited to participate
November 2024	Draft of NZIA Implementing Act published for Stakeholders consultation	4 weeks consultation term to present additional proposals for the draft
November 2024	Stakeholders meetings with the European Commission	Potential ESMC meeting with the European Commission to wrap-up the proposals
Late October – December 2024	Interservice consultation within the European Commission	Preparatory work with the Member States
30 <sup>th</sup> March 2025	Foreseen adoption of NZIA Implementing Act	Preparatory work with the Member States
From the date of the adoption of the NZIA Implementing Act	Member States will have the whole legislative package in place for the implementation of NZIA in auctions and public procurements	ESMC will be pursuing the Member States to implement NZIA without delay



THANK YOU FOR YOUR ATTENTION!