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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
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Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on establishing a framework of measures for strengthening Europe's net-zero technology products manufacturing ecosystem (Net Zero Industry Act) - *Analysis of the final compromise text with a view to agreement*

I. INTRODUCTION

1. On 16 March 2023, the Commission submitted to the European Parliament and the Council a proposal for a Regulation establishing a framework of measures for strengthening Europe's net-zero technology products manufacturing ecosystem (Net Zero Industry Act)[1].

[1] 7613/23 +ADD 1.

2. On 19 June 2023, the Commission issued a Staff Working Document underpinning the proposal and providing explanatory information to substantiate the regulatory elements put forward in the proposed Act[2].

3. As proposed by the Commission, the Net Zero Industry Act pursued the general objective of setting up a legal framework which supports the development of the manufacturing of net-zero energy technologies in the Union, in order to support the Union's 2030 decarbonisation targets and 2050 climate neutrality target and to ensure the security of supply for net-zero technologies needed to safeguard the resilience of the Union's energy system.

4. This general objective translates into specific measures of facilitating investments for net-zero technologies, reducing CO_2 emissions, facilitating access to markets, enhancing skills for quality job creation in net-zero technologies, supporting innovation and creating a specific structure for implementing these objectives both in terms of governance and monitoring.

5. The Commission proposed to base the Regulation on Article 114 of the Treaty on the Functioning of the European Union.

6. The opinion of the European Economic and Social Committee on the proposal for the Net Zero Industry Act was adopted on 13 July 2023[3], while the requested opinion of the Committee of the Regions was adopted on 5 July 2023[4].

7. The European Parliament's Committee on Industry, Research and Energy (ITRE) appointed Mr Christian EHLER (EPP, DE) as rapporteur on the Net Zero Industry Act proposal. The European Parliament's negotiating mandate was voted at its plenary session on 21 November 2023.

8. During the Spanish Presidency, the Council (Competitiveness), at its session on 7 December 2023, agreed on a general approach[5] to serve as a Council mandate for starting interinstitutional negotiations with the European Parliament.

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2 10870/23.
3 12012/23.
4 12167/23.
5 16056/23.

II. INTERINSTITUTIONAL NEGOTIATIONS – STATE OF PLAY

9. The first trilogue on the draft Regulation on the Net Zero Industry Act took place on 13 December 2023, at which the negotiators presented their respective mandates and held a first substantial discussion on Chapter III of the proposal related to CO2 injection capacity. The Permanent Representatives Committee was debriefed on this outcome on 20 December 2023.

10. On 19 January 2024, the Permanent Representatives Committee provided guidance to the Belgian Presidency[6] for the second trilogue.

11. The second trilogue took place on 22 January 2024, where the institutions discussed their positions on Chapters I to V of the proposal and reached a provisional agreement on Chapter V 'Enhancing skills for quality job creation', except the financial part. The Permanent Representatives Committee was debriefed on this outcome on 24 January 2024.

12. On 2 February 2024, the Permanent Representatives Committee provided guidance to the Presidency[7] for the third trilogue.

13. At the third trilogue on 6 February 2024, a provisional agreement was reached between the co-legislators on all pending key political issues. The Permanent Representatives Committee was debriefed on this outcome on 7 February 2024. The main elements of this provisional agreement are set out in Section III below. The Presidency considers that the overall compromise reached with the European Parliament is balanced and respects the key principles of the granted revised mandates.

14. At the technical level, twenty-one technical meetings were held between 4 December 2023 and 12 February 2024.

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6 5236/24.
7 5710/24.

15. Three meetings of the Working Party on Competitiveness and Growth (Industry) took place on 11, 15 and 26 January 2024, to examine the state of play of negotiations in preparation of COREPER and trilogue meetings. A presentation by the Presidency to the Working Party on Competitiveness and Growth (Industry) on the outcome of the third political trilogue is scheduled on 14 February 2024.

III. MAIN ELEMENTS OF THE FINAL COMPROMISE TEXT

16. On the key political issues, the compromise provisionally agreed with the European Parliament consists of the following elements:

Chapter I – Subject matter, scope and definitions:

17. The provisional agreement establishes one single list of net-zero technologies, while respecting and reflecting the core elements of the Council's mandate, including its safeguards. The list starts from the Council's list of strategic net-zero technologies with additional technologies to approximate the scope of the Parliament's mandate. The whole list of net-zero technologies will be eligible for allowing projects to become strategic projects.

18. The revision of the list will be based on the technology needs stemming from the updates of the National Energy and Climate Plans, and the Commission will consider the need for changing the list after each renewal or update of the Plans.

19. The application of Article 19 on public procurement will be limited to a subset of net-zero technologies that corresponds to the list of the strategic net-zero technologies as defined by the Council, plus hydropower technologies. The application of Article 20 on auctions will also be limited.

20. The safeguard introduced in the Council's General Approach, related to the right of Member States to refuse to grant the net-zero strategic project status where a project contributes to a value chain for a technology that a Member State does not accept as part of the general structure of its energy supply, remains in the compromise text.

21. Finally, a new category of energy intensive industry decarbonisation projects is added to the scope of the Net Zero Industry Act. A specific provision is added with regard to the permit time limits for these projects, entailing that it may be agreed to split the project into several smaller projects for the purpose of complying with the applicable time-limits.

Chapter II – Enabling conditions for net-zero technology manufacturing

22. On the permit-granting processes, the following main elements will be retained as in the Council's mandate:

- the date of start of the permit-granting process at the moment of acknowledgement of completeness of the application,
- the 'stop-the-clock' provisions,
- the exclusion of the first step of the environmental impact assessment from the time of the permit-granting process,
- the permit time limits for net-zero technology manufacturing projects, including for strategic projects,
- the deletion of the provisions that would have halved time limits for projects expanding manufacturing capacity in existing facilities,
- the removal of the 'tacit approval' principle.

23. On financing, it was mutually accepted to insert a reference in a recital with a soft encouragement for Member States to make use of 25% of their Emissions Trading System revenues for supporting net-zero technologies manufacturing projects. Additionally, in the final text, references to the Strategic Technologies for Europe Platform (STEP) have been added to the recitals.

Chapter III – CO2 injection capacity

24. While the Council had not originally contemplated imposing penalties to oil and gas producers, the Presidency accepted the request from the European Parliament to include a general reference to penalties, in exchange for excluding an extension of the scope to sellers, as requested by the European Parliament. The agreed text implies that the Member States shall lay down penalties no later than 24 months after entry into force of the Regulation.

25. As part of the overall deal, the Presidency accepted to drop the addition of a second legal basis on environment.

Chapter IV – Access to markets

Public procurement

26. In relation to public procurement procedures, in Article 19, the Presidency agreed to include at least one additional mandatory condition or requirement, next to the minimum mandatory requirement on environmental sustainability, to be chosen out of a list of three options related to social or employment related considerations, cyber security and the ability to deliver the project fully and on time.

27. On the resilience contribution, the Council mandate was followed which states that it shall only be taken into account conditionally for public procurement procedures. However, to take into account evolving dependencies, an additional trigger for products originating in a third country was inserted consisting of an increase of at least 10 percentage points on average for two consecutive years and reaching at least 40% of the supply within the Union. For the proportionate charge, an increase to 10% was accepted.

28. Regarding the price break for estimated cost differences in the event of disproportionate costs, the compromise solution sets it again, as in the Council mandate, at 20% for public procurement procedures. However, in order to find a compromise with the Parliament on Article 19, the exceptions that are applicable to the resilience contribution had to be limited and based on current public procurement legislation.

Auctions

29. On auctions, in Article 20, as part of the overall package deal and in order to maintain important elements such as the phase-in approach based on an assessment, the Presidency accepted to increase the start-up volume from 20% to 30%. On the other hand, it was agreed to insert an additional provision that includes to have alternatively a minimum of 6 gigawatts auctioned per year per Member State. In a spirit of compromise, the Presidency accepted to shorten the time to apply the provisions on auctions to 18 months.

30. The review of the shares of the volume auctioned per year per Member State will be done under the ordinary legislative procedure, instead of via delegated or implementing act. It shall follow a prior impact assessment. Soft language on an increasing trajectory for the future is included in the operative part of the text itself and is accompanied by a text in a recital on a possibility to reach 50% by the end of 2029. The Presidency rejected the inclusion of an automatic increase of the volume towards 100%.

31. As in the Council's General Approach, Member States will not be obliged to apply the considerations relating to the pre-qualification and award criteria where, by applying those criteria, they would incur disproportionate costs. Estimated cost differences above 15% per auction may be presumed by Member States to be disproportionate. Moreover, exceptions will be authorised for auctions below 10 megawatts and for undersubscriptions.

32. On negative bidding, it was agreed that Member States may assess its effects on the speed and scale of deployment.

Chapter V – Enhancing skills for quality job creation

33. The Parliament has withdrawn its proposal to allocate a minimum financial envelope of €102 000 000 for the establishment and the functioning of the European Net-Zero Industry Academies. Instead, a less stringent financing provision has been included in this Chapter, which makes reference to the seed-funding provided by the Commission.

Chapter VI - Innovation

34. As part of the overall compromise package, the Presidency accepted a new article on the establishment of the Strategic Energy Technology (SET) Plan Steering Group and on its tasks and structure.

35. Instead of including an article on the Innovation Principle as proposed by the European Parliament, only a recital has been accepted by the Presidency.

Chapter VII - Governance

36. The European Parliament accepted the Council's view that the Net Zero Industry Act is not the right place to set up a European Scientific Advisory Board on Review and Regulatory Burden. However, to help reaching an overall agreement, the Presidency reluctantly accepted the set-up of an advisory group on net-zero regulatory burden with a clearly defined scope.

37. The Parliament gave up its request for full membership in the Net-Zero Europe Platform and will only take part as an observer. A Net-Zero Industry Group will be set up by the Net-Zero Europe Platform, in a light form, instead of a Net-Zero Industry Advisory Group, as proposed by the Parliament.

Chapter VIII - Monitoring

38. Finally, it was agreed to set the frequency of reporting at 3 years.

IV. CONCLUSION

39. Against this background, the Permanent Representatives Committee is invited to:

    (a) confirm agreement on the final compromise text set out in the Annex to this note with a view to reaching an agreement at first reading with the European Parliament;

(b) authorise the Chair of the Permanent Representatives Committee to send a letter to inform the Chair of the European Parliament's Committee on Industry, Research and Energy (ITRE) that, should the European Parliament adopt its position at first reading on the text of the proposal in the exact form as set out in the Annex to this note, and subject to revision of that text by the lawyer-linguists of both institutions, the Council will approve the European Parliament's position and the act will be adopted in the wording which corresponds to the European Parliament's position.

ANNEX

2023/0081 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on establishing a framework of measures for strengthening Europe's net-zero technology products manufacturing ecosystem (Net Zero Industry Act)

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee[1],

Having regard to the opinion of the Committee of the Regions[2],

Acting in accordance with the ordinary legislative procedure,

[1] OJ C 349, 29.09.2023, p. 179.

[2] OJ C 2023/254, 26.10.2023.

Whereas:

(1) The ***net-zero transformation is already causing huge industrial, economic, and geopolitical shifts across the globe, which will become ever more pronounced as the world advances in its decarbonisation efforts.*** The Union ***needs to respond to these developments while implementing the energy, climate and environmental transitions. A strong manufacturing base is a key element in securing access to net-zero technologies and maintaining quality jobs in Europe. This requires that*** the Union ***preserves its competitiveness, including through innovation, and particularly with regard to clean technologies***.

(1a) Given the complexity and the transnational character of net-zero technologies, uncoordinated national measures to ensure access to those technologies would have a high potential of distorting competition and fragmenting the Single market. Uncoordinated actions of Member States may result in imposing diverging regulation for market operators, providing different levels of access to supply of net-zero technologies across Member States, including by providing different levels of support to net-zero technology manufacturing projects, providing diverging rules and uncoordinated forms of procurement, diverging processes and durations in relation to permit-granting procedures, that would lead to obstacles to cross-border trade between Member States thus hindering the proper functioning of the internal market. Therefore, to safeguard the functioning of the Single Market it is necessary to create a common Union legal framework to collectively address this central challenge by increasing the Union's resilience, and security of supply in the field of net-zero technologies.

(1b) ***At the same time, the Union has committed to the accelerated decarbonisation of its economy and ambitious deployment of renewable energy sources to achieve climate neutrality or net zero emissions (emissions after deduction of removals) by 2050. That objective is at the heart of the European Green Deal, the updated EU Industrial Strategy, and in line with the Union's commitment to global climate action under the Paris Agreement[3]. To reach the climate neutrality goal, Regulation (EU) 2021/1119 of the European Parliament and of the Council[4] sets a binding Union climate target to reduce net greenhouse gas emissions by at least 55% by 2030 compared to 1990. The proposed "Fit for 55"[5] package aims to deliver on the Union's 2030 climate target and revises and updates Union legislation in this respect.***

3 Council Decision (EU) 2016/1841 of 5 October 2016 on the conclusion, on behalf of the European Union, of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change OJ L 282, 19.10.2016, p. 4.

4 Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

5 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. 'Fit for 55': delivering the EU's 2030 Climate Target on the way to climate neutrality. COM(2021) 550, 14.7.2021.

(1c) ***In addition, the Communication on the Green Deal Industrial Plan for the Net-Zero Age[6] sets out a comprehensive approach to support a clean energy technology scale up based on four pillars. The first pillar aims at creating a regulatory environment that simplifies and streamlines permitting for new net-zero technology manufacturing and assembly sites as well as facilitating the scaling up of the net-zero industry of the Union. The second pillar of the plan is to boost investment in and financing of net-zero technology production through the revised Temporary Crisis and Transition Framework adopted in March 2023 and the creation of what has become Strategic Technologies for Europe Platform ('STEP') to preserve the Union's edge on critical and emerging technologies relevant to the green and digital transitions. The third pillar relates to developing the skills needed to make the transition happen and increase the number of skilled workers in the clean energy technology sector. The fourth pillar focuses on trade and the diversification of the supply chain of critical raw materials. That includes creating a critical raw materials club, working with like-minded partners to collectively strengthen supply chains and diversifying away from single suppliers for critical input. This Regulation is part of those measures and contributes to enhancing the business case for industrial decarbonization in the Union.***

6 Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions: A Green Deal Industrial Plan for the Net-Zero Age, COM/2023/62 final, 01.02.2023.

(2) The Single Market provides the appropriate environment for enabling access at the necessary scale and pace to the technologies required to achieve the Union's climate ***and energy*** ambition ***as well as the promise of the European Green Deal to turn decarbonisation into sustainable competitiveness. The road towards a climate neutral, resource-efficient and net zero economy translates into strong opportunities for the expansion of Union's net-zero industry, making use of the strength of*** the Single Market***, by promoting investment in net-zero technologies and their supply chains. These are the technologies, needed to deliver the objectives*** of the ***National Energy and Climate Plans, contributing to the resilience and competitiveness of*** Union ***industry, allowing for the decarbonisation of our economic sectors, from energy supply to transport buildings, and industry. A strong net zero industry within the Union can help significantly in reaching*** the Union's ***climate and energy targets effectively, as well as in supporting other Green Deal objectives, while fostering an industrial base and therefore creating quality jobs and sustainable growth***.

(2b) Global market for key mass manufactured clean energy technologies will be worth around USD 650 billion a year by 2030, which is more than three times the current level. The net-zero industry globally is growing at an increasing rate. The Union industry can deliver prosperity for Union citizens only if it is competitive on and open to the global market. An EU net-zero technology sector that is competitive globally will allow to support the development of a strong EU manufacturing capacity of net-zero technologies. Furthermore, EU industries that are globally competitive in segments of the net-zero technology supply chains, will contribute to the overall resilience of the EU's net-zero technology supply chains, and enhance its access to net-zero technologies.

(4) To fulfil those commitments, the Union must accelerate its pace of transition to ***a net-zero economy, including by increasing the share of*** clean energy ***in its energy mix, as well as*** by increasing energy efficiency and the share of renewable energy sources. This will contribute to achieving the ***Union*** targets of the European Pillar of Social Rights Action Plan for 2030***.***

(5) The higher energy prices after the unjustified and unlawful military aggression by the Russian Federation against Ukraine, gave a strong impetus to accelerate the implementation of the European Green Deal and reinforce the resilience of the Energy Union by speeding up the clean energy transition and ending any dependence on fossil fuels exported from the Russian Federation. The REPowerEU plan[7] plays a key role in responding to the hardships and global energy market disruption caused by the invasion of Ukraine by the Russian Federation. That plan aims to accelerate the energy transition in the European Union, in order to reduce the Union's gas and electricity consumption and to boost investments in the deployment of energy efficient and low carbon solutions. ▌

(7) To meet the ***Union's*** climate and energy targets, energy efficiency needs to be prioritised. Saving energy is the cheapest, safest and cleanest way to meet those targets. 'Energy efficiency first' is an overall principle of ***Union's*** energy policy and is important in both its practical applications in policy and investment decisions. Therefore, it is essential to expand the Union's manufacturing capacity for energy efficient technologies, such as heat pumps***, district heating and cooling,*** and smart grid technologies ▌ that help the EU reduce and control its energy consumption.

[7] Communication of 18 May 2022 from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, REPowerEU Plan, COM/2022/230 final, 18.05.2022.

(8) The Union's decarbonisation objectives, security of energy supply, digitalisation of the energy system and electrification of demand, for example in mobility and the need for ***additional and faster*** recharging points, require an enormous expansion of electricity grids in the ▌ Union, both at transmission level and at distribution level. At transmission level, high-voltage direct current (HVDC) systems are needed***, among other things,*** to connect offshore renewable energies; while at distribution level, connecting electricity providers and managing demand-side flexibility builds on investments in innovative grid technologies, such as electric vehicles smart charging (EVSC), energy efficiency building and industry automation and smart controls, advanced meter infrastructure (AMI) and home energy management systems (HEMS). The electricity grid needs to interact with many actors or devices based on a detailed level of observability, and hence availability of data, to enable flexibility, smart charging and smart buildings with smart electricity grids ***and small-scale flexibility services enabling demand-side*** response from consumers and the uptake of renewables. Connecting the net-zero technologies to the network of the ▌ Union requires the substantial expansion of manufacturing capabilities for electricity grids in areas such as offshore and onshore cables, substations and transformers.

(8a) Clustering industrial activity directed towards industrial symbiosis can minimize the environmental impact of the activities as well as providing efficiency gains for industrial actors involved. As such, clustering can contribute substantially to achieving the objectives of this Regulation. In this regard, this Regulation promotes the development of Net-Zero Acceleration Valleys (Valleys). The objectives of those Valleys are to create clusters of net-zero industrial activity in order to increase the attractiveness of the Union as a location for manufacturing activities and further streamline the administrative procedures for setting up net-zero manufacturing capacities. Valleys should be limited in geographical and technology scope in order to promote industrial symbiosis. When defining the scope, Member States could take into account the need to favour multiple uses of the areas identified to ensure the expansion, reindustrialisation or creation of European net-zero technology industrial clusters and the availability of relevant transportation and network infrastructure, storage and other flexibility tools. Setting up Valleys should further correspond with any planned or already existing project pipeline and the potential to access or organise education and training opportunities to ensure the availability of skilled labour. Valleys should be designated by Member States and each designation should be accompanied by a Plan with concrete national measures to increase the attractiveness of the Valley as a location for manufacturing activities. Valleys should in particular be used as a tool strengthening net-zero industrial activities in regions, with the just transition and its objectives in mind, especially in coal regions in transition.

(8b) Member States should be able to designate and support Valleys. When designating a Valley the Member State should draw up a plan for the Valley specifying which net-zero manufacturing activity is to be covered in the Valley (Plan). The Member State should also conduct environmental impact assessments as required for the net-zero manufacturing activities that are to take place in the Valley. Such impact assessments substantially limits the need for undertakings to perform those assessments for permits for the net-zero manufacturing activities in the scope of the Valley. The Plan should include the results of the environmental impact assessments as well as the national measures to be taken to minimise or mitigate negative environmental impact. The Plan should also include concrete national measures to support industrial activity in the scope of the Valley. Those measures should include measures to invest in or trigger private investment in energy, digital and transport infrastructure as well as measures to reduce the operational expenditure for the industry in the Valley, such as contracts of difference for energy prices. Other measures to be considered are measures to strengthen IP protection, the setting up of an innovation hub in the Valley as well as to attract start-ups to the Valley. In order to provide investment security for industry, the Plan should also specify the duration of the support measures.

(8c) Member States are encouraged to designate Net-zero Acceleration Valleys in less developed and transition regions, as well as in assisted areas. Investments aimed at setting up the valleys, at equipping the valleys with appropriate infrastructure, converting brownfield sites and developing local skills, can benefit from public financial support, including through shared managed funds (i.e. ERDF, Cohesion Fund, Just Transition Fund, European Social Fund Plus). In accordance with the rules governing each Fund and at the discretion of the relevant managing authorities, these investments might receive the highest possible co-financing rates permitted by each Fund.

(8d) ***Given the role of Net-Zero Acceleration Valleys in aggregating and pooling in resources relevant for the Union's open strategic autonomy, and their contribution to the Union's security of supply for net-zero technologies, as well as the green and digital transition, responsible permitting authorities should consider Net-zero Acceleration Valleys to be in the public interest. This measure consists of the introduction of a provision that projects in a Net-Zero Acceleration Valleys are of public interest for the purposes of the relevant Union environmental legislation, while those projects should not have major adverse effects on the environment which cannot be mitigated or compensated for. Based on an ex-ante assessment, a responsible permitting authority may conclude that the public interest served by the projects in a Net-Zero Acceleration Valley and overriding the public interests related to nature and environmental protection and that consequently the projects may be authorised, provided that all relevant conditions set out in Directive 2000/60/EC, Directive 92/43/EEC and Directive 2009/147/EC and [Nature Restoration Regulation] are met.***

(9) Additional policy effort is ***therefore necessary for having*** a good potential for rapid scale up ***of manufacturing capacity*** to support the Union's 2030 climate ***target by improving market conditions for those technologies that are commercially available as well as*** the security of supply for net-zero technologies and their supply chains, ***reducing market fragmentation, and safeguarding or strengthening*** the overall resilience and competitiveness of the Union's energy system. It includes access to a safe and sustainable source of best in class fuels, as described in recital 8 of Commission Delegated Regulation (EU) 2022/1214.

(9a) ***Specific components in the supply chain of net-zero technologies are produced through energy-intensive production processes namely in the steel, aluminium, non-ferrous metals, basic chemicals, cement, lime, glass, ceramics, fertilisers, as well as pulp and paper sectors. Many of these processes are characterised by a high energy and carbon intensity, making their CO2 emissions usually hard to abate. At the same time, the European Climate Law requires rapid decarbonisation of the European economy. Considering that energy-intensive industries accounted for 17% of overall greenhouse gas emissions in the EU in 2019, their decarbonisation is indispensable to reach climate neutrality in the EU. This means that the security of supply of the Union of specific components used for net-zero technologies also depends on intensifying decarbonisation efforts in energy-intensive industries. Energy-intensive industry facilities fall under the scope of the Regulation where the relevant facilities produce specific components that are primarily used in net-zero technologies. Due to the need to decarbonise these sectors as a whole and in order to ensure the availability of specific components produced by these sectors used in the net-zero technology supply chains, unlike other net-zero technology manufacturing projects in this Regulation, this Regulation should also apply to projects of energy intensive industries that produce specific components that are also used, but not exclusively, in the supply chains of net-zero technologies. The inclusion in the scope of such hard to abate facilities should be conditioned on a project comprising the construction or conversion of such a facility leading to a significant reduction of CO_2 emissions stemming from the production activities. Supporting these sectors in a targeted manner under this Regulation contributes to ensuring access to a sustainable supply of net-zero technologies in the internal market, increases investment certainty and creates a demand-side pull for net-zero transformative and decarbonisation technologies.***

(10) To achieve the 2030 objectives a particular focus is needed on ▌ the net-zero ***strategic projects***, also in view ***of*** their significant contribution towards the path to net zero by 2050. These ***projects*** play a key role in the Union's open strategic autonomy, ensuring that citizens have access to clean, affordable, secure energy. Given their role, these ***projects*** should benefit from even ***streamlined and efficient*** permitting procedures, obtain the status of the highest national significance possible under national law and benefit from additional support to crowd-in investments ***while still meeting Union and international obligations under nature Directives and the Aarhus convention, as well as applicable obligations in the fields of social and labour law established by Union or national law***.

(10a) The list of net-zero technologies sets out the technologies which are essential for the decarbonisation objectives of the Union and improving the functioning of the Single Market. This list includes technologies that not all Member States accept as a source of clean and secure energy. This is in line with their right to determine their choice between different energy sources and the general structure of their energy supply as well as their industrial policy. To safeguard these rights, the list of net-zero technologies is without prejudice to the funding allocation under the current Multiannual Financial Framework 2021-27 in particular in terms of allocation eligibility and award criteria related to energy technologies in Union funds, including those financed through ETS allowances or support by the EIB. A Member State should also not be obliged to recognise as strategic such projects supporting a supply chain for a technology the relevant Member State does not accept as part of their energy mix.

(11) In order to ensure that the Union's future energy system is resilient this scaling-up should be carried out across the whole supply chain of the technologies in question, in full ***coherence and*** complementarity with the ***[***Critical Raw Materials ***Act] and the European Chips*** Act.

(11a) This Regulation should complement the [Critical Raw Materials Act] by focusing on the manufacturing of net-zero technologies in terms of final products, specific components, and specific machinery primarily used to produce these. The [Critical Raw Materials Act] focuses instead on the upstream part of the supply chain, particularly critical raw materials, and their extraction, processing and recycling. These are indispensable for a wide set of strategic sectors including the net zero industries, the digital industry, aerospace, and defence sectors. By following the same logic of nurturing a business case, upgrading, and providing adequate skills, and supporting investments, this Regulation and the [Critical Raw Materials Act] work together to create regulatory support synergies across the entire supply chain of net-zero technology manufacturing in the Union. This Regulation clarifies that it also covers processed materials that are an essential component of net-zero technologies, excluding critical raw materials falling under the [Critical Raw Materials Act].

(11b) Final products and specific components which are essential for the production of net-zero technologies should be listed in an annex in a non-exhaustive manner. These include final products and their components that are manufactured and traded by a company, including processed materials, but excluding raw materials covered under the [Critical Raw Materials Act]. The aim of the Annex is to, to the extent possible, identify final products and specific components that are essential for the production of net-zero technologies and that can therefore reasonably be assumed to be always primarily used for all net-zero technologies listed in this Regulation. Specific components and specific machinery not covered in the annex may still fall under the scope of this Regulation in cases where based on evidence provided to a national competent authority, the project promoter can prove, for example via market studies or off-take agreements, that the specific components or specific machinery are primarily used for the production of net-zero technologies, excluding critical raw materials falling under the scope of the CRMA.

(11c) To address security of supply issues while contributing to supporting the resilience of the Union's energy system and decarbonisation and modernisation efforts, the net-zero technology manufacturing capacity in the Union needs to expand. The Union needs to ensure that the regulatory environment for manufacturers of solar photovoltaic (PV) technologies enables them to increase their competitive edge and improve security of supply perspectives, by aiming to reach at least 30 gigawatt of operational solar PV manufacturing capacity by 2030 across the full PV value chain, in line with the goals set out in the European Solar Photovoltaic Industry Alliance, which is supported under the Union's Solar Energy Strategy[1]. The Union needs to ensure that the regulatory environment for manufacturers of wind and heat pump technologies enables them to consolidate their competitive edge and maintain or expand their current market shares throughout this decade, in line with the Union's technology deployment projections that meet its 2030 energy and climate targets[2]. This translates into a Union manufacturing capacity for wind of at least 36 GW and, respectively, for heat pumps of at least 31 GW in 2030. Union manufacturers of batteries and electrolysers need to find a regulatory environment that enables them to consolidate their technology leadership and actively contribute to shaping these markets. For battery technologies this would mean contributing to the objectives of the European Battery Alliance and aim at almost 90% of the Union's battery annual demand being met by the Union's battery manufacturers, translating into a Union manufacturing capacity of at least 550 GWh in 2030. For Union's electrolyser manufacturers, the REPowerEU plan projects 10 million tonnes of domestic renewable hydrogen production and a further up to 10 million tonnes of renewable hydrogen imports by 2030. To ensure Union's technological leadership translates into commercial leadership, as supported under the Electrolyser Joint Declaration of the Commission and the European Clean Hydrogen Alliance, Union's electrolyser manufacturers should be enabled to further boost their capacity, such that the overall installed electrolyser capacity being deployed reaches at least 100 GW hydrogen by 2030. The RePowerEU plan sets furthermore an objective of boosting sustainable biomethane production to 35 billion cubic meter by 2030.

With its supply chain largely based in Europe today, biomethane already makes a contribution to Union's resilience which should be further promoted Union manufacturers of aviation and maritime fuels need to further develop, produce and scale up sustainable alternative fuels in order to significantly contribute to the reduction of the transport sector's greenhouse gas (GHG) emissions by 90% in 2050, as well as meeting the obligations set in [ReFuel EU aviation / Fuel EU maritime]. This is also strongly supported by the Renewable and Low-Carbon Fuels Value Chain Industrial Alliance. The Union needs to ensure that the regulatory environment and support framework for producers of sustainable aviation and maritime alternative fuels[8] technologies enables them to increase their production capacities across the full fuels value chain, from the collection and supply of feedstock to blending, including conversion and refining capacities.

(11d) Considering these objectives together, while also taking into account that for certain elements of the supply chain (such as inverters, as well as solar cells, wafers, and ingots for solar PV or cathodes and anodes for batteries), the Union manufacturing capacity is low. In order to help tackle import dependency and vulnerability concerns and ensure that the Union's climate and energy targets are met, an overall benchmark for the manufacturing capacity for net-zero technology products in the European Union is put forward, while striving towards a similar benchmark for net-zero technologies. The Union net-zero technologies annual capacity should aim at approaching or reaching an overall annual manufacturing benchmark of at least 40% of annual deployment needs by 2030 for the strategic net-zero technologies considered as a whole.

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8 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: EU Solar Energy Strategy, SWD(2022) 148 final, 18.05.2022.

(11e) At the same time, net-zero technology products will contribute to the Union's resilience and security of supply of clean energy. A secure supply of clean energy is a prerequisite for economic development, as well as for public order and security. Net-zero technology products will also yield benefits to other strategically important economic sectors, such as farming and food production by securing access to clean energy and machinery at competitive prices, thus contributing sustainably to EU food security and to providing an increasing outlet for bio-based alternatives through circular economy. In the same way, the fulfilment of the Union's climate ambitions will translate both into economic growth and social well-being.

(11f) The manufacturing of net-zero technologies depends on complex and globally interlinked value chains. In order to maintain competitiveness and reduce current strategic import dependencies in net-zero technology products and their supply chains, while avoiding the formation of new ones, the Union needs to continue strengthening its net-zero industrial base and become more competitive and innovation friendly. Together with other measures to enhance the Union's competitiveness, measures to increase the manufacturing capacity in the Union should also ensure that the Union should play a dominant role in strategic parts of the global value chain, including final products, to ensure the level of security of supply that the Union needs for the purpose of achieving its climate and energy objectives. Therefore, a second overall benchmark is established. the Union's manufacturing capacity for net-zero technologies should aim at reaching an increased share of world production, with a view to reach 15% of world production in value by 2040, based on monitoring as described in article 31 of this Regulation. This second benchmark should not apply, where the increased Union's manufacturing capacity would be significantly higher than the Union's deployment needs for the corresponding technologies necessary to achieve the Union's climate and energy targets.

(11g) In order for net-zero technology manufacturing projects, including net-zero strategic projects, to be deployed or expanded as quickly as possible to ensure the Union's security of supply for net-zero technologies, it is important to create efficiency in planning and investment certainty by keeping the administrative burden on project promoters to a minimum. For that reason, permit- granting processes of the Member States for net-zero technology manufacturing projects, including net-zero strategic projects , should be streamlined, whilst at the same time ensuring that such projects are safe, secure, environmentally sustainable, and comply with environmental, social and safety requirements. Union environmental legislation sets common conditions for the process and content of national permit-granting processes, thereby ensuring a high level of environmental protection. Being granted the status of net-zero strategic project should be without prejudice to any applicable permitting conditions for the relevant projects, including those set out in Directive 2011/92/EU of the European Parliament and of the Council[9], Council Directive 92/43/EEC[10], Directive 2000/60/EC of the European Parliament and of the Council[11], Directive 2012/18/EU of the European Parliament and of the Council[12], Directive 2004/35/EC of the European Parliament and of the Council[13], and Directive (EU) 2010/75 of the European Parliament and of the Council[14].

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9 Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1).

10 Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

11 Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 2 2.12.2000, p. 1).

12 Directive 2012/18/EU of the European Parliament and of the Council of 4 July 2012 on the control of major-accident hazards involving dangerous substances, amending and subsequently repealing Council Directive 96/82/EC.

(11h) The unpredictability, complexity and at times, excessive length of national permit-granting processes undermines the investment security needed for the effective development of net-zero technologies manufacturing projects, including net-zero strategic projects. Therefore, in order to ensure and speed up their effective implementation, Member States should apply streamlined and efficient permitting procedures. Furthermore, Member States should consider policy innovation in this field. In addition, net-zero strategic projects should be regarded as urgent at national level and should therefore be given a priority status insofar and to the extent to which national law provides for such urgency procedures in all judicial and dispute resolution procedures relating to them, while ensuring respect for the rights of defence, if and to the extent, national law provides for such urgency procedures. This should be done without preventing competent authorities to streamline permitting for other net-zero technologies manufacturing projects that are not net-zero strategic projects or more generally.

(11i) Given their role in ensuring the Union's security of supply for net-zero technologies, and their contribution to the Union's open strategic autonomy and the green and digital transition, responsible permitting authorities should consider net-zero strategic projects to be in the public interest. Based on its case-by-case assessment, a responsible permitting authority may conclude that the public interest served by the project overrides the public interests related to nature and environmental protection and that consequently the project may be authorised, provided that all relevant conditions set out in Directive 2000/60/EC, Directive 92/43/EEC and Directive 2009/147/EC[15] or in the Nature Restoration Regulation are met.

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13 Directive 2004/35/CE of the European Parliament and of the Council of 21 April 2004 on environmental liability with regard to the prevention and remedying of environmental damage (OJ L 143, 30.4.2004, p. 56).

14 Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (recast) (OJ L 334, 17.12.2010, p. 17).

15 Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7-25).

(11j) Member States should be able, in light of their internal organisation, to choose whether to establish or designate their single points of contact at local, regional or national level, or at any other relevant administrative level. Moreover, the relevant competent authorities shall specify and make available to the designated contact point, the requirements and extent of information requested of a project promoter before the permit-granting process commences. The Single point of contact should be responsible for communicating the aforementioned information to the project promoter. The Single point of contact should, in its role of coordinator, facilitate information to the competent authorities, notably to avoid that duplication of any permit-granting process requests. Such requests could include studies, permits or authorisations.

(11k) In order to reduce complexity and increase efficiency and transparency in the permit-granting process, net-zero manufacturing projects, including strategic project promoters should be able to interact with a single point contact, which is responsible for facilitating and coordinating the entire permit- granting process. To that end, Member States should establish or designate one or more points of contact, while ensuring that project promoters have to interact with only a single point of contact. It should be for Member States to decide whether a single point of contact is also an authority taking permitting decisions. To ensure the effective implementation of their responsibilities, Member States should provide their points of contact, as well as any authority involved in the permit-granting process with sufficient personnel and resources.

(11m) In order to allow businesses and project promoters, including for cross-border projects, to directly enjoy the benefits of the internal market without incurring an unnecessary additional administrative burden, Regulation (EU) 2018/1724 of the European Parliament and of the Council[16], which established the Single Digital Gateway, provides for general rules for the online provision of information, procedures and assistance services relevant for the functioning of the internal market. The information that needs to be submitted to national competent authorities through the designated contact point, as part of the permit-granting processes covered by this Regulation are to be covered in Annex I of Regulation (EU) 2018/1724[17] following its amendment by this Regulation, and the related procedures are included in its Annex II to ensure that project promoters can benefit from fully online procedures and the Once-Only Technical System Services. Designated contact points acting as points of single contact pursuant to this Regulation are included in the list of assistance and problem-solving services in Annex III of Regulation (EU) 2018/1724.

(11n) Net-zero technology manufacturing projects undergo lengthy and complex permitting procedures of 2-7 years, depending on the Member State, technology and value chain segment. Considering the size of required investments – in particular for gigafactory-size projects which are needed to reach the expected economies of scale – inadequate permitting creates an additional and often detrimental barrier to increase net-zero technology manufacturing capacity in the Union. In order to provide project promoters and other investors with the security and clarity needed to increase development of net-zero technologies manufacturing projects, Member States should ensure that the permit-granting process related to such projects does not exceed pre-set time limits. For Net-Zero Strategic Projects, the length of the permit-granting process should not exceed 12 months for facilities with a yearly production output of 1 GW or more and 9 months for those with a yearly production output of less than 1 GW.

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16 Regulation (EU) 2018/1724 of the European Parliament and of the Council of 2 October 2018 establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services and amending Regulation (EU) No 1024/2012 (OJ L 295, 21.11.2018, p. 1).

17 Regulation (EU) 2018/1724 of the European Parliament and of the Council of 2 October 2018 establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services and amending Regulation (EU) No 1024/2012 (OJ L 295, 21.11.2018, p. 1).

For net-zero technology manufacturing projects, the length of the permit-granting process should not exceed 18 months for facilities with a yearly production output of 1 GW or more, and 12 months for those with a yearly production output of less than 1 GW. For net-zero technologies for which the GW metric is not relevant, such as grids and CCS or CCU technologies, the upper limits of the aforementioned deadlines should apply. However, the first step of the environmental impact assessment within the Environmental Impact assessment Directive (2011/92/EU), which consist of the preparation of an environmental impact assessment report, is often predominantly performed by the project promoter. This step should therefore not be integrated in the timelines which the Member States are bound upon as referred to in the permit granting process. To that end, the single point of contact should notify the date by which the project promoter needs to submit the environmental impact assessment report, and any period between that notified date and the actual submission of the report should not be counted towards the timeline. The same principle should apply where, after the required consultations, the single point of contact notifies the project promoter of the opportunity to submit additional information to complete the environmental impact assessment report. In exceptional cases related to the nature, complexity, location or size of the proposed project, Member States should be able to extend the timelines. Such exceptional cases could include unforeseen circumstances triggering the need to add to or complete environmental assessments related to the project, or delays due to expropriation processes when required.

(11o) Some specific net-zero manufacturing projects have the possibility to be recognized as net-zero strategic projects. They bring additional benefits, in particular regarding the reduction of the EU dependencies or the achievement of the EU energy and climate goals. Net-zero manufacturing projects may contribute to strengthening the technological and industrial resilience of the Union by increasing manufacturing capacity for a key segment of a supply chain. In particular, adding manufacturing capacity for sectors for which the Union's manufacturing capacity represents a significant share of world production, and which play a crucial role in the resilience of the EU, allows to strengthen the EU's position in the global net-zero manufacturing supply chain and helps tackle import vulnerability concerns. Furthermore, they may bring additional benefits in terms of skills development and competitiveness as well as support the EU decarbonisation goals through implementing circular and sustainable manufacturing practices. Given this importance, these projects should be selected as strategic projects by the Member States and benefit from a framework allowing for their speedier implementation, in particular through priority status and shorter permitting time-limits. Project promoters that wish to receive the status of a net-zero strategic project need to formally apply for such a status to the relevant Member State in accordance with the application and recognition criteria in this Regulation.

(11p) The environmental assessments and authorisations required under Union law, including in relation to water, soil, air, ecosystems, habitats, biodiversity and birds, are an integral part of the permit granting procedure for a net zero technologies manufacturing project and an essential safeguard to ensure negative environmental impacts are prevented or minimised. However, to ensure that permit granting procedures for net zero technologies manufacturing projects are predictable and timely, any potential to streamline the required assessments and authorisations while not lowering the level of environmental protection should be realised. In that regard, it should be ensured that the necessary assessments are bundled to prevent unnecessary overlap and it should be ensured that project promoters and responsible authorities explicitly agree on the scope of the bundled assessment before the assessment is carried out to prevent unnecessary follow-up.

(11q) Land use conflicts can create barriers to the deployment of net-zero technology manufacturing projects. Well-designed plans, including spatial plans and zoning, should consider possible net-zero technology manufacturing projects while taking into account the results of public consultations and potential environmental impacts. These plans have the potential to help balance the public interest and common good, decreasing the potential for conflict and accelerating the sustainable deployment of net-zero technologies manufacturing projects in the Union. Responsible national, regional and local authorities should therefore be encouraged to include, where appropriate, provisions for net-zero technologies manufacturing projects, including net- zero strategic projects, when developing plans.

(11s) It is also necessary to provide for measures to reach the Union's target of 50 million tonnes of annual operational CO2 injection capacity by 2030, thereby supporting the decarbonisation of European industries and combating climate change.

(12) In 2020**,** European Commission adopted an EU strategy for energy system integration. It set out a vision on how to accelerate the transition towards a more integrated energy system, one that supports a climate neutral economy at the least cost across sectors. It encompasses three complementary and mutually reinforcing concepts: first, a more 'circular' energy system, with energy efficiency at its core; second, a greater direct electrification of end-use sectors; third, the use of renewable and low-carbon fuels, including hydrogen ▌. Considerations related to energy system integration refer to solutions for fully integrating all the electricity generated by renewable energy installations into the wider energy system. This means, for instance, adopting technical solutions that allow for the integration of surplus electricity generated by renewable electricity installations, including through storage ***and by expanding plannable fossil free power sources in the grid,*** in its various forms and demand-side management.

(12a) Carbon capture and storage (CCS) is a technology that will contribute to mitigating climate change. It consists of the capture of carbon dioxide (CO_2) from industrial installations, its transport to a storage site and its injection into a suitable underground geological formation for the purposes of permanent storage.

(13) The development of carbon capture and storage solutions for industry is confronted with a coordination failure. On the one hand, despite the ▌ CO_2 price ***signal*** provided by the EU Emissions Trading System, for industry to invest into capturing CO_2 emissions making such investments economically viable, they face a significant risk of not being able to access a permitted geological storage site. On the other hand, investors into first CO_2 storage sites face upfront costs to identify**,** develop and appraise them even before they can apply for a regulatory storage permit. Transparency about potential CO_2 storage capacity in terms of the geological suitability of relevant areas and ***all*** existing geological data, ***including raw and model data,*** in particular from the exploration of hydrocarbon production sites, can support market operators to plan their investments. Member ***States*** should***, while taking into account confidentiality, national security and commercial sensitivities as well as adequate compensation for privately generated and owned data,*** make such ***existing*** data publicly available and report regularly in a forward-looking perspective about ***any*** progress in developing CO_2 storage sites and the corresponding needs for injection and storage capacities ▌, in order to collectively reach the Union-wide target for CO_2 injection capacity. ***These transparency obligations are without prejudice to the right of Member States not to authorise or to limit the deployment of CO_2 storage capacity on their territory.***

(13a) To avoid stranded assets and ensure that economically viable injection capacity will lead to CO_2 reductions a business case along the full value chain should be built. Therefore, full and individual CCS value chains including capture, transport and storage with need to be established by 2030 via effective Union and national policies with appropriate regulations guaranteeing competition and open access.

(14) A key bottleneck for carbon capture investments that are today increasingly economically viable is the availability of operating CO_2 storage sites in ***the Union***, which underpin the incentives from Directive 2003/87/EC ***of the European Parliament and the Council***[18] To scale up the technology and expand its leading manufacturing capacities, the ***Union*** needs to develop a forward-looking supply of permanent geological CO_2 storage sites permitted in accordance with Directive 2009/31/EU ***of the European Parliament and of the Council***[19] ***as well as CO_2 transport infrastructures***. By defining a Union target of 50 million tonnes of annual operational CO_2 injection capacity by 2030, in line with the expected capacities needed in 2030 ***and taking into account the companies operating primarily in Member States with very limited storage capacity due to legal, geological, geographical, technical or market constraints***, the relevant sectors can coordinate their investments towards a European Net-Zero CO_2 transport and storage value chain that industries can use to decarbonise their operations. This initial deployment will also support further CO_2 storage in a 2050 perspective. According to the Commission's estimates, the Union could need to capture up to 550 million tonnes of CO_2 annually by 2050 to meet the net zero objective [20], including for carbon removals. Such a first industrial-scale storage capacity ***objective*** will de-risk investments into the capturing of CO_2 emissions as important tool to reach climate neutrality. When this regulation is incorporated into the EEA Agreement, the Union target of 50 million tonnes of annual operational CO2 injection capacity by 2030 will be adjusted accordingly. ***To ensure the achievement of the Union's target, Member States should take the necessary measures to facilitate and incentivize the deployment of carbon capture and storage projects. Such measures should also include measures incentivizing emitters to capture emissions, investment support for investors for CO_2 transport infrastructures to transport CO_2 to the storage sites.***

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18 Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

19 Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide and amending Council Directive 85/337/EEC, European Parliament and Council Directives 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC, 2008/1/EC and Regulation (EC) No 1013/2006 (Text with EEA relevance), (OJ L 140, 5.6.2009, p. 114).

20 In depth analysis in support of the Commission Communication (2018/773) A Clean Planet for all. A European long-term strategic vision for a prosperous, modern, competitive and climate neutral economy ▌

(14a) Any international agreement relating to the permanent storage of European CO2 in third countries should provide for equivalent conditions to ensure permanently secure and environmentally safe geological storage of captured CO2 and ensure that the storage of European CO2 is not used to increase hydrocarbon production and corresponds to a genuine reduction of emissions.

(15) By defining CO_2 storage sites ***and any related CO_2 capture and CO_2 infrastructure projects*** that contribute to the Union's 2030 target as net-zero strategic projects, the development of CO_2 storage sites can be accelerated and facilitated, and the increasing industrial demand for storage sites can be ***channelled*** towards the most-cost-effective storage sites. An increasing volume of depleting gas and oil fields that could be converted ***into*** safe CO_2 storage sites are at the end of their useful production lifetime. In addition, the oil and gas industry has affirmed its determination to embark on an energy transition and possesses the assets, skills and knowledge needed to explore and develop additional storage sites. To reach the Union's target of 50 million tonnes of annual operational CO_2 injection capacity by 2030, the sector needs to pool its contributions to ensure that carbon capture and storage as a climate solution is available ahead of demand. In order to ensure a timely, Union-wide and cost-effective development of CO_2 storage sites in line with the ***Union*** objective for injection capacity, licensees of oil and gas production in the ***Union*** should contribute to this target pro rata of their oil and gas manufacturing capacity, while providing flexibilities to cooperate and take into account other contributions of third parties. ***A value-chain approach should be fostered by actions taken both at EU and national level. Accordingly, licensees of oil and gas production in the EU should undertake the necessary investments and support the development of viable business models for the entire carbon dioxide value chain.***

(15a) In order to contribute to the Union CO2 injection capacity objective, obligated entities are able to enter into agreements with non-obligated entities to fill the entirety or a part of their obligation. These agreements can be a part of a joint-venture agreement that establishes a storage site or can be conducted separately between parties to fulfil the contribution of the obligated entity. Where such joint-ventures have been established before the entry into force of this Regulation the full injection capacity of the relevant joint CO2 storage project can be used to fulfil the obligation of the obligated partners parties.

(15b) In order to ensure that storage sites are developed under sound market conditions, the Commission will perform an assessment that looks into the relationship between the concrete demand for injection capacity from CO2 capture projects and the main infrastructure needed for the transportation of CO2 in progress or planned to be operational by 2030 and the 2030 storage capacity obligations.

(15c) Derogations from the obligation are an essential tool to prevent stranded assets under these circumstances. To apply these derogations effectively, Member States and the Commission should fully engage with the relevant obligated entities in any assessment of the need for a derogation, particularly in the case where an obligated entity flags the need for a derogation. In the interest of the achievement of the Union's CO2 injection capacity objective, in case on the basis of the Commission's assessment no derogation is granted, or the relevant Member State did not request a derogation, the Commission and the Member State will engage with relevant obligated entities to help resolving obstacles and barriers so as to facilitate the achievement of the obligation.

(15e) Additional policy effort is essential to secure the deployment of cross-border infrastructure planning. Accessibility and connectivity of the full range of CO_2 transportation arrangements play a critical role for the deployment of CCS and Carbon Capture and Utilisation (CCU) projects. Such arrangements cover ship, barge, train and truck as well as fixed facilities for connecting and docking, for liquefaction, buffer storage and converters of CO_2 in view of its further transportation through pipelines and in dedicated modes of transport.

(15f) Member States may form, or may provide support for the formation of, entities that have the objective of creating CO2 transport networks including the construction of infrastructure or the provision of vessels or other means of conveyance.

(15g) The capture, storage and utilisation of CO2 will inevitably be part of the Union's decarbonised future. This future will also include removals. What is necessary is a well-functioning EU-wide market for captured CO2, CO2 injection services, CO2 transport services and carbon utilisation activities. This market should deliver on certain public policy objectives in the economically most advantageous manner. An overall objective is the sustainable and cost-effective decarbonisation of European industry by ensuring that any CO2 emissions which cannot be reduced through technical means or where it is economically not viable to reduce those emissions can be captured and either stored or utilised, avoiding delayed emissions. This market should also ensure the safety, sustainability and permanence of the geological storage of captured CO2 and that captured CO2 is available for carbon utilisation activities in line with the Union's climate objectives. A functioning market for CO2 should also be underpinned by a network of CO2 transport infrastructure with a minimal environmental footprint which is accessible for market actors under fair, open and non-discriminatory conditions. The market should adhere to European environmental standards.

(15h) Using captured CO_2 in certain production processes can permanently store CO_2 and/or contribute to reducing the Union's dependence on fossil fuels. Therefore, all entities involved in the value chain of CO_2 injection activities set out in this Regulation should be encouraged to consider if the CO_2 that is to be stored could be permanently stored in new products or could support the Union's objectives to reduce its reliance on fossil fuels.

(16) The Union has helped build a global economic system based on open***, transparent*** and rules-based trade, pushed for respecting and advancing social and environmental sustainability ***and climate transition*** standards, and is fully committed to those values. ***The Union aims to level the playing field, by reforming the WTO, building new partnerships and, by fighting against unfair trading practices and production overcapacity, to secure a fair competitive environment for Union industry, including through Net-Zero Industrial Partnerships, providing quality jobs for workers.***

(21a) In order to ensure the Union's access to a secure and sustainable supply of net-zero technologies needed to safeguard the Union's resilience and in order to reach its climate neutrality targets, the internal market needs to be a supportive environment for innovation in net-zero technologies to take place. Innovation will be a crucial factor in ensuring the Union's competitiveness as well as reaching net-zero objectives as soon as possible. Given the rapid developments in net-zero technologies as well as the significant regulatory guidance provided for the green transition, it is of utmost importance for the achievement of the objectives of this Regulation that the potential impacts of Union legislation and policy initiatives on innovation are considered during their preparation, review and revision through the application of the innovation principle.

(21b) The reduction of the regulatory and administrative burden as well as having a suitable regulatory framework is particularly important for industries to adjust effectively to the climate and energy transitions. Therefore, the Union should aim to achieve by 2030 a significant reduction of the general regulatory burden on industry as well as for placing a new product on the internal market. Those efforts should, in particular, be made within the Better Regulation framework and without prejudice to the Union's environmental and labour standards. The Commission should inform the Platform of developments regarding the regulatory and administrative burden for net-zero industries in Europe based on the Competitiveness Progress Report on Clean Energy Technologies and the Annual Burden Survey of the European Commission. To facilitate the work of Union institutions to keep the regulatory burden for net-zero industries at a minimum, this Regulation establishes a Net-Zero Regulatory Burden Scientific Advisory Group. The Scientific Advisory Group should develop science-informed advice on the impact of the regulatory burden in the Union on net-zero industries, utilizing a science informed methodology and where appropriate taking into account the Better Regulation Toolbox, for the assessment of the impact of regulatory burdens. The work of the Scientific Advisory Group is without prejudice to the prerogatives of the Union's institutions.

(21c) In order to reflect the objectives of this Regulation, Commission could consider updating the Transition Pathways that are being developed following the Updated EU Industry Strategy of 2021 which could identify enablers as well as bottlenecks for the transition and competitiveness of Union industry or take this Regulation in account in any future initiatives.

(22) ***Pursuant to Regulation (EU) 2018/1999 of the European Parliament and of the Council[21],*** Member States should submit updated drafts of their 2021-2030 National Energy and Climate Plans (NECPs) in June 2023 ▌. As emphasised in the Commission's Guidance to Member States for the update of the 2021-2030 national energy and climate plans[22], the updated plans should describe Member States' objectives and policies to facilitate the scale-up of manufacturing projects of commercially available energy efficient and low-carbon technologies, equipment and key components within their territory. Those plans should also describe Member States' objectives and policies to achieve such scale-up through diversification efforts in third countries, and to enable their industries to capture***, transport,*** and store CO_2 emissions permanently in geological storage sites. ***Those plans should form the basis upon which the need for net-zero technologies are determined. When considering this Regulation in the preparation of their NECPs, Member States should consider both general competitiveness as well as research and innovation in the field of the net-zero industries in the longer term.***

(24) Under the first pillar ***of the Green Deal Industrial Plan for the Net-Zero Age***, the Union should develop and maintain an industrial basis for the provision of net-zero technology solutions to secure its energy supply, while also living up to its ambitions on climate neutrality. To support that goal and to avoid dependencies for the supply of net-zero technologies that would delay the Union's greenhouse gas emission reductions efforts or put ▌ the security of supply of energy ***at risk***, this Regulation ***should*** set out provisions to encourage demand for sustainable and resilient net-zero technologies.

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21 Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council.

22 Commission Notice on the Guidance to Member States for the update of the 2021-2030 national energy and climate plans 2022/C 495/02, (OJ C 495, 29.12.2022, p. 24).

(26a) The application of minimum mandatory requirements will ensure that the leverage of public spending to boost demand for better performing procurement for net zero products in the field of environmental sustainability is increased in a structured way that is implementable for contracting authorities and contracting entities. Some exceptions are provided for, in order to allow contracting authorities or contracting entities to avoid specific undesirable consequences. These exception relate to monopoly situations, specific market failures or situations where authorities or contracting entities could be faced with disproportionate costs or technical incompatibilities. It should also be noted that contracting authorities and contracting entities remain free to include additional minimum requirements in their procurement documents, provided they comply with the directives 2014/23/EU, 2014/24/EU or 2014/25/EU and applicable sectoral legislation. They remain also free, under the same conditions, to use, in addition, award criteria for identifying the most economically advantageous tender such as price, cost or other criteria.

(26b) For work contracts and concessions that fall under the scope of the Regulation, the contracting authority or contracting entity should also be obliged to choose one or more specific conditions, requirements or contractual obligations to help achieve a variety of objectives, more precisely that social or employment-related considerations are realised, in order to achieve a positive social outcome, that cybersecurity concerns are effectively taken into account in cases where this is relevant, or that sufficient assurance is obtained that the relevant products will be delivered in a timely manner. Those aspect are also important to foster resilience. The same possible exceptions as mentioned above should be foreseen.

(26c) In some cases attention should be given to the tender's resilience contribution in relation to certain third countries. If the Commission has determined that the proportion of a net-zero technology or its main specific components originating in a third country accounts for more than 50% of the supply of that specific technology or of those components within the Union, contracting authorities and contracting entities should be obliged to include several conditions in their procurement documents in order to achieve a resilient outcome. In this way, the value of the specific net zero technology or the main specific components of the specific net-zero technology originating from the third country concerned may not exceed a 50 % limit under specific conditions. Moreover, if the Commission has determined that the proportion of supply within the Union of the above-mentioned products or components originating in a third country has increased by at least 10 percentage points on average for two consecutive years and reaches at least 40 % of the supply within the Union, the same mechanism should apply. This will allow the Union to take into account evolving dependencies in an efficient manner. It should be noted, for contracts covered by the European Union's Annex I to the GPA as well as by other relevant international agreements by which the Union is bound, that contracting authorities and contracting entities shall not apply these requirements to economic operators of sources of supply that are signatories to these agreements.

(26d) Contracting authorities or contracting entity should also impose in their procurement documents, in the event of non-observance of the above mentioned resilience conditions, that the main contractor should be obliged to pay a proportionate charge to the contracting authority or contracting entity of at least 10% of the value of the specific net-zero technologies of the contract, in order to ensure that the mechanism is complied with.

(26e) ***It is expressly stated that member states should not discriminate against, or subject to unjustified different treatment, a provider or net-zero products from another Member State. This obligation mirrors the already existing obligation for contracting authorities and contracting entities, according to the directives 2014/23/EU, 2014/24/EU and 2014/25/EU, to treat economic operators equally and without discrimination and to follow the procedural rules mentioned in those directives to ensure that the above mentioned principles are given practical effect and public procurement is opened up to competition.***

(27) Without prejudice to Union legislation applicable to a specific technology, including under the ▌ Regulation of the European Parliament and of the Council establishing a framework for setting ecodesign requirements for sustainable products ▌ and the ▌ Regulation ***(EU) 2023/1542*** concerning batteries and waste ▌ , and unless otherwise indicated therein, when evaluating the environmental sustainability of the net-zero solutions procured on the basis of this Regulation, contracting authorities and contracting entities may take into account various elements with an impact on the climate and the environment. ▌

(27a) ***Implementing powers should be conferred on the Commission to establish guiding principles for contracting authorities and entities to specify technical specifications, requirements, and contract performance conditions related to environmental sustainability for public contracts. This should be without prejudice to Union legislation applicable to specific technologies, including under the Regulation of the European Parliament and of the Council establishing a framework for setting ecodesign requirements for sustainable products1 and the Regulation (EU) 2023/1542 concerning batteries and waste batteries.***

(28) ***In order to take*** into account***,*** within a public procurement procedure ***or an auction, the need to support the production or consumption of energy from renewable sources and*** the need to diversify sources of supply of net-zero technologies away from single sources of supply ▌ and without prejudice to the Union's international commitments, the supply should at least be deemed insufficiently diversified where a ***third country accounts*** for more than ***50%*** of the ***supply of a net-zero technology or its main specific components within the Union***.

(28b) To promote the responsible business conduct of bidders, the cybersecurity and data security of the technologies used, the projects and the related infrastructures and to promote the delivery of projects fully and on time, public authorities designing auctions for the deployment of energy from renewable sources should include pre-qualification criteria related to responsible business conduct, cybersecurity and data security and ability to deliver the project fully and on time.

(28c) To support the aim to develop and maintain an industrial basis for the provision of renewable energy technologies to secure the Union energy supply and to avoid dependencies for the supply of these technologies that would delay the Union's greenhouse gas emission reductions efforts or put the security of energy supply at risk, public authorities designing auctions for the deployment of energy from renewable sources should increase the sustainability and resilience of the supply of those technologies within the Union. Member States should assess the auctions' contribution to sustainability by examining the environmental sustainability of bids, their contribution to innovation and their contribution to energy system integration. In order to do so, Member States should have the choice to introduce pre-qualification or award criteria in the auction design. While pre-qualification criteria must be fulfilled by all the bidders' projects in order to be able to participate in the auction, award criteria aim at evaluating and ranking the different projects participating in an auction.

(28d) When considering the environmental sustainability of bids, either in the form of pre-qualification criteria or award criteria, public authorities designing auctions for the deployment of energy from renewable sources may take into account various elements with an impact on the climate and the environment. These may include, for instance, the durability and reliability of the solution; the ease of repair and maintenance and access to such services; the ease of upgrading and refurbishment; the ease and quality of recycling; the use of substances; the consumption of energy, water and other resources in one or more life cycle stages of the product; the weight and volume of the product and its packaging; the incorporation of renewable materials, recycled or used components; the quantity, characteristics and availability of consumables needed for proper use and maintenance; the environmental footprint of the product and its life cycle environmental impacts; the carbon footprint of the product; the microplastic release; emissions to air, water or soil released in one or more life cycle stages of the product; the amounts of waste generated; the conditions for use.

(28e) To support the design and production of more innovative and advanced renewable energy technologies, the sustainability contribution of bids may take into account, either in the form of pre-qualification criteria or award criteria, the contribution to innovation by providing for pre-qualification or award criteria that promote the use of entirely new solutions or the improvement of comparable state-of-the-art solutions.

(28f) To support the integration of energy from renewable sources into the Union's energy system and its benefits to cost-effective decarbonisation, the sustainability contribution of bids may take into account the contribution to energy system integration through, for instance, energy storage, waste heat and cold recovery and the production of renewable hydrogen.

(28g) To increase the resilience of supply of net-zero renewable energy technologies and avoid excessive dependencies from countries with high concentration of supply within the Union, public authorities should consider by means of pre-qualification or award criteria the resilience contribution of the different projects participating in auctions for the deployment of energy from renewable sources taking into account the need to diversify the supply of renewable energy technologies, without prejudice to the Union's international commitments. When applying the resilience criterion, public authorities should take into account that the supply should at least be deemed insufficiently diversified where more than 50% of the demand within the Union for a specific net-zero technology or for its main specific components originates from a single third country.

(28h) When applied as award criteria, the weighting of criteria on the sustainability and resilience contribution of the tender in relation to auctions for the deployment of energy from renewable sources is without prejudice to the possibility for the authorities designing those auctions to set a higher threshold for the criteria relating to environmental sustainability, innovation and energy system integration if this is compatible with any limit for non-price criteria set under State aid rules. In any event, the application of these criteria and their minimum and combined weight in auctions must ensure that auctions remain competitive and comply with Articles 107 and 108 of the Treaty on the Functioning of the European Union.

(28i) In order to increase the Union's supply of renewable energy technologies to reach the overall annual manufacturing benchmark needs by 2030 within the Union, a specific share of the volume auctioned for which non-price criteria are applied should be provided for in this Regulation. This share should be assessed every two years by the Commission in order to determine the impact of the non-price criteria on the development of the Union's annual manufacturing of renewable energy technologies and the deployment of energy from renewable sources, including their financial impact and their impact on the speed of deployment, whilst also taking into account the workability and clarity of the system for project developers. If the assessments show that the application of the resilience and sustainability criteria positively contributes to the security of supply of the Union for net-zero technologies, particularly by increasing the manufacturing capacity in the Union for renewable energy technologies, and do not significantly hinder the achievement of the targets for renewable energy set in the Renewable Energy Directive, including the deployment in each Member State, the application of those provisions should be step-wise increased. Each step should be subject to an impact assessment to ensure that higher shares continue to contribute positively to the security of supply of renewable energy technologies and these benefits outweigh the effects on the cost and speed of deployment of energy from renewable sources. The determination of the share of the volume auctioned should, if appropriate and feasible, strive to reach a gradual overall increase with a view to contribute to meet the overall objectives of this Regulation and to reach 50% by the end of 2029.

(28j) Depending on their goals for the deployment of energy from renewable sources and their national decarbonisation strategies, Member States could be impacted very differently by the application of the resilience and sustainability criteria,. Therefore, when assessing the impact of those criteria on the deployment of energy from renewable sources, the Commission should examine the overall financial impact and the effects on deployment in the Union as well as the impact on Member States and other relevant stakeholders, including households and companies. To determine the impact on the deployment of energy from renewable sources and take into account practical experiences with applying non-price criteria, the Commission should consult as part of its assessment and in a structured and transparent manner the national authorities carrying out auctions.

(28k) The criteria for auctions might add an excessive burden for promoters of renewable energy projects with small capacity. To limit the impact of these provisions on auctions to support projects with a maximum capacity of 10 megawatt, Member States may exclude those auctions from the calculation of the total volume of capacity auctioned per year.

(28l) When auctions to which pre-qualification, resilience and sustainability criteria are applied, are undersubscribed, this should not lead to slowing down the deployment of energy from renewable sources by obliging Member States to apply those criteria to the undersubscribed share of the auction's volume. Member States should, therefore, be able to exclude from the requirements for auctions the share of the auction's volume that is undersubscribed. An auction is considered undersubscribed when the bids presented for that auction cover a volume that is below the total volume of the capacity auctioned.

(29) For the purposes of setting up schemes benefitting households***, businesses,*** or consumers which incentivise the purchase of net-zero technology final products, and without prejudice to the Union's international commitments, the supply should be deemed insufficiently diversified where a single source supplies more than ***50%*** of the total demand for a specific net-zero technology within the Union. To ensure a consistent application, the Commission should publish a yearly list starting on the date of application of this Regulation, of the distribution of the origin of net zero technology final products which fall under this category, broken down by the share of Union supply originating in different sources in the last year for which data is available.

(30) Council Decision 2014/115/EU approved in particular the amendment to the World Trade Organisation Agreement on Government Procurement (the 'GPA')[16]. The aim of the GPA is to establish a multilateral framework of balanced rights and obligations relating to public contracts with a view to achieving the liberalisation and expansion of world trade. For contracts covered by the ▌ Union's Appendix I to the GPA, as well as by other relevant international agreements by which the Union is bound, including free trade agreements and the Article III:8(a) of the General Agreement on Tariffs and Trade of 1994 for procurement by governmental agencies of products purchased with a view to commercial resale or with a view to use in the production of goods for commercial sale, contracting authorities and contracting entities should not apply ***resilience*** requirements ***for public procurement*** to economic operators of sources of supply that are signatories to the agreements.

(31) The application of the provisions on resilience in public procurement procedures set out in Article 19 ***of this Regulation*** should be without prejudice to the application of Article 25 of Directive 2014/24/EU of the European Parliament and of the Council[17], and Articles 43 and 85 of Directive 2014/25/EU of the European Parliament and of the Council[18], as according with the Commission's guidance of 2019[19]. The same way, public procurement provisions should continue to apply to works, supplies and services subject to Article 19, including article 67(4) of Directive 2014/24/EU and any implementing measures resulting from the Proposal for a Regulation establishing a framework for setting ecodesign requirements for sustainable products.

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16 Council decision 2014/115/EU of 2 December 2013 on the conclusion of the Protocol Amending the Agreement on Government Procurement, (OJ L68, 7.3.2014, p. 1).

17 Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

18 Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).

19 Communication from the Commission: Guidance on the participation of third country bidders and goods in the EU procurement market, Brussels, 24.7.2019, C(2019) 5494 final.

(33) In order to limit administrative burden resulting from the need to take into account ***requirements*** relating to the sustainability and resilience contribution of the tender, in particular for smaller public buyers and for contracts of lower value which do not have an important impact on the market, the application of the relevant provisions of this Regulation should be deferred for two years for public buyers which are not central purchasing bodies and for contracts of a value below EUR 25 million.

(34) For the purposes of the application of the provisions on public procurement according to Article 19 ***of this Regulation***, where a product is covered by a delegated act adopted under Regulation (EU) 2017/1369 of the European Parliament and of the Council[20], contracting authorities or contracting entities should purchase only the products that comply with the obligation laid down in Article 7(2) of that Regulation.

[20] Regulation (EU) 2017/1369 of the European Parliament and of the Council of 4 July 2017 setting a framework for energy labelling and repealing Directive 2010/30/EU (OJ L 198, 28.7.2017, p. 1).

(35) Households***, businesses,*** and final consumers are an essential part of the Union's demand for net-zero technologies final products and public support schemes to incentivize the purchase of such product by households, in particular for vulnerable low- and lower middle-class income households and consumers, are important tools to accelerate the green transition. Under the solar rooftop initiative announced in the EU solar strategy[21], Member States should for instance set-up national programmes to support the massive deployment of rooftop solar energy. In the REPowerEU plan, the Commission called Member States to make full use of supporting measures which encourage switching to heat pumps. Such support schemes set up nationally by Member States or locally by local or regional authorities should also contribute to improving the sustainability and resilience of the ***Union's*** net-zero technologies. Public authorities should for instance provide higher financial compensation to beneficiaries for the purchase of net-zero technology final products that will make a higher contribution to resilience in the Union. ***Public authorities could condition the eligibility of schemes on the basis of the sustainability and resilience contribution. In doing the latter, Member States are encouraged to take into account the accessibility of the scheme for citizens living in energy poverty.*** Public authorities should ensure that their schemes are open, transparent and non-discriminatory, so that they contribute to increase demand for net-zero technology products in the Union. Public authorities should also limit the additional financial compensation for such products so as not to slow down the deployment of the net-zero technologies in the Union. To increase the efficiency of such schemes Member States should ensure that information is easily accessible both for consumers and for net-zero technology manufacturers on a free website. The use by public authorities of the sustainability and resilience contribution in schemes targeted at consumers or households should be without prejudice to State aid rules and to WTO rules on Subsidies.

[21] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: EU Solar Energy Strategy, COM(2022) 221 final, 18.05.2022.

(36) When designing schemes benefitting households***, businesses,*** or consumers which incentivise the purchase of net-zero technology final products ***defined in this Regulation***, Member States, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law, should ensure the respect of the Union's international commitments, including by ensuring that schemes do not reach a magnitude that causes serious prejudice to the interest of WTO members.

(37) The Commission ***may*** also assist Member States in the design of schemes targeted at households***, businesses,*** and consumers to build synergies and exchange best practices. The Net-Zero Europe Platform should also play an important role in accelerating the implementation of the sustainability and resilience contribution by Member States and public authorities in their public procurement and auctioning practices. ***The Commission*** should ***after having consulted the platform adopt an implementing act specifying the criteria to assess the sustainability and resilience contribution. This act should give particular attention to SMEs who should have a fair chance to participate in the substantial market for public procurement. Also, it should ensure that the requirements with regard to sustainability and resilience are applied in a way that ensures fair and equal competition among market players regardless of their ownership structure***.

(38) ***In order to ensure that public procurement and auctions to deploy renewable energy sources truly contribute to the Union's resilience, these activities need to be predictable for industry.*** To enable the industry to adjust its production on time, contracting authorities and contracting entities should inform the market in advance of their estimated procurement needs for net-zero technology products.

(38a) In addition to measures oriented towards public and household demand, the Union could consider action to ease the deployment of net zero technologies in the EU industrial value chains with particular attention to SMEs, notably through facilitating the connection between supply and demand from industry.

(39) As indicated in the Communication on the Green Deal Industrial Plan for the Net-Zero Age, published on 1 February 2023, the Union's industry's market shares are under strong pressure, due to subsidies in third countries which undermine a level playing field. This ***situation presents a competitive challenge for the Union to maintain and develop its own industry and*** translates in a need for a rapid and ambitious reaction from the Union in modernising its legal framework.

(39a) Considering the Union's goal to reduce strategic dependencies on third countries for net-zero technologies, it is crucial that public support mechanisms, such as procurement and auctions, do not exacerbate such dependencies. Therefore, justified limitations, where necessary and appropriate, should be set on the proportion of products in supply contracts sourced from third countries if the Commission has determined that the conditions linked to resilience defined in this Regulation are fulfilled. Furthermore, efforts should be undertaken to effectively tackle unfair subsidies from third countries that undermine the level playing field, for example by using all possible measures provided under Regulation (EU) 2022/1031 and Regulation (EU) 2022/2560 of the European Parliament and of the Council[22].

[22] Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC Text with EEA relevance (OJ L 94, 28.3.2014, p. 243).

(40) Access to ***public and private*** finance is key for ensuring the Union's open strategic autonomy and for establishing a ***solid and competitive*** manufacturing base for net-zero technologies and their supply chains across the Union. The majority of investments necessary to reach the Green Deal objectives will come from private capital[23] attracted by ***both*** the growth potential of the net-zero ecosystem ***and a stable and ambitious policy framework***. Well-functioning, deep and integrated capital markets will therefore be essential to raise and channel the funds needed for the green transition and net-zero ***technology*** manufacturing projects. Swift progress towards the Capital Markets Union is thus necessary for the ***Union*** to deliver on its net-zero objectives. The sustainable finance agenda (and blended finance) also plays a crucial role in scaling up investments into the net-zero technologies ***along the value chains***, while guaranteeing the competitiveness of the sector. ***As indicated in the Staff Working Document accompanying this Regulation, investment needs amount to around EUR 92 billion over the period 2023 to 2030, with a range of between about EUR 52 to 119 billion depending on various scenarios, which would result in public funding requirements of EUR 16 to 18 billion. Considering that this assessment only takes into account six specific technologies, the real investment need is likely to be significantly higher.***

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[23] Commission Staff Working Document Identifying Europe's recovery needs Accompanying t he document Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions - Europe's moment: Repair and Prepare for the Next Generation, SWD (2020) 98 final, Identifying Europe's recovery needs, 27.05.2020.

(41) ***Private investment by companies and financial investors is essential.*** Where private investment alone is not sufficient, the effective roll-out of net-zero manufacturing projects may require public support***, for example in the form of guarantees, loans or equity and quasi-equity investments, while avoiding distortion within the internal market. When this public support comes*** in the form of State aid***,*** such aid must have an incentive effect and be necessary***, targeted, temporary***, appropriate and proportionate***, while preserving competition and cohesion in the internal market***. The existing State aid guidelines that have recently undergone an in-depth revision in line with the twin transition objectives provide ample possibilities to support investments for projects in the scope of this Regulation subject to certain conditions. Member States can have an important role in easing access to finance for net-zero technologies manufacturing projects by addressing market failures through targeted ***and temporary*** State aid support. The Temporary Crisis and Transition Framework (TCTF) adopted on 9 March 2023 aims at ensuring a level playing field within the internal market, targeted to those sectors where a third-country delocalisation risk has been identified, and proportionate in terms of aid amounts. It would enable Member States to put in place measures to support new investments in production facilities in defined, strategic net-zero sectors, including via tax benefits. The permitted aid amount can be modulated with higher aid intensities and aid amount ceilings if the investment is located in assisted areas, in order to contribute to the goal of convergence between Member States and regions. Appropriate conditions are required to verify the concrete risks of diversion of the investment outside the European Economic Area (EEA) and that there is no risk of relocation within the EEA ***to avoid a fragmentation of the internal market***. To mobilise national resources for that purpose, Member States ***are encouraged to spend, in accordance with Article 10(3) of Directive 2003/87/EC, 25% of*** ETS revenues that Member States ***collect annually from ETS auctions***.

(41a) Any additional mobilisation of State aid should be targeted and temporary, and should be consistent with Union policy objectives such as the Green Deal and the European Pillar of Social Rights. Such financing should not lead to additional disparities among Member States in line with the Union's competition and cohesion policies.

(41b) ***Public support should be used to address specific identified market failures or sub-optimal investment situations in a proportionate manner, and actions should not duplicate or crowd out private financing or distort competition in the internal market. Actions should have a clear added value for the Union. Public investment can in particular focus on the necessary infrastructure investments, on fostering innovation and the upscaling of breakthrough technologies.***

(42) Several Union funding programmes, such as the Recovery and Resilience Facility, InvestEU, cohesion policy programmes or the Innovation Fund are also available to fund investments in net-zero technology manufacturing projects. ***Moreover, the Strategic Technologies for Union Platform (STEP) will help to better channel the existing EU funds towards critical investments aimed at supporting the development or manufacturing of critical technologies, including clean technologies.***

(43) The amended Recovery and Resilience Facility Regulation[24] made available an additional EUR 20 billion of non-repayable support to Member States in order to promote energy efficiency and replace fossil fuels, amongst others through EU ***net- zero*** industry projects. As pointed out in the Commission Guidance on the REPowerEU chapters[25], Member States are encouraged to include in the REPowerEU chapter of their recovery and resilience plans, measures supporting investments in net-zero technologies manufacturing and industrial innovation, in accordance with Regulation (EU) 2021/241 of the European Parliament and of the Council[26].

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24 Regulation (EU) 2023/435 of the European Parliament and of the Council of 27 February 2023 amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulations (EU) No 1303/2013, (EU) 2021/1060 and (EU) 2021/1755, and Directive 2003/87/EC, (OJ L 63, 28.2.2023, p. 1).

25 Commission Notice Guidance on Recovery and Resilience Plans in the context of REPowerEU 2023/C 80/01, (OJ C 80, 3.3.2023, p. 1).

26 Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility, (OJ L 57, 18.2.2021, p. 17).

(44) InvestEU is the ***Union*** flagship programme to boost investment, especially the green and digital transition, by providing financing and technical assistance, for instance through blending mechanisms. Such ***an*** approach contributes to crowd in additional public and private capital. In addition, Member States are encouraged to contribute to the InvestEU Member State compartment to support financial products available to net-zero technology manufacturing, without prejudice to applicable State aid rules.

(45) Member States can provide support from cohesion policy programmes in line with applicable rules under Regulation (EU) 2021/1060 of the European Parliament and of the Council[24] to encourage the take up of net-zero strategic projects ***as well as net-zero technology manufacturing projects in all regions, especially*** in less developed ***regions transition regions and Just*** Transition ***Funds territories,*** through investment packages of infrastructure, productive investment in innovation, manufacturing capacity in SMEs, services, training and upskilling measure, including support to capacity building of the public authorities and promoters. The ▌ Technical Support Instrument can help Member States and regions in preparing net-zero growth strategies, improve the business environment, reducing red tape and accelerating permitting. Member States should be encouraged to promote the sustainability of net-zero projects by embedding these investments in European value chains, building notably on interregional and cross border cooperation networks. ***The adoption of such measures should be considered in particular with regard to Valleys.***

(46) The Innovation Fund also provides a very promising and cost efficient avenue to support the scaling up of manufacturing and deployment of ***clean*** hydrogen and other ***net-zero*** technologies in Europe, thus reinforcing Europe's sovereignty in key technologies for climate action and energy security.

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[24] Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

(48) To overcome the limitations of the current fragmented public and private investments efforts, facilitate integration and return on investment, the Commission, and Member States should better coordinate and create synergies between the existing funding programmes at Union and national level as well as ensure better coordination and collaboration with industry and key private sector stakeholders. The Net-Zero Europe Platform has a key role to play to build a comprehensive view of available and relevant funding opportunities and to discuss the individual financing needs of net-zero strategic projects. ***In view of incentivising the production of net-zero technologies in Europe, the Platform may discuss how to address funding, the regulatory framework as well as investment and location guarantees.***

(56) In addition, given the importance of net zero ***technology manufacturing projects and net-zero*** strategic projects for the Union's energy supply certain administrative restrictions should be partly lifted or simplified to speed up their implementation.

(59) Space data and services derived from EU Space Programme, and in particular Copernicus, shall be used to the extent possible to provide information on the geology, biology, ecology, socio-economic development, and resource availability for the environmental assessments and authorisations; such data and services and in particular the Copernicus anthropogenic CO_2 emission monitoring and verification capacity are most relevant to assess the impact of industry projects and the impact of anthropogenic CO_2 sinks on the global greenhouse gas concentrations and fluxes.

(60) The Commission should, as provided in Article 10(1) of Regulation (EU) No 1025/2012 ***of the European Parliament and of the Council***[28], request one or more European standardisation organisation to draft European standards in support of the objectives of this Regulation.

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28 Regulation (EU) No 1025/2012 of the European Parliament and of the Council of 25 October 2012 on European standardisation, amending Council Directives 89/686/EEC and 93/15/EEC and Directives 94/9/EC, 94/25/EC, 95/16/EC, 97/23/EC, 98/34/EC, 2004/22/EC, 2007/23/EC, 2009/23/EC and 2009/105/EC of the European Parliament and of the Council and repealing Council Decision 87/95/EEC and Decision No 1673/2006/EC of the European Parliament and of the Council (OJ L 316, 14.11.2012, p. 12).

(61) Hydrogen Valleys with industrial end-use applications play an important role in decarbonising the energy-intensive industries. REPowerEU set the objective of doubling the number of Hydrogen Valleys in the Union. In order to achieve this objective, Member States should accelerate permitting and consider regulatory sandboxes and prioritise access to funding. To strengthen the ***net-zero*** resilience, Member States should ensure the interconnection of Hydrogen Valleys across the Union's borders. Industrial installations which produce their own energy, and which can provide a positive contribution to the production of electricity, should be encouraged to contribute to the smart electricity grid as energy producers by simplifying regulatory requirements.

(62) Net-zero regulatory sandboxes can be an important tool to promote innovation in the field of net-zero technologies and regulatory learning. Innovation needs to be enabled through experimentation spaces as scientific outcomes need to be tested in a controlled real-word environment. Regulatory sandboxes should be introduced to test innovative net-zero technologies ***or other innovative technologies with potential to enable the transition to a climate neutral, clean economy and reducing strategic dependencies, in a controlled environment for a limited amount of time, thus enhancing*** regulatory ***learning and potential scaling up and wider deployment.*** It is appropriate to ***strike a balance between legal certainty for participants in the*** Net-Zero regulatory sandboxes and ***the achievement of the objectives of Union law. Member States should be able to allow for derogations of net zero regulatory sandboxes in national legislationwhile in any case ensuring*** compliance with Union ***law and with the essential requirements on*** Net-Zero technology ***laid in national law***. The Commission ***published*** a Guidance for Sandboxes document in 2023 as announced in the New European Innovation Agenda to support Member States in preparing the net zero technology sandboxes. Those innovative technologies could eventually be essential to achieve the Union's climate neutrality objective, ensure the security of supply and resilience of the Union's energy system ▌ .

(63a) The EU's Strategic Energy Technology Plan (SET Plan)[29], including its revision in 2023, supports the development of clean, efficient and cost-competitive energy technologies through coordination and collaboration in clean energy research and innovation, bringing together European industry, research organisations and governments representatives. of the SET Plan Countries[30]. The SET Plan revision aims to align the original SET Plan strategic objectives with the European Green Deal, REPowerEU and the Green Deal Industrial Plan, notably the Net-Zero Industry Act. It aims at promoting a unified approach towards achieving Europe's decarbonisation goals, supporting European strategic net-zero energy technologies, and building a sustainable and resilient energy future. The SET Plan has had a structuring effect on joint Research and Innovation (R&I) actions, helping them deliver on common energy research and technology objectives with greater speed and effectiveness. The SET Plan has helped aligning the R&I efforts and leverage national public funding of participating countries to support jointly agreed R&I priorities through the Clean Energy Transition Partnership[31] and the Driving Urban Transition Partnership[32] under Horizon Europe, as an example of successful EU cross-sectoral cooperation. The SET Plan plays a central role in implementing the research, innovation and competitiveness dimension of the Energy Union[33] of the national energy and climate plans (NECPs). Yet, since its beginning in 2007, the SET Plan was an unofficial forum. The Net-Zero Industry Act offers a momentum to strengthen the bridge between European innovation and manufacturing of new innovative technologies.

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29 COM(2023) 634 final Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the revision of the Strategic Energy Technology (SET) Plan

30 Currently all EU Member States, plus IS, NO and TR

31 https://cetpartnership.eu/

32 https://dutpartnership.eu/

33 Regulation (EU) 2018/1999. Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council, (OJ L 328, 21.12.2018, p. 1)

(64) ***The enabling of the green and digital transitions and of sustainable growth and competitiveness of the Union,*** the scaling up of ***[***European net-zero technology industries***' value and supply chains] and maintaining quality jobs in the Union, require*** significant additional skilled workers which implies important investment needs in re-skilling and upskilling, including in the field of vocational education and training. [redacted] . The energy transition will require a significant increase in the number of skilled workers in a range of sectors, including renewable energy and energy storage ***and raw materials***, and has a great potential for quality job creation. The skill needs for the fuel cell hydrogen sub-sector in manufacturing alone are estimated at 180.000 trained workers, technicians and engineers by the year 2030, according to the Commission's European Strategic Energy Technology Plan[34]. In the photo-voltaic solar energy sector, up to 66.000 jobs would be needed in manufacturing alone. ***It is therefore of utmost importance to make jobs in net zero technologies attractive and accessible and to tackle the current mismatch between the skills*** of workers and ***the needs of companies.***

[34] European Commission, Directorate-General for Research and Innovation, Joint Research Centre, The strategic energy technology (SET) plan, Publications Office, 2019, https://data.europa.eu/doi/10.2777/04888.

(65) Since strengthening the manufacturing capacity of key net-zero technologies in the Union will not be possible without a sizeable skilled workforce, it is necessary to introduce measures to boost the ***integration and*** activation of more people to the labour market, notably women***,*** young people not in employment, education or training (NEETs), ***people with a migrant background, older persons and persons with disabilities***. In addition, ***workers from third countries should be targeted as the Union only attracts a small share of qualified migrants. Also,*** in line with the objectives of the Council Recommendation on ensuring a fair transition towards climate-neutrality, specific support for job-to-job transition for workers in redundant and declining sectors are important. This means investing in skills ***for all, while at the same time, having a targeted approach towards vulnerable groups and regions in transition. The end objective should be the*** creation ***of quality jobs in the Union*** required for net-zero technologies in ***line with the targets for employment and training of the European Pillar of Social Rights, including fair and adequate wages, improving living and working conditions and ensuring safe and healthy workplaces as well as the right to quality life-long learning. In fact, skills and labour shortages might also be the result of unattractive jobs and poor working conditions. Therefore, improving job quality in sectors and companies with poor working conditions is also an important element to attract workers***. Building on and fully taking into account existing initiatives such as the EU Pact for Skills, EU level activities on skills intelligence and forecasting, such as by the European Centre for the Development of Vocational Training (Cedefop) and the European Labour Authority, and the Blueprints for sectoral cooperation on skills, the objective is to mobilise all actors ***to ensure relevance and increase the uptake of the training programmes***: Member States authorities, including at regional and local levels, education and training providers, social partners and industry, in particular SMEs, ***as well as all types of universities,*** to identify skills needs, develop education and training programmes and deploy these at large scale in a fast and operational manner. Net-zero strategic projects have a key role to play in this regard. Member States and the Commission ***should*** ensure ***relevant*** financial support including by leveraging the possibilities of the Union budget through instruments such as the European Social Fund Plus, ***InvestEU,*** Just Transition Fund, ***Horizon Europe,*** European Regional Development Funds, the Recovery and Resilience Facility, the Modernisation Fund, REPowerEU***,*** the Single Market Programme ***and the Strategic Technologies for Europe Platform (STEP)***.

The financial support should include seed-funding to be provided by the Commission to set up the Academies and to allow their functioning in view of becoming financially sustainable three years after their establishment, including by receiving financial contribution from the private sector.

(66) ▌ European Net-Zero Industry Academies should ***be launched to develop*** education and training ***programmes, content and materials, as well as the credentials indicating that a learning programme has been developed by one of*** the academies, ***to upskill and reskill people of all working ages*** required for ***key net-zero technology value chains and to offer these programmes, content and materials to appropriate*** education and training providers ▌ and other actors involved in up- and reskilling in the Member States ***for their voluntary use. The Academies*** should ***play a facilitating role, fully respecting the responsibility of the Member States for the content of teaching and the organisation of education systems and for the content and organisation of vocational training. In doing so, the Academies should contribute to the long-term objective of simultaneously reindustrialising and decarbonising the Union, responding to critical skills shortages, as well as contributing to its open strategic autonomy and addressing the need for Union-made net-zero technologies, by strengthening its ability to innovate and produce. Net-Zero Academies should be launched based on an assessment by the Commission of skills shortages, relying on existing and objective studies, in net-zero technology industries key for the industrial transformation and decarbonisation. Each Academy should develop an action plan setting out milestones and targets, including in terms of number of learners to be based on the assessment of skills shortages***.

(66a) The Academies should encourage that, next to other required skills, transversal skills facilitating occupational mobility are taught. The Academies should make their learning content available in different languages so that the learning programmes be accessed by a maximum of learners. They should train on all skills levels to the extent needed, thus targeting all levels of education and qualifications along the value chain of the concerned sectors. Education and training providers in the Member States may complement education and training content and materials developed by the academies with additional relevant information prepared at Member States' level and reflecting, for example, national law on labour and social rights, applicable collective agreements or territorial or sector-specific requirements, involving social and economic partners where relevant. The learning content should also target employees in national and local administrations (particularly responsible for permitting, impact assessment and regulations of new technologies), thus contributing to capacity building among national administrations and to a reduction of disparities among Member States.

(66b) In order to support skills transparency and portability and the mobility of workers, the European Net-Zero Industry Academies will develop and promote the deployment by education and training providers of credentials, including, if appropriate, micro-credentials covering learning achievements. The credentials developed by the European Net-Zero Industry Academies may be issued by the education and training providers in the Member States, or awarding bodies in the Member States, where an education and training programme developed by the Academies has been completed successfully. The credentials should be issued in the format of European digital credentials for learning and could be integrated in Europass and, where relevant and feasible, included in National Qualifications Frameworks. The European Employment Services (EURES), which provides information, advice and recruitment or placement for the benefit of workers and employers across the Union, can play a significant role in the publication of vacant positions related to net-zero technologies and, where appropriate, the deployment of European occupation profiles.

(66d) The Net-Zero Europe Platform should assist in guiding the work of the Academies ensuring that their content addresses the skills shortages identified in the Commission's assessment and providing general oversight. Member States should ensure that the appointed national representative can act as a bridge between the relevant national ministries and competent authorities of the Member States as well as the national social partners and industry representatives. The Net-Zero Europe Platform should monitor progress made by the different Academies, analyse the root causes of skills shortages and identify to what extent the deployment of the Academies' training programmes address skills shortages in net-zero technology industries and complement already existing training opportunities in net-zero technologies in the Member States. The Platform should report on the deployment of the learning programmes, including through a progress report to be delivered three years after the establishment of each Academy and specifying the number of learners benefiting from the Academies' programmes disaggregated by industrial sectors, gender, age, and levels of education and qualification.

(67) While in the absence of specific provisions introducing minimum training requirements for the access to a regulated profession or the pursuit thereof laid down in the Union law, it is a Member State's competence to decide whether and how to regulate a profession, national rules organizing access to regulated professions must not constitute an unjustified or disproportionate obstacle to the exercise of those fundamental rights. The competence to regulate access to a profession must be exercised within the limits of the principles of non-discrimination and proportionality, in accordance with Directive (EU) 2018/958 of the European Parliament and of the Council ▌. In their assessment**,** Member States should take into account any detrimental effects that regulation or professions may have on the availability of skills in the Net-Zero Industry and seek to limit the regulation in these fields to the maximum extent possible.

(68) Where ***Member States determine that*** the learning programmes developed by the European ***Net-Zero*** Industry Academies ***are equivalent to the specific qualifications required by the host Member State to*** access ***regulated activities within the scope of*** a profession ***with particular interest for the net-zero industry in that Member States***, Member States should, in ***the context of access to a regulated profession and in*** order to facilitate the mobility in strategic net-zero industry professions, ***treat*** these credentials as sufficient ***evidence of formal qualifications, according to Article 11 of Directive 2005/36/EC***.

(68a) The contribution of net-zero technologies to the decarbonisation objectives of the Union can materialise only when those technologies are deployed. Such a deployment, to an extent, is likely to happen in private households, but most decarbonisation is likely to come from decarbonising industrial processes. In order to ensure that investments for such decarbonisation take place in the Union, which is essential to secure quality jobs and prosperity in the Union as well as for fulfilling the Union's decarbonisation objectives, it is crucial that this Regulation contributes to an improvement of the investment climate for industry in the Union.

(69) At Union level, a Net-Zero Europe Platform, should be established, composed of the Member States and chaired by the Commission. The Net-Zero Europe Platform may advise and assist the Commission and Member States on specific questions and provide a reference body, in which the Commission and Member States coordinate their action and facilitate the exchange of information on issues relating to this Regulation. The Net-Zero Europe Platform should further perform the tasks outlined in the different Articles of this Regulation, notably in relation to permitting, including ***single points of contact***, Net-Zero Strategic Projects, coordination of financing, access to markets***, skills, net-zero regulatory sandboxes*** as well as ***assisting the Commission in assessing the feasibility and proportionality of proposing measures if the Commission concludes that the general objectives of this Regulation are not likely to be achieved***. Where necessary, the ***Net-Zero Europe*** Platform may establish standing or temporary subgroups and invite third parties, such as experts or representatives from net-zero industries.

(69a) ***Where appropriate and useful, the Net-Zero Europe Platform should seek close collaboration with other relevant Commission initiatives, platforms and groups, in order to seek synergies, share expertise, exchange information and foster stakeholder involvement, whilst avoiding duplication and overlaps. The Platform will engage with the existing EU industrial alliances, and thereby contribute to the work of the alliances by involving Member States. Key alliances for collaboration with the Platform are the European Battery Alliance, the European Solar Photovoltaic Industry Alliance, the European Clean Hydrogen Alliance, the Alliance for Zero-Emission Aviation, the Industrial Alliance on Processors and Semiconductor Technologies and the Renewable and Low-Carbon Fuels Value Chain Industrial Alliance. Sectors not currently represented in industrial alliances equally benefit from the structured framework that the Net-Zero Europe Platform provides. As regards net-zero strategic partnerships, close collaboration with the Critical Raw Materials Board is foreseen where relevant.***

(70) As part of the Green Deal Industrial Plan the Commission announced its intention to conclude Net-Zero Industrial Partnerships covering net-zero technologies, ***stepping up its efforts to join forces with partners committed to the Paris Agreement. Cooperation through such Partnerships is likely to promote the adoption of*** net-zero technologies globally***, to support mutually reinforcing partnerships between the Union and third countries, including sustainable investments and technical assistance. The Net-Zero Industrial Partnerships should be mutually beneficial for the Union and its partners, and should contribute to the achievement of global climate objectives. These Partnerships can also contribute to the diversification and resilience of the Union's supply of net-zero technologies and their components, enhance information sharing between the Union and its partners on the development of net-zero technologies and support Union's net-zero industries in accessing the global clean energy market, while supporting nascent industries in the field of*** clean energy ***technologies in third countries with clear comparative advantages***. The Commission and Member States may coordinate within the ***Net-Zero Europe*** Platform the Partnerships, discussing existing relevant partnerships and processes, such as green partnerships, energy dialogues and other forms of existing bilateral contractual arrangements, as well as potential synergies with relevant Member States' bilateral agreements with third countries.

(71) The Union should aim to diversify ***and stimulate*** international trade and investments in net-zero technologies ***building mutual reinforcing partnerships, while promoting*** globally high social***, labour*** and environmental standards***. This*** should be done in close cooperation and partnership with like-minded countries ***by means of existing agreements or new strategic engagements***. Similarly, stronger ***international cooperation on*** research and innovation efforts to develop and deploy net-zero technologies should be pursued in close cooperation with partner countries in an open ***and balanced manner, and based on reciprocity and mutual interests***.

(71b) In order to identify and mitigate potential supply risks related to net-zero technologies it should be possible to monitor, on an ongoing basis, indicators related to market trends, manufacturing capacities, innovation, employment and skills, permitting times of net-zero technologies, and CO2 injection capacities. However, currently there is not sufficient high quality data available to monitor these indicators. As the tasks stemming from this Regulation depend on the availability of quality data, it is necessary for the Commission to prioritise, in its monitoring, among the net-zero technologies based on their importance in the EU while working on the improvement of the availability of the data. The Commission will also work closely with Eurostat, the statistical authority of the Union, to develop common codes for net-zero technologies necessary for high-quality long-term reporting and statistics.

(72) Where the power to adopt acts in accordance with Article 290 of the Treaty ***of the Functioning of the European Union (TFEU)*** is delegated to the Commission under this Regulation, it is of particular importance that the Commission carries out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Inter-institutional Agreement on Better Law-Making of 13 April 2016[35]. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

(73) To the extent that any of the measures envisaged by the present Regulation constitute State aid, the provisions concerning such measures are without prejudice to the application of Articles 107 and 108 ***TFEU***.

(74) Since the objective of this Regulation cannot be sufficiently achieved by the Member States and can rather, by reason of the scale or effects of the action, be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

35 Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making (OJ L 123, 12.5.2016, p. 1).

HAVE ADOPTED THIS REGULATION:

Chapter I

Subject matter, scope and definitions

Article 1

Subject matter

1. ***The general objective of this Regulation is to improve the functioning of the internal market by establishing a framework throughout*** the Union ***in order 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 to safeguard their resilience while contributing to achieving*** the Union's ***climate targets and*** climate neutrality ***objective***, as defined by Regulation (EU) 2021/1119, ***in view of the decarbonisation of the Union's economy and society, and by contributing to quality jobs in net zero technologies, and thereby also improving the competitiveness of the Union***.

2. ***To contribute to achieving*** the general objective referred to in paragraph 1, this Regulation contains measures ***aimed at***

   a) ***lowering the risk of supply disruptions related to net-zero technologies likely to distort competition and fragment the internal market, in particular by identifying and supporting the scale-up of the manufacturing capacity of net-zero technologies and their supply chains***;

   (aa) establishing a Union market for CO2 storage services.

   b) ***encouraging demand for sustainable and resilient net-zero*** technologies ***through public procurement, auctioning and other forms of public interventions;***

   (ba) enhancing skills through the support of net-zero academies, thereby safeguarding and creating quality jobs;

(bb) supporting innovation through the creation of net-zero regulatory sandboxes, coordination of research and innovation activities through the Strategic Energy Technologies Plan Steering Group, as well as through the use of pre-commercial procurement and public procurement of innovative solutions;

(bc) improving the Union's ability to monitor and mitigate the supply risk related to net-zero technologies.

3. ▌

Article 2

Scope

1. ***With the exception of*** Articles 26 and 27 of this Regulation, which apply to ***innovative net-zero technologies, this Regulation applies to*** net-zero technologies***, as defined in Article 3(1)(a). Critical raw materials*** falling under the scope of Regulation (EU) …/… [add footnote with publication references of the Critical Raw Materials Regulation] shall be excluded from the scope of this Regulation.

In cases of integrated production facilities that cover production of materials falling both under the scope of the [Critical Raw Materials Act] and this Regulation, it shall be the facilities' final product that determines which Regulation applies.

2. ***This Regulation shall apply to energy intensive industry decarbonisation projects when those are part of the supply chain of a net-zero technology and reduce emission rates of CO2-eq of industrial processes significantly and permanently to an extent which is technically feasible, except for Articles 3c, 19, 20 and 21.***

Article 3

Definitions

1. For the purpose of this Regulation, the following definitions shall apply:

(-b) ***'***net-zero technologies' means ***all*** technologies ***identified under Article 3a, which are*** final products, specific components ***or*** specific machinery primarily used for the production of those products***;***

(b) 'component' means a ▌ part of a net-zero technology ***final product*** that is manufactured and traded by a company***, including*** processed materials;

(-ca) 'renewable energy technologies' means technologies producing energy from 'renewable sources' as defined in Directive (EU) 2018/2001;

(-cb) 'energy from renewable sources' as defined in Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources;

(-f) 'energy storage' means electricity and thermal storage as well as other forms of storage that are used to store fossil-free energy.

(bb) 'renewable fuels of non-biological origin' means renewable fuels of non-biological origin as defined by [Art. XX RED II Revision];

(bc) 'sustainable alternative fuels' means fuels destined for the aviation sector referred to in Article 3(7), 3(13) and 3(17) of the [Refuel Aviation Regulation] or fuels destined for the maritime sector as identified in applying the criteria defined in Articles 10(1) and 10(2) of the [FuelEU Maritime Regulation];

(bd) 'transformative industrial technologies for decarbonisation' means the scaling up of manufacturing capacity for transformative industrial technologies that are used to significantly and permanently reduce emission rates of CO2-eq of a commercial facility of an energy-intensive business, as defined by Article 17(1)a of Council Directive 2003/96/EC, in the steel, aluminium, non-ferrous metals, chemicals, cement, lime, glass, ceramics, fertilisers, as well as pulp and paper sectors to the extent which is technically feasible;

(-j) 'Biotech climate and energy solutions' means technologies anchored in the use of microorganisms, or biological molecules, such as enzymes, resins or biopolymers, able to reduce CO2 emissions by replacing energy-intensive fossil or chemical-based inputs in industrial manufacturing processes relevant for inter alia carbon capture, production of biofuels and production of bio-based materials, in line with the circular economy principles;

(-k) primarily used' means final products and specific components which are essential for the production of net-zero technologies, as set out in Annex X, or final products, specific components and specific machinery which are essential for the production of net-zero technologies based on evidence provided to a national competent authority by the project promoter, with the exception of energy intensive industry decarbonisation projects for which such evidence is not required;

(-l) processed material' means a material that has been processed in such a way to be suitable for a specific function in a net-zero technology supply chain, excluding critical raw materials falling under CRMA;

(c) 'innovative net-zero technologies' means technologies which satisfy the definition of 'net-zero technologies', ▌ and that comprise genuine innovation which are not currently available on the market and are advanced enough to be tested in a controlled environment.

(ca) 'other innovative technologies' means energy or climate related technologies with proven potential to contribute to decarbonisation of industrial or energy systems and reduce strategic dependencies, which comprise genuine innovation not currently available on the European market and which are advanced enough to be tested in a controlled environment;

(cd) 'pre-commercial procurement' means the procurement of net-zero technologies in a pre-commercial phase involving risk-benefit sharing under market conditions, and competitive development in phases;

(ce) 'public procurement of innovative solutions' means procurement for which contracting authorities act as a launch customer for net-zero technologies, which may include conformity testing;

(d) 'net-zero technology manufacturing project' means a planned ***commercial*** facility or ***an*** extension or repurposing of an existing facility ***to manufacture*** net-zero technologies***, or an energy intensive industry decarbonisation project***;

(da) 'energy intensive industry decarbonisation projects' means the construction or conversion of a commercial facility of an energy-intensive business as defined by Article 17(1)a of the Council Directive 2003/96/EC in the steel, aluminium, non-ferrous metals, chemicals, cement, lime, glass, ceramics, fertilisers, pulp and paper sectors, and which is part of the supply chain of a net-zero technology, and which have to reduce emission rates of CO2-eq of industrial processes significantly and permanently to an extent which is technically feasible.

(e) 'net-zero strategic project' means a net-zero technology manufacturing project***, CO_2 capture project, CO_2 storage project, or CO_2 transport infrastructure project*** located in the Union that ***a Member State has recognised as a net-zero strategic project in accordance with Articles 10 and 11***;

(f) 'permit granting process' means a process covering all relevant ▌ permits to ***build, expand, convert,*** and operate net-zero technology manufacturing projects ***and strategic projects***, including building, chemical and grid connection permits***,*** environmental assessments and authorisations where ***those*** are required, and encompassing all ▌ applications and procedures from the ***acknowledgement that the application is complete*** to the notification of the comprehensive decision on the outcome of the procedure by the ***single point of contact concerned.***
For CO2 geological storage, the permit granting process refers to the storage permit granting process, which concerns processing of all necessary for surface installations requested to operate a storage site (building permit, pipes authorisation…) and the environmental authorisation for the injection and storage of CO2 completed in accordance with Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide and amending Council Directive 85/337/EEC, European Parliament and Council Directives 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC, 2008/1/EC and Regulation (EC) No 1013/2006;

(g) 'comprehensive decision' means the decision or set of decisions taken by Member State authorities ▌ that determines whether or not a project promoter is authorised to implement a net-zero technology manufacturing project, without prejudice to any decision taken in the context of an ▌ appeal procedure;

(h) 'project promoter' means any undertaking or consortium of undertakings developing a net-zero technology manufacturing project or a net-zero strategic project;

(i) 'net-zero regulatory sandbox' means a scheme that enables undertakings to test innovative net-zero technologies ***and other innovative technologies*** in a controlled real-world environment, under a specific plan, developed and monitored by a competent authority***;***

(l) ‘public procurement procedure’ means any of the following:

(i) any type of award procedure covered by Directive 2014/24/EU for the conclusion of a public contract or Directive 2014/25/EU for the conclusion of a supply, works and service contract;

(ii) a procedure for the award of works or a service concession covered by Directive 2014/23/EU;

(m) ‘contracting authority’ in the context of public procurement procedures, means contracting authority as defined in Article 6 of Directive 2014/23/EU, Article 2(1), point (1) of Directive 2014/24/EU and Article 3 of Directive 2014/25/EU;

(n) ‘contracting entity’ in the context of public procurement procedures, means contracting entity as defined in, Article 7 of Directive 2014/23/EU and Article 4 of Directive 2014/25/EU;

(o) ‘contract’, in the context of public procurement procedures, means a public contract as defined in Article 2(1), point (5) of Directive 2014/24/EU, ‘contracts’ as defined in ‘supply, works and service contracts’ as defined in Article 2, point (1), of Directive 2014/25/EU, and ‘concessions’ as defined in Article 5, point (1), of Directive 2014/23/EU;

(p) ‘auction’ means a mechanism for competitive tendering procedures ***to support the production or consumption of energy from renewable sources, not falling under Directives*** 2014/23/EU***, 2014/24/EU, 2014/25/EU and 2009/81/EC***;

(q) ‘***CO_2*** injection capacity’ means the annual amount of ***CO_2*** that can be injected in an operational geological storage site, permitted under Directive 2009/31/EC, with the purpose to reduce emissions or increase carbon removals, in particular from large scale industrial installations and which is measured in tonnes per annum;

(qa) 'CO₂ transport infrastructure' means a CO2 transport network as defined in Directive 2009(31), as well as any ships, road or rail transport modes, including liquefaction devices and temporary storage facilities if needed, for the transport of CO₂ to the harbour facilities and storage site;

(r) 'energy system integration' means solutions for the planning and operating of the energy system as a whole, across multiple energy carriers, infrastructures, and consumption sectors, by creating stronger links between them with the objective of delivering fossil-free, ***flexible,*** reliable and resource-efficient energy services, at the least possible cost for society***, economy and the environment;***

(ra) 'Net-Zero Industrial Partnerships' means a commitment between the Union and a third country to increase cooperation related to the net zero technologies that is established through a non-binding instrument setting out concrete actions of mutual interest.

(rb) 'first-of-a-kind' means a new or substantially upgraded net zero technology facility which provides innovation with regard to the manufacturing process of the net-zero technology that is not yet substantively present or committed to be built within the Union;

(s) 'manufacturing capacity' means the total amount of output capacity of the net-zero technologies produced in a manufacturing project. If the manufacturing project does not produce final products but specific components or specific machinery primarily used for the production of such products, then manufacturing capacity refers to output capacity of the final product that would use such components or specific machinery to be produced.

Article 3a

List of net-zero technologies

1. The net-zero technologies within the scope of this Regulation shall be:

(a) Solar technologies, including: solar photovoltaic, solar thermal electric and solar thermal technologies;

(b) onshore wind and offshore renewable technologies;

(c) battery and energy storage technologies;

(d) heat pumps and geothermal energy technologies;

(e) hydrogen technologies, including electrolysers and fuel cells

(f) sustainable biogas and biomethane technologies

(g) carbon capture and storage technologies

(h) electricity grid technologies, including electric charging technologies for transportation and technologies to digitalise the grid

(i) nuclear fission energy technologies, including nuclear fuel cycle technologies;

(j) sustainable alternative fuels technologies

(k) hydropower technologies;

(l) renewable energy technologies, not covered under the previous categories;

(m) energy system-related energy efficiency technologies, including heat grid technologies;

(n) renewable fuels of non-biological origin technologies;

(o) biotech climate and energy solutions;

(p) transformative industrial technologies for decarbonisation not covered under the previous categories;

(q) CO_2 transport and utilization technologies;

(r) wind propulsion and electric propulsion technologies for transportation;

(s) nuclear technologies not covered under previous categories.

2. The list in paragraph 1 is without prejudice to a Member State's right to determine its choice between different energy sources and the general structure of its energy supply.

3. The list in paragraph 1 is without prejudice to the allocation of Union funding, in particular on eligibility or award criteria, as adopted in accordance with the appropriate procedures, or on Union support through the European Investment Bank.

Chapter II

Enabling conditions for net-zero technology manufacturing

SECTION -I.

BENCHMARK

Article 3c

Benchmark

1. The Commission and Member States shall support net-zero manufacturing projects in accordance with this Chapter in order to ensure the reduction of strategic dependencies in the Union of the net-zero technologies and their supply chains by reaching a manufacturing capacity for those technologies of:

(a) a benchmark of at least 40% of the Union's annual deployment needs for the corresponding technologies necessary to achieve the Union's 2030 climate and energy targets;

(b) an increased Union's share for the corresponding technologies with a view to reach 15 % of world production by 2040, based on the monitoring pursuant to Article 31, except where the increased Union's manufacturing capacity would be significantly higher than the Union's deployment needs for the corresponding technologies necessary to achieve the Union's 2040 climate and energy targets.

SECTION I.

STREAMLINING ADMINISTRATIVE AND PERMIT-GRANTING PROCESSES

Article 4

Single point of contact

1. By ***6*** months after the date of entry into force of this Regulation ▌, Member States shall designate one ***or more contact points at relevant levels of Member State administration. Each designated contact point*** shall be responsible for facilitating and coordinating the permit-granting process for net-zero technology manufacturing projects, including for net-zero strategic projects, and ***providing information on streamlining the*** administrative ***process*** in line with Article 5***, including information on when an application is considered to be complete according to Article 6(6)***.

1a. In case of multiple designated contact points, Member States shall provide tools to help project promoters identify the appropriate designated contact point on the online web page set up in accordance with Article 5.

2. The ***designated contact point*** shall be the sole point of contact for the project promoter in the permit-granting process ***for a net-zero technology manufacturing project, including a net-zero strategic*** project***. The designated contact point*** shall coordinate ***and facilitate*** the submission of all relevant documents and information ***as well as notify the project promoter on the outcome of the comprehensive decision***.

3. ▌

(a) ▌

(b) ▌

(c) ▌

4. Project promoters shall be allowed to submit any documents relevant to the permit-granting process in electronic form.

5. ***The*** competent ***authorities*** shall ***ensure that any relevant*** studies***,*** permits or authorisations issued ***or conducted*** for a given project ***are taken into account and that no*** duplicate studies***,*** permits or authorisations ***are required***, unless otherwise required under ***national or*** Union law.

6. ***Member States*** shall ensure that applicants have easy access to information on and ▌ procedures for the settlement of disputes concerning the permit-granting process ▌ including, where applicable, alternative dispute resolution mechanisms***, if such procedures are provided by national law***.

7. Member States shall ensure that the ***designated contact point and all*** competent ***authorities*** responsible for ***any step along the*** permit-granting processes, including all procedural steps, ***have*** a sufficient number of qualified staff and sufficient financial, technical and technological resources necessary, including***, where appropriate,*** for up- and re-skilling, for the effective performance of its tasks under this Regulation.

8. The Platform referred to in Article 28 and 29 shall periodically discuss the implementation of this Section and Articles 12 and 13 and share best-practices for organising ***designated contact points***.

8b. ***The national competent authorities shall specify and make available to the designated contact point, the requirements and extent of information requested of a project promoter before the permit-granting process commences.***

Article 5

Online accessibility of information

Member States shall provide ***access to*** the following information on [redacted] processes relevant to net-zero technology manufacturing projects, including net zero strategic projects, online and in a centralised and easily accessible manner:

(-a) the designated contact points referred to in Article 4 paragraph 1;

(a) the permit-granting process***, including information on dispute settlement***;

(b) financing and investment services;

(c) funding possibilities at Union or Member State level;

(d) business support services, including but not limited to corporate tax declaration, local tax laws, labour law.

Article 5a

Accelerating implementation

2. ***Member States shall provide administrative support to net-zero technology manufacturing projects located on their territory, to facilitate their timely and effective implementation, paying particular attention to SMEs involved in the projects, including by providing:***

(a) assistance to comply with applicable administrative and reporting obligations;

(b) assistance to project promoters to inform the public with an aim to increase the public acceptance of the project;

(c) assistance to project promoters along the permit-granting process, in particular for SMEs.

Article 6

Duration of the permit-granting process

1. The permit-granting process for net-zero technology manufacturing projects shall not exceed any of the following time limits:

   (a) 12 months for the construction ***or expansion*** of net-zero technology manufacturing projects with a yearly manufacturing capacity of less than 1 GW;

   (b) 18 months for the construction ***or expansion*** of net-zero technology manufacturing projects, with a yearly manufacturing capacity of ▌ 1 GW ***or more***.

2. For net-zero technology manufacturing projects for which a yearly manufacturing capacity is not measured in GW, the permit-granting process shall not exceed a time limit of 18 months.

2a. In cases where energy intensive industry decarbonisation projects, including when recognized as strategic projects, require the construction of several facilities or units in one site, the project promoter and the designated single point of contact may agree on splitting the project into several smaller projects for the purpose of complying with the applicable time-limits.

2b. Where an environmental impact assessment is required pursuant to Directive 2011/92/EU, the steps of the assessment referred to in Article 1 (2)(g) (i) of that Directive shall not be included in the duration for permit granting process referred to in paragraphs 1 and 2.

3. ***Where the consultation according to article 1(2)(g)(ii) of Directive 2011/92/EU results in the need to supplement the environmental impact assessment report with additional information, the designated contact point*** referred to in ***Article 4(1) may give the project promoter the opportunity to submit additional information. In such case, the designated contact point shall notify the project promotor when the additional information is due, which*** shall be ***in no less than 30 days after the notification. The period as from the date the additional information is due until the submission of that information shall not be counted towards the duration of the permit granting process referred to in paragraphs 1 and 2***.

4. In exceptional cases, where the nature, complexity, location or size of the proposed ***net-zero technology manufacturing project or net-zero strategic*** project so requires, ***a Member State may once*** extend the time limits referred to in ***Articles 6(1), 6(2), 6(4a) 13(1) and 13(2)*** by a maximum of ***3 months*** before their expiry and on a case-by-case basis.

4a. Where ***a Member State considers*** that the proposed ***net-zero technology manufacturing project or net-zero strategic*** project raises exceptional risks for the health and safety of workers or of the general population, and where additional time is necessary to establish that ***measures to address identifiable risks*** are put in place, ***it*** may extend those time limits by ***6 months, within*** 6 months ***from the start of the permit granting process***.

5. ***In the*** event ***of application of paragraph 4 and/or 4a of this Article, the designated contact point*** shall inform the project promoter of the reasons for the extension and of the date when the comprehensive decision is expected in writing.

5a. ***The designated contact point referred to in Article 4(1) shall notify the project promotor when the environmental impact assessment report referred in Article 5(1) of Directive 2011/92/EU is due, taking into account the organisation of the permit granting process in the relevant Member State and the need to allow sufficient time to assess the report. The period as from the date the environmental impact report is due until the submission of that report shall not be counted towards the duration of the permit granting process referred to in paragraphs 1 and 2.***

6. No later than ***45 days of*** following the receipt of the permit-granting application, ***the single point of contact concerned referred to in Article 4(1)*** shall ***acknowledge that*** the application ***is complete*** or, if the project promoter has not sent all the information required to process ***the*** application, request the project promoter to submit a complete application ***without undue delay, detailing which information is missing.***
In case the submitted application is deemed incomplete a second time, the designated contact point may within ***30 days make a second*** request ***for information. The designated contact point shall not request information in areas not covered in the first request for additional information and may only request further evidence to complete the identified missing information. The*** date of the acknowledgement of the ***completeness*** of the application ***from the designated contact point*** referred to in Article 4(1) shall serve as the start of the permit granting process ***for that particular application***.

7. No later than ***two months*** following the date of the ***receipt*** of the application, the ***designated contact point*** shall draw up, in close cooperation with ▌ other authorities concerned, a detailed schedule for the permit granting process. ***This schedule shall start from the moment of acknowledgement of the completeness of the application by the Member State.*** The schedule shall be published by the national competent authority referred to in Article 4(1) on a free access website.

8. The time limits set in ***Articles 6 and 13*** shall be without prejudice to obligations arising from Union and international law, and without prejudice to administrative appeal procedures and judicial remedies before a court or tribunal.

9. The time limits set in ***Articles 6 and 13*** for any of the permit granting procedures shall be without prejudice to any shorter time limits set by Member States.

Article 7

Environmental assessments and *authorisation*

1. Where an environmental impact assessment ***is required*** in accordance with Articles 5 to 9 of Directive 2011/92/EU, the project promoter concerned ***may*** request***, before submitting the application,*** an opinion to the ***designated point of single contact*** on the scope and level of detail of the information to be included in the environmental impact assessment report pursuant to Article 5(1) of that Directive.
The designated point of single contact shall ensure that the opinion referred to in the first subparagraph is issued as soon as possible and within a period of time not exceeding ***45*** days from the date on which the project promoter submitted its request.

2. Where the obligation to assess the effects on the environment arises simultaneously from ***Council*** Directive 92/43/EEC, ***Directives*** 2000/60/EC, ▌ 2001/42/EC ▌ , ▌ 2008/98/EC***, 2009/147/EC 2010/75/EU, 2011/92/EU or*** 2012/18/EU of the European Parliament and the Council ▌ , the ***Member State*** shall ***ensure that a*** coordinated or joint procedures fulfilling ***all*** the requirements of that Union legislation ***is applied***.

Under the coordinated procedure referred to in the first subparagraph, ***a*** competent authority shall coordinate the various individual assessments of the environmental impact of a particular project required by the applicable Union legislation.

Under the joint procedure referred to in the first subparagraph, ***a*** competent authority shall provide for a single assessment of the environmental impact of a particular project required by the applicable Union legislation. ***The application of the joint or coordinated procedure shall not affect the content of the environmental impact assessment.***

3. The ***Member State*** shall ensure that the authorities concerned issue a reasoned conclusion as referred to in Article 1(2), point (g)(iv) of Directive 2011/92/EU on the environmental impact assessment ***and that such reasoned conclusion shall be issued*** within ***90 days*** of receiving all necessary information gathered pursuant to Articles 5, 6 and 7 of that Directive and completing the consultations referred to in Articles 6 and 7 of that Directive.

3a. ***In exceptional cases, where the nature, complexity, location or size of the proposed project so require, the competent authority may extend the time limit referred to in paragraph 3 of this Article by a maximum of 20 days, before its expiry and on a case-by-case basis. In that event, the point of single contact referred in Article 4(1) shall inform the project promoter of the reasons justifying the extension and of the date when the reasoned conclusion is expected in writing.***

4. The timeframes for consulting the public concerned ***as referred to in Article 1(2)(e) of Directive 2011/92/EU and authorities referred to in Article 6(1) of that Directive*** on the environmental report referred to in Article 5(1) of ***that Directive*** shall not be longer than ***85 days and not shorter than 30 days*** in ***accordance with article 6(7) of the above-mentioned Directive.***
In cases falling under the second sub-paragraph of Article 6(4), this period shall be extended to ***a maximum of*** 90 days ***on a case-by-case basis***.

4a. ***The Member States shall ensure that their national competent authorities and other authorities pursuant to Article 6(1) of Directive 2011/92/EU have a sufficient number of qualified staff and sufficient financial, technical and technological resources necessary to fulfil its obligations under this Article.***

Article 8

Planning

1. ***National, regional and local authorities responsible for*** preparing plans, including zoning, spatial plans and land use plans, ***shall consider including in such plans***, where appropriate, provisions for the development of net-zero technology manufacturing projects, including net-zero strategic projects ***and, where appropriate, net-zero industry acceleration valleys, as well as the necessary infrastructure. In doing so,*** priority shall be given to artificial and built surfaces, industrial sites ***and*** brownfield sites***. To facilitate the development of net-zero technology manufacturing projects, the Member States shall ensure that all relevant spatial planning data is available online in accordance with Article 5***.

2. Where plans include provisions for the development of net-zero technology manufacturing projects, including net-zero strategic projects, ***and their required infrastructure,*** are subject to an assessment pursuant to Directive 2001/42/EC and pursuant to Article 6 of Directive 92/43/EEC, those assessments shall be combined. Where ***applicable***, that combined assessment shall also address the impact on potentially affected water bodies ***referred to in Directive 2000/60/EC. Where relevant, Member States are required to assess the impacts of existing and future activities on the marine environment, including land-sea interactions, as*** referred to in Article 4 of Directive ***2014/89/EU, these impacts shall also be covered by the combined assessment***. ***The fact that assessments are combined pursuant to this paragraph shall not affect their content or quality. Combined assessments shall be conducted in such a way that it does not lead to a prolongation of the time limits set out in this Regulation***.

Article 9

Applicability of UNECE Conventions

1. The provisions set out in this Regulation are without prejudice to the obligations under the United Nations Economic Commission for Europe (UNECE) Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters, signed at Aarhus on 25 June 1998, and under the UNECE Convention on environmental impact assessment in a transboundary context, signed at Espoo on 25 February 1991 ***and its Protocol on Strategic Environmental Assessment, signed in Kyiv on 21 May 2003***.

2. All decisions adopted pursuant to this Section and Articles 12***, 13, 14 and 21*** shall be made publicly available ***in an easily understandable manner and all decisions concerning one project shall be available at the same website***.

SECTION II

NET-ZERO STRATEGIC PROJECTS

Article 10

Selection criteria

1. Member States shall recognise as net-zero strategic projects net-zero technology manufacturing projects ▌ located in the Union that contributes to the realisation of the objectives set out in Article 1 of this Regulation ***including contributing to the Union's climate or energy targets*** and meet at least one of the following criteria:

(a) the net-zero technology manufacturing project contributes to the technological and industrial resilience of the Union's ***net-zero technologies*** by increasing the manufacturing capacity of a component or ***a segment of*** the net-zero technology ***supply*** chain ***by:***

(i) adding manufacturing capacity in the Union for a net-zero technology, for which the Union depends for more than 50% on imports coming from third countries; or

(ii) adding significant manufacturing capacity by making a substantive contribution to the 2030 climate or energy objectives of the Union; or

(iii) adding manufacturing capacity or updating existing manufacturing capacity in the Union for a net-zero technology, of which the Union's manufacturing capacity represents a significant share of world production and which plays a crucial role in the resilience of the EU;

(b) the net-zero technology manufacturing project has ***a clear*** positive impact on the Union's net-zero industry supply chain or downstream sectors ***by providing European net-zero industries with access*** to the ***best available net-zero technology or to products produced in a first-of-a-kind manufacturing facility, as well as complies with at least one*** of the following criteria:

(i) ▌

(ii) ***putting into place measures to attract, retain, upskill or reskill a workforce required for net-zero*** technologies***, including through apprenticeships, traineeships, continuing education and training in close cooperation with regional and local authorities, education and training institutions, and social partners including trade unions***;

(iii) ***contributing to the competitiveness of SMEs as part of the supply chain of net zero technologies***

(iv) ▌

(ba) the project contributes to reaching the Union's climate or energy objectives by manufacturing net-zero technologies through practices that implement improved environmental sustainability and performance or circularity features, including comprehensive low-carbon, energy, water or material efficiency and practices that significantly and permanently reduce emission rates of CO2-eq;

(1a) By ... [8 months from the date of entry into force of this Regulation], the Commission shall adopt an implementing act in accordance with the examination procedure referred to in Article 34(3) setting out guidelines ensuring uniform conditions for the implementation of the criteria listed in this Article. Those guidelines shall at least include specific guidance on the criteria to be used to assess:

(b) whether added manufacturing capacity concerns first-of-a-kind or best available technology manufacturing capacity;

(c) whether the additional manufacturing capacity can be considered to be significant.

2. Member States shall recognise ***the following*** as net-zero strategic projects ▌ :

(a) the ***CO_2*** storage site is located in the territory of the Union, its exclusive economic zones or on its continental shelf within the meaning of the United Nations Convention on the Law of the Sea (UNCLOS)***, as well as any related CO_2 capture projects and CO_2 infrastructure projects necessary for the transport of captured CO_2 to the CO_2 storage site.***

(b) the CO_2 storage project contributes to reaching the objective set out in Article ***16***;

(c) the CO_2 storage project has applied for a permit for the safe and permanent geological storage of CO_2 in accordance with Directive 2009/31/EC.

3. Net-zero technology manufacturing projects corresponding to a technology ***as defined in Article 3(1), point (aa),*** located in 'less developed and transition regions' and Just Transition Fund Territories and eligible for funding under cohesion policy rules, shall be***, after the award procedure has been completed,*** recognised by Member States as net-zero strategic projects under Article 11(3) upon ***written*** request of the project promoter without the project promoter having to submit a formal application under Article 11(2).

4. A net-zero technology manufacturing project located in the Union that contributes to the realisation of the objectives set out in Article 1(1) and that either benefits from the ETS Innovation Fund, or is part of Important Projects of Common European Interest, European Hydrogen Valleys, or of the Hydrogen Bank, when the funds support investment in manufacturing capacities ▌ , shall be recognised by Member States as net-zero strategic project under Article 11(3) upon request of the project promoter without the project promoter having to submit a formal application under Article 11(2).

4a. Where a net-zero strategic project contributes to a value chain for a technology that a Member State does not accept as part of the general structure of its energy supply, the Member State may refuse to grant the project status. If there are net-zero technologies for which a Member State intends not to recognise projects as Strategic Projects, the Member State shall communicate this as soon as possible and publicly.

Article 11

Application and recognition

1. Applications for recognition of net-zero technology ***manufacturing*** projects as net-zero strategic projects shall be submitted by the project promoter to the relevant Member State.

2. The application referred to in paragraph 1 shall contain all of the following:

   (a) relevant evidence related to the fulfilment of the criteria laid down in Article 10(1) or (2);

   (b) a business plan evaluating the financial viability of the project consistent with the objective of creating quality jobs.

   (ba) a first estimation of a timetable for the project, in order to estimate when the project would be able to contribute to the Unions manufacturing capacity benchmark in Article 3c or Union level objective of CO_2 injection capacity in Article 16.

   (bb) The Commission shall provide a pre-set form to submit the applications referred to in paragraph 1.

3. Member States shall assess the application referred to in paragraph 1 through a fair and transparent process within a month ***of the receipt of the complete application. If the project promoter has not sent all the relevant and complete information required to process an application, the*** Member ***State shall request, once only, that the project promoter submit complementary information without undue delay, in order to reach a complete application. The date of the acknowledgement of the completeness of the submission*** shall ***serve as the start*** of the ***assessment process. The decision resulting from this process shall be reasoned and shall be communicated to the*** project ***promoter and the Platform***.

3a. If there is no decision within the timeframe in paragraph 3, the project promoter may notify the Member State and request without undue delay that the Member State provides the project promoter with an updated deadline, which can be no longer than 30 days after the original deadline.

4. The Commission may provide its opinion on the approved ***net-zero strategic*** projects. In the case of a rejection of the application by a Member State, the applicant shall have the right to submit the application to the Commission, which shall assess the application within 20 working days. ***The Commission's assessment is without prejudice to the Member State's decision.***

5. Where the Commission, following its assessment in accordance with paragraph 4, confirms the rejection of the application by the Member State, it shall notify the applicant of its conclusion in the form of a letter. Where the Commission differs in its assessment from the Member State, the ***Platform as established in Article 28*** shall discuss the project in question.

6. Where the Commission or a Member State finds that a net-zero strategic project has undergone substantial changes or that it no longer fulfils the criteria set out in Article ***10***, or where its recognition was based on an application containing incorrect information, it shall inform the project promoter concerned. After hearing the project promoter, the Member State may repeal the decision granting a project the status of net-zero strategic project.

7. Projects which are no longer recognised as net-zero strategic project shall lose all rights connected to that status under this Regulation.

8. The Commission shall set up and maintain an openly available registry of net-zero strategic projects.

Article 12

Priority status of net-zero strategic projects

1. Project promoters and all authorities ***concerned*** shall ensure that for net-zero strategic projects ***the relevant*** processes are treated in the most rapid way possible in accordance with Union and national law.

2. Without prejudice to obligations provided for in Union law, ***when a project is granted the status of net-zero strategic project,*** Member States shall grant net-zero strategic projects the status of the highest national significance possible, where such a status exists in national law, and be treated accordingly in the permit-granting processes including those relating to environmental assessments and ***where data is available***, to spatial planning.

3. Net-zero strategic projects shall be considered to contribute to the security of supply of strategic net-zero technologies in the Union and therefore to be in the public interest. With regard to the environmental impacts ***or obligations*** addressed in Articles 6(4) and 16(1) ▌ of Directive 92/43/EEC, Article 4(7) of Directive 2000/60/EC and Article 9(1)(a) of Directive 2009/147/EC ***and Article 4(14) and (15) [of the Nature Restoration Regulation,]*** net-zero strategic projects in the Union shall be considered as being of public interest and may be considered as having an overriding public interest ***and serving the interests of public health and safety*** provided that all the conditions set out in those ***acts*** are fulfilled.

4. All dispute resolution procedures, litigation, appeals and judicial remedies related to net-zero strategic projects in front of any national courts, tribunals, panels, including mediation or arbitration, where they exist in national law, shall be treated as urgent, if and to the extent to which national law ***concerning permit granting processes*** provides for such urgency procedures and provided that the normally applicable rights of defence of individuals or of local communities would be respected Project promoters of net-zero strategic projects shall participate in such urgency procedure, where applicable.

Article 13

Duration of the permit-granting process for net-zero strategic projects

1. The permit-granting process for net-zero strategic projects shall not exceed any of the following time limits:

   (a) 9 months for the construction ***or expansion*** of net-zero strategic projects with a yearly manufacturing capacity of less than 1 GW;

   (b) 12 months for the construction ***or expansion*** of net-zero strategic projects, with a yearly manufacturing capacity of ***1 GW or more;***

   (c) 18 months for all necessary permits to operate a storage site in accordance with Directive 2009/31/EC.

2. For net-zero strategic technologies for which a yearly manufacturing capacity is not measured in GW, the permit-granting process shall not exceed a time limit of 12 months.

3. ▌

3a. Where an environmental impact assessment is required pursuant to Directive 2011/92/EU, the steps of the assessment referred to in Article 1 (2)(g) (i) of that Directive shall not be included in the duration for permit granting process referred to in paragraphs 1 and 2.

Article 13a

Net-zero Acceleration Valleys

1. Member States may decide to designate Net-Zero Acceleration Valleys as specific areas to accelerate net-zero industrial activities, in particular to accelerate the implementation of net-zero technology manufacturing projects, including net-zero strategic projects or clusters thereof, and/or to test innovative net-zero technologies.The objectives of the Valleys shall be to create clusters of net-zero industrial activity and further streamline administrative procedures.

2. The decision referred to in paragraph 1 shall:

(a) define a clear geographic and technology scope for the Net Zero Acceleration Valleys,

(b) take into account areas that include artificial and built surfaces, industrial sites, and brownfield sites;

(c) be subject to an environmental assessment pursuant to Directive 2001/42/EC of the European Parliament and of the Council, and, where applicable, to an assessment pursuant to Article 6(3) of Directive 92/43/EEC. To the extent possible, the results of those assessments shall facilitate the preparation of net-zero technology manufacturing projects or strategic projects in view of meeting the objectives of this Regulation and to avoid duplication of assessments: This provision is without prejudice to compliance of individual projects with applicable Union environmental legislation;

(d) ensure synergies, where possible, with the designation of renewables acceleration areas as established under Directive EU/2023/2413.

4. A decision by a Member State to designate a Net Zero Acceleration Valley shall be accompanied by a plan setting out concrete national measures to increase its attractiveness as a location for manufacturing activities, including at least the following economic and administrative support schemes to:

(a) facilitate the development of the necessary infrastructure in the Valley;

(b) support private investments in the Valley;

(c) achieve the adequate reskilling and upskilling of the local workforce;

(d) make information about the Net Zero Acceleration Valley accessible online in accordance with Article 5 of this Regulation.

5. Public investments aimed at setting up Valleys, at equipping Valleys with appropriate infrastructure, converting brownfield sites and developing the adequacy of the local skills pool may benefit, where appropriate, from the maximum co-financing rates under Regulation 2021/1058, Regulation 2021/1056 and Regulation 2021/1057.

Article 13b

Permitting under Net Zero Acceleration Valleys

1. The provisions provided in sections 1 and 2 shall apply to individual projects in Net Zero Acceleration Valleys. A Single Point of Contact, as referred to in Article 4(1), shall be designated for each Net Zero Acceleration Valley.

2. In view of avoiding duplication of assessments, when issuing the opinion under Article 7(1), the competent authority shall take into account the results of the assessments undertaken under Article 13a point 2(c).

3. ***The Single Point of Contact shall make available to project promoters templates indicating the specific permits needed for projects in the Net Zero Acceleration Areas. These templates shall also include information on any features of the project and measures envisaged to avoid or prevent significant adverse effects on the environment in order to ensure that only projects with significant environmental impacts are subject to an assessment under Directive 2011/92/EU and facilitate the determination by a competent authority under Article 4(5)(d) of that Directive.***

4. ***Net-zero technology manufacturing projects in Net Zero Acceleration Valleys shall be considered to contribute to the security of supply of net-zero technologies in the Union and therefore to be in the public interest. With regard to the environmental impacts or obligations addressed in Articles 6(4) and 16(1)of Directive 92/43/EEC, Article 4(7) of Directive 2000/60/EC and Article 9(1)(a) of Directive 2009/147/EC and Article 4(14) and (15) [of the Nature Restoration Regulation,] net-zero strategic projects in the Union shall be considered as being of public interest and may be considered as having an overriding public interest and serving the interests of public health and safety provided that all the conditions set out in those acts are fulfilled.***

Article 15

Coordination of financing

1. The Net-Zero Europe Platform as established in Article 28 shall ***examine the bottlenecks and Union-wide financial needs*** of net-zero strategic projects, ***advise on ways of coordinating Union and national financing with regard to those financial needs, and collect*** potential best practices, in particular to develop EU cross-border supply chains, notably based on regular exchanges ***and recommendations of the Net-Zero Industry Advisory Group and*** with the relevant industrial alliances.

2. The Net-Zero Europe Platform shall, at the request of the net-zero strategic project promoter, discuss and advise on how the financing of its project can be completed, taking into account the funding already secured and considering at least the following elements:

(a) additional private sources of financing;

(b) support through resources from the European Investment Bank Group or other international financial institutions including the European Bank for Reconstruction and Development;

(c) existing Member State instruments and programmes, including from national promotional banks***, institutions and Export Credit Agencies***;

(d) relevant Union funding and financing programmes.

2a. By ... [3 months from the date of entry into force of this Regulation] and every two years thereafter, the Net-Zero Europe Platform shall provide recommendations to the Commission on ways to ensure sufficient funding, including through the Union budget, to pursue the objectives of this Regulation.

2b. Member States and, where appropriate, the Commission shall undertake activities to accelerate public investments in net-zero technology manufacturing projects. Such activities may, without prejudice to Article 107 and Article 108 TFEU, include advising on and coordinating support to net-zero technology manufacturing projects facing difficulties in accessing finance.

Chapter III
CO2 injection capacity

Article 16

Union level objective of CO2 injection capacity

1. An annual injection capacity of at least 50 million tonnes of CO2 shall be achieved by 2030, in storage sites***, meaning geological storage sites permitted under Directive 2009/31/EC including depleted oil and gas fields and saline aquifers,*** located in the territory of the ▌ Union, its exclusive economic zones or on its continental shelf within the meaning of the United Nations Convention on the Law of the Sea and which are not combined with Enhanced Hydrocarbon Recovery (EHR).

2. ***All storage sites shall be designed to operate for a minimum of five years and shall respect the principles of fair and open access provided in a transparent and non-discriminatory manner, as defined in Directive 2009/ 31/EC.***

3. ***By ... [three years from the date of entry into force of this Regulation] and every two years thereafter, the Commission shall submit a report to the European Parliament and to the Council on the progress achieved towards the Union annual injection capacity target, including the state of the market related to the injection capacity. The report shall include an overview of the geographical spread of storage sites across the Union.***
The first report shall assess whether it is considered necessary to introduce a Union-wide objective for 2040 or earlier if needed.

This report shall include a CO_2 storage and injection capacity assessment, using, in particular, the information collected pursuant to Article 17(2) and to Article 18 (6), which shall:

(a) provide a detailed analysis of the geographical and temporal planning of CO_2 storage sites and of the CO_2 capture projects for CO_2 emissions from industrial installations within the Union taking into account the specific potential for CO_2 usage to contribute to the permanent storage of CO_2;

(b) identify the main infrastructure needed for the transportation and storage of CO_2 emissions from industrial installations throughout the Union;

(c) Provide a detailed analysis on the possible barriers obstructing the development of the CCS market.

4. ***Based on the assessment in third paragraph of this Article, no later than 31 December 2028, the Commission may present a legislative proposal to introduce a new Union-level objective for CO2 injection capacity by 2040 or earlier if needed. The Commission shall justify its choice to the European Parliament and the Council if it decides not to propose to introduce an objective for 2040.***

5. ***Within three months of the signature by the Union of an international agreement relating to Chapter III, the Commission shall submit a report assessing the implications of the international agreement, in particular with regards to promoting and safeguarding the EUs environmental standards, climate objectives and the potential need for additional Union policies and measures in view of the provisions of the international agreement. On the basis of the report referred to in this paragraph, the Commission shall, as appropriate, submit a legislative proposal to the European Parliament and to the Council amending this Regulation pursuant to paragraph 1.***

6. ***The Commission shall publish guidelines indicating the appropriate levels of CO2 purity and of trace elements within the CO2 stream for CO2 storage projects contributing to the Union's injection capacity objective.***

Article 17

Transparency of *CO_2* storage capacity data

1. By ***6*** months from the entry into force of this Regulation, Member States shall:

(a) make ▌ data on ***all*** areas where ***CO_2*** storage sites ***could*** be permitted on their territory***, including saline aquifers, publicly available, without prejudice to requirements regarding the protection of confidential information;***

(b) oblige entities ***which are or have been holders of*** an authorisation as defined in Article 1, point 3, of Directive 94/22/EC of the European Parliament and of the Council[38] on their territory to make publicly available ***on a non-reliance basis*** geological data relating to production sites that have been decommissioned or whose decommissioning has been notified to the competent authority***and, if available, economic assessments of the respective costs of enabling CO2 injection, unless the entity has applied for an exploration permit in accordance with Directive 2009/31/EC;, including data on:***

(i) whether the site is suitable for sustainably, safely and permanently injecting and storing CO2;

(ii) The availability and/or need for transport infrastructure and modes suitable for safely transporting CO2 to reach the site.

(c) For the purposes of point (a), the data shall include at least the information requested in the Commission ***Notices*** on the Guidance to Member States for ***renewal or*** update of National Energy and Climate Plans.

2. By six months from the ***date of*** entry into force of this Regulation and each year thereafter, each Member State shall submit to the Commission a report***, which shall be made publicly available, and shall be without prejudice to requirements regarding the protection of confidential information,*** describing:

(a) ***a mapping of*** CO2 capture projects in progress ***on its territory or in cooperation with other Member States,*** and an estimation of the corresponding needs for injection and storage capacities***, and CO2 transport***;

[38] Directive 94/22/EC of the European Parliament and of the Council of 30 May 1994 on the conditions for granting and using authorizations for the prospection, exploration and production of hydrocarbons (OJ L 164, 30.6.1994, p. 3).

(b) ***a mapping of*** CO_2 storage ***and CO2 transport*** projects in progress on its territory, including the status of permitting under Directive 2009/31/EC, expected dates for Final Investment Decision (FID) and entry into operation;

(c) the national support measures that ***have or will*** be adopted to prompt projects referred to in points (a) and (b)***, as well as measures relating to cross-border transportation of CO_2;***

(ca) the national strategy and targets that will and have been set for the capture of CO2 by 2030, where applicable;

(cb) bilateral and regional cooperation that facilitates cross-border transportation of CO2, including their implications for the access of entities capturing CO2 to a safe and non- discriminatory means of transporting CO2;

(cc) CO2 transportation projects in progress and an estimation of the necessary future CO2 transport projects' capacity to match the corresponding capture and storage capacity.

2a. Should the report referred to in paragraph 2 show that no CO_2 storage projects are in progress on their territory, Member States shall report on plans to facilitate the decarbonisation of industrial sectors. This shall, if applicable, include cross-border transport of CO_2 to storage sites located in other Member States as well as CO_2 utilization projects.

Article 17a

CO_2 transport infrastructure

1. In order to facilitate the achievement of the objective set out in Article 16, the Union and its Member States, where appropriate in collaboration with relevant companies, shall make all reasonable effort to develop the necessary CO_2 transport infrastructure, including cross-border infrastructure, while taking into account the economic and environmental benefits of proximity of capture and storage sites.

2. Member States shall take the necessary measures to enable access to CO_2 transport networks and to storage sites for the purposes of geological storage of the produced and captured CO_2 as far as it is economic to do so or when a potential customer is willing to pay, in accordance with Article 21 of Directive 2009/31/EC.

2h. Where CO2 is captured and transported in one Member State and transported and stored in other Member States, Member States shall coordinate measures. The Commission may facilitate such coordination through the establishment of CCS Regional Groupings when there is a joined request from the involved Member States.

Article 18

Contribution of authorised oil and gas producers ▌

1. Each entity holding an authorisation as defined in Article 1, point 3, of Directive 94/22/EC shall be subject to an individual contribution to the Union-wide target for available CO_2 injection capacity set in Article 16. Those individual contributions shall be calculated pro-rata on the basis of each entity's share in the Union's crude oil and natural gas production from 1 January 2020 to 31 December 2023 and shall consist of CO_2 injection capacity in a storage site permitted in accordance with Directive 2009/31/EC on the geological storage of carbon dioxide and available to the market by 2030. ***Entities with crude oil and natural gas production below a certain threshold as defined in accordance with a delegated act pursuant to paragraph 7 shall be excluded from this calculation and shall not be subject to a contribution.***

2. Within three months of the entry into force of this Regulation, Member States shall, identify and report to the European Commission the entities referred to in paragraph 1 and their volumes in crude oil and natural gas production from 1 January 2020 to 31 December 2023.

3. Following the receipt of the reports submitted pursuant to Article 17 (2), the Commission after having consulted Member States and interested parties, shall specify the ***contributions*** to the Union ***CO_2*** injection capacity objective by 2030 from entities referred to in paragraph 1 ***of this Article***.

4. Within twelve months of the entry into force of the Regulation, the entities referred to in paragraph 1 shall submit to the Commission a plan detailing how they intend to meet their contribution to Union ***CO_2*** injection capacity objective by 2030. Those plans shall:

   (a) confirm the entity's contribution, expressed in terms of targeted volume of new CO_2 storage and injection capacity commissioned by 2030;

   (b) specify the means and the milestones for reaching the targeted volume.

5. To meet their targeted volumes of available injection capacity, entities referred to in paragraph 1 can do any of the following:

   (a) ***invest in, or*** develop***,*** CO2 storage projects alone or in co-operation;

   (b) enter into agreements with other entities referred to in paragraph 1;

   (c) enter into agreements with third party storage project developers or investors to fulfil their contribution.

6. Two years after the entry into force of the Regulation and every year thereafter, the entities referred to in paragraph 1 shall submit a report to the Commission detailing their progress towards meeting their contribution. The Commission shall make these reports public.

6a. By derogation, a Member State may request the Commission to exempt the entities referred to in paragraph 1 from individual contribution in relation to the production activities they have carried out on the territory of that Member State from 1 January 2020 to 31 December 2023, provided that:

(a) the overall annual injection capacity of all storage sites operated by any entity having received a storage permit within the meaning of Directive 2009/31/EC and having reached a final investment decision located on the territory of the Member State exceeds the sum of the individual contributions of the entities referred to in paragraph 1 in relation to the relevant production activities. The annual injection capacities associated with these storage sites shall correspond to those mentioned in the storage permits and in the final investment decisions and contribute to the Union-wide target for available CO2 injection capacity set in Article 16.

(b) the application is submitted before the end of 2027.

Provided that the two above conditions are met, the Commission shall adopt a decision exempting the entities concerned, referred to in paragraph 1, from their individual contribution in relation to the production activities they have carried out on the territory of the Member State submitting the request.

Exempted entities may enter into agreements in accordance with paragraph 5, points (b) and (c) only in respect of any injection capacity exceeding the individual contribution from which they are exempted and the sum of the individual contributions that has been exempted.

One year after the exempting decision and every year thereafter, the Member State shall submit a report to the Commission detailing the progress of the exempted entities towards meeting their contribution to the Union-wide target for available CO2 injection capacity set in Article 16. The Commission shall make these reports public.

6b. By 31 December 2028, the Commission shall assess on the basis of the reports under Article 31(1)(b) and 31(7) the relationship between the demand for injection capacity from CO2 capture projects and the main infrastructure needed for the transportation of CO2 in progress or planned to be operational by 2030 and the sum of the individual contributions of the entities referred to in paragraph 1 in relation to the production activities on the territory of a given Member State. In case of a substantial imbalance, the Member State concerned may exceptionally ask the Commission for a derogation regarding the date by which the individual contributions are fulfilled.

7. The Commission is empowered to adopt delegated acts in accordance with Article 32 to supplement this Regulation concerning:

(-a) The rules concerning the identification of entities subject to contribution in accordance with paragraph 1, including the threshold below which entities are exempt from contribution;

(a) The modalities in which agreements between entities referred to in paragraph 1 and investments in storage capacity held by third parties are taken into account to meet their individual contribution under paragraph 5, points b and c.

(b) The content of the reports referred to in paragraph 6.

(c) The detailed conditions under which the Commission may grant an exemption or derogation to entities under paragraph 6a or 6b.

1a. No later than 24 months after entry into force of the Regulation, Member States shall lay down penalties, through administrative procedure or legal proceedings, or both, applicable to infringements by entities referred to in Article 18(1) to their obligations under Article 18(3). Those penalties shall be effective, proportionate and dissuasive.

Article 18a

Regulatory framework for the market for captured CO2

1. By ... [three years from the date of entry into force of this Regulation], the Commission shall carry out an assessment of the functioning of the market for captured CO2. Based on a clear methodology and taking into account the annual reports under Article 17(2), this assessment shall in particular consider whether:

(a) the obligations set out in Article 18(1) effectively promote the development of the CO_2 storage market in the Union;

(b) the market provides for open, fair and non-discriminatory access and safety of the CO_2 storage and transport network;

(c) the market provides for open, fair and non-discriminatory access to capture CO_2 for usage or storage purposes;

(d) the adequacy of the CO_2 transport network and other infrastructure across the Union to sufficiently supports the injection capacity objectives as well as the need for CO2 capture;

(e) the functioning of the CO_2 market ensures sufficient access to injection capacity for hard-to-abate CO2 emissions.

2. Based on this assessment the Commission may propose a legislative act to regulate the market in order to address any short-comings identified, notably with regards to hard-to-abate emissions.

Chapter IV

Access to markets

Article 19

Sustainability and resilience contribution in public procurement procedures

1. ***For procurement procedures falling within the scope of Directives 2014/23/EU, 2014/24/EU or 2014/25/EU, where*** contracts ***have net-zero technologies*** listed in ***Article 3a paragraph 1 sub paragraphs (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k) as part of their subject matter, or in the case of works contracts including said technology, contracting authorities and contracting entities shall apply minimum mandatory requirements regarding environmental sustainability as defined in an implementing act referred to in paragraph 3.***

This shall not preclude contracting authorities and contracting entities from using additional minimum requirements or award criteria in relation to environmental sustainability.

1a. ***In addition, contracting authorities and contracting entities shall apply at least one of the following conditions, requirements or contractual obligations for the work contracts and concessions referred to in the first subparagraph:***

(a) ***a special condition that relates to social or employment-related considerations that takes the form of a contract performance clause within the meaning of Article 70 of Directive 2014/24/EU and of Article 87 of Directive 2014/25/EU and of the general principles of Directive 2014/23/EU;***

(b) ***a requirement to demonstrate compliance with applicable cybersecurity requirements as set out in a Regulation on Cyber Resilience Act, including, where appropriate and where available, through a relevant European cybersecurity certification scheme;***

(c) a specific contractual obligation to deliver the component of the contract relating to net-zero technologies listed in Article 3a paragraph 1 sub paragraphs (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k) on time, that may give rise to an obligation to pay an appropriate charge if this obligation is not fulfilled, and that goes beyond the requirements provided for in applicable national legislation, if such legislation exists.

2. The ***minimum mandatory requirements referred to in paragraph 1, first subparagraph, where applicable shall take the form, where appropriate, of***:

(a) ***technical specifications or requirements within the meaning of Article 36 of Directive 2014/23/EU, of Article 42 of Directive 2014/24/EU and of Article 60 of Directive 2014/25/EU or***

(b) ***contract performance clauses within the meaning of Article 70 of Directive 2014/24/EU and of Article 87 of Directive 2014/25/EU and*** of the ***general principles of Directive 2014/23/EU.***

(c) ▌

(d) ▌

3. The ***Commission*** shall ***adopt an implementing act specifying minimum requirements on environmental*** sustainability ***for the procurement referred to in paragraph 1, first subparagraph.***

When adopting this implementing act the following elements shall at least be considered:

(a) the market situation at Union level of the relevant technologies;

(b) provisions regarding environmental sustainability set out in other Union legislative and non-legislative acts applicable to procurements covered by the obligation set out in paragraph 1, first subparagraph,

(c) the Union's international commitments, including the GPA and other international agreements of which the Union is bound.

This implementing act shall be adopted within 9 months after the entry into force of this Regulation, in accordance with the examination procedure referred to in Article 34(3).

4. A Member State shall not discriminate against, or subject to unjustified different treatment, a provider or net-zero products from another Member State.

4a. The tender's resilience contribution, shall be taken into account in the case of public procurement procedures falling within the scope of Directives 2014/23/EU, 2014/24/EU or 2014/25/EU where such contracts have net-zero technologies listed in Article 3a paragraph 1 subparagraphs (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k) as part of their subject matter, or in the case of work contracts including said technology, and in the case of contracts awarded on the basis of a framework agreement where the estimated value of those agreements is equal to or above the values set out in Article 8 of Directive 2014/23/EU, Article 4 of Directive 2014/24/EU and Article 15 of Directive 2014/25/EU, in the way and according to the conditions mentioned in the present paragraph.

If, the Commission, at the time of the call for competition for a public procurement procedure referred to in paragraph 1, first subparagraph, or commencement of such a procedure, has determined in accordance with Article 22 paragraph 2 that the proportion of a specific net-zero technology or its main specific components originating in a third country accounts for more than 50% of the supply of that specific net-zero technology or its main specific components within the Union, or if the Commission has determined in accordance with Article 22 paragraph 2 that the proportion of supply within the Union of a specific net-zero technology or its main specific components originating in a third country has increased by at least 10 percentage points on average for two consecutive years and reaches at least 40 percent of the supply within the Union, contracting authorities and contracting entities shall include the following conditions for the public procurement procedures as referred to in paragraph 1:

(a) an obligation for the duration of the contract not to supply more than 50 % of the value of the specific net zero technology referred to in this paragraph from each individual country as determined by the Commission;

(b) an obligation for the duration of the contract that no more than 50 % of the value of the main specific components of the specific net-zero technology referred to in this paragraph is supplied or provided directly by the successful tenderer or by a subcontractor from each individual third country as determined by the Commission;

(c) to provide to the contracting authority or to the contracting entity upon their request adequate evidence corresponding to point (a) or (b), at the latest upon completion of the execution of the contract;

(d) to pay a proportionate charge, in the event of non-observance of the conditions referred in point (a) or (b), of at least 10% of the value of the specific net-zero technologies of the contract referred to in this paragraph.

For contracts covered by the European Union's Annex I to the GPA as well as by other relevant international agreements by which the Union is bound, contracting authorities and contracting entities shall not apply the requirements of the second subparagraph, points (a) to (d) to economic operators of sources of supply that are signatories to these agreements.

6. Contracting authorities and contracting entities may on an exceptional basis decide not to apply paragraphs 1, 2, 3 where:

(a) the required net zero technology can only be supplied by a specific economic operator and no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement;

(b) no suitable tenders or no suitable requests to participate have been submitted in response to a similar previous public procurement procedure launched by the same contracting authority or contracting entity in the last two years before the commencement of the planned new procurement procedure;

(c) their application would oblige that contracting authority or contracting entity to acquire equipment having disproportionate costs or would result in technical incompatibility in operation and maintenance.

6a. Estimated cost differences above 20%, based on objective and transparent data, may be presumed by contracting authorities and contracting entities to be disproportionate.

7. Contracting authorities and contracting entities may, on an exceptional basis, decide not to apply paragraph 5, where no suitable tenders or no suitable requests to participate have been submitted in response to a previous procedure in which paragraph 5 was taken into account. For this exception, the contracting authorities and contracting entities can only make use of article 32.2.a) of directive 2014/24/EU, article 50.a) of directive 2014/25/EU or 31.5 of directive 2014/23/EU in the subsequent procedure that follows the previous unsuccessful procedure. If the contracting authority or contracting entity decides to make use of the exception provided for by the present paragraph, the fact that paragraph 5 of the present article is not taken into account is not considered a substantial modification of the initial conditions of the contract, insofar as all other conditions provided in the abovementioned corresponding provision are complied with and no other substantial modifications are made.

8. The provisions of this Article will be without prejudice to:

(a) the possibility of using additional non price criteria;

(b) the possibility of excluding abnormally low tenders under Article 69 of Directive 2014/24/EU and Article 84 of Directive 2014/25/EU;

(c) Articles 107 and 108 TFEU, in case of uncompetitive procurement.

Article 20

Auctions to deploy renewable energy sources

1. ***For those technologies listed in art. 3a paragraph 1 sub paragraphs (a) to (j), that are renewable energy technologies***, Member States ▌ shall***,*** when designing ▌ auctions ***for the deployment*** of energy from renewable sources***, include:***

(a) pre-qualification criteria related to:

(i) responsible business conduct

(ii) cyber security and data security, and

(iii) ability to deliver the project fully and on time

(b) pre-qualification criteria or award criteria to assess the auction's sustainability and resilience contribution as referred to in paragraph 1a.

This is without prejudice to Article 4 of Directive (EU) 2018/2001 and Articles 107 and 108 the Treaty, and to the Union's international obligations.

1a. The auctions' sustainability and resilience contribution shall be based on the criterion set in point (a) and on at least one of the criteria laid down in points (b) to (d) which shall be objective, transparent and non-discriminatory:

(a) contribution to resilience, taking into account the proportion of the net-zero technologies or its main specific components that originate from a third country accounting for more than 50% of the supply of that specific net-zero technology or its main specific components within the Union;

For the purpose of point (a), the country of origin shall be determined in accordance with Regulation (EU) No 952/2013 of the European Parliament and of the Council;

(b) environmental sustainability going beyond the minimum requirements in applicable legislation;

(c) ***contribution to innovation by providing entirely new solutions or improving comparable state-of-the-art solutions;***

(d) contribution to the energy system integration.

This shall not preclude Member States from using additional non-price criteria beyond those listed in this paragraph 1a.

The Commission shall adopt an implementing act further specifying the pre-qualification and award criteria.

This implementing act shall be adopted within 9 months after the entry into force of this Regulation in accordance with the examination procedure referred to in Article 34(3).

2. ***When applied as award criteria, Member States shall give to each of the criteria to assess the auction's*** sustainability and resilience contribution ***a minimum weight of 5% and a combined*** weight between 15% and 30% of the award criteria***. This is*** without prejudice of the possibility to give a higher weighting to the criteria ***referred to in paragraph 1a***, points ***(b), (c) and (d), in accordance with*** any limit for non-price criteria set under State aid rules.

3. ▌Member States▌ shall not be obliged to apply the considerations relating to the ***pre-qualification and award criteria defined in paragraph 1 where, by applying*** those ***criteria, they would incur*** disproportionate costs***. Estimated cost differences above 15% per auction, based on objective and verifiable data,*** may be presumed by ***Member States*** to be disproportionate.

3a. Member States shall, where appropriate, take measures to maximise the execution rate of projects through appropriate incentives, for example by applying price indexation. Member States may assess the effects of negative bidding on the speed and scale of deployment.

4. Paragraphs 1 to 3 shall apply to at least 30% of the volume auctioned per year per Member State or alternatively to at least 6 Gigawatt per year per Member State.

4a. By 31 December 2027 and every two years after, the Commission shall carry out a comprehensive assessment of the application of the resilience and sustainability criteria for auctions for the deployment of energy from renewable sources and their effect on the accelerated deployment of renewable energy technologies. In particular the Commission shall assess the impact of the resilience and sustainability criteria on:
- the development of the Union's annual manufacturing of renewable energy technologies;
- the deployment of energy from renewable sources, including their financial impact and their impact on the speed of deployment, whilst also taking into account the workability, including the administrative burden, and clarity of the system for project developers and national administration, based on available data;
As part of this assessment, the Commission shall consult experts from Member States in the field of auctioning.

5. If the assessment referred to in paragraph 4a is positive, in particular if application of the resilience and sustainability criteria has not significantly hindered the deployment of energy from renewable sources, the Commission shall, where appropriate, present a proposal to amend paragraph 4 to determine the shares of the volume auctioned per year per Member State or the absolute volume to which paragraphs 1 to 3 shall apply, in particular with a view to increasing those volumes, and to adapt the threshold of the estimated cost differences referred to in paragraph 3.

5a. For calculating the volumes auctioned per year per Member State auctions for installations with a maximum project size of 10 MW may be excluded. For auctions for a specific technology that paragraphs 1 to 3 have been applied to and that have subsequently been undersubscribed, the undersubscribed share of the auction volume may be excluded from the application of paragraphs 1 to 3.

7. To facilitate implementation for all Member States, in particular for those with low volume of auctions, Member States that have not launched more than 2 auctions per year during the previous 2 years, may compute the share of auctions to which paragraphs 1 to 3 apply over the period of 2 years.

Article 20b

Pre-commercial procurement and public procurement of innovative commercial solutions

1. Member States shall seek to use, where appropriate, pre-commercial procurement and public procurement of innovative solutions in order to stimulate innovation in net-zero technology and the creation of new manufacturing capacity for net-zero technologies in the Union. Pre-commercial procurement and public procurement may be topped up with Union-level funding within the framework of existing Union Programmes for joint pre-commercial procurement or public procurement across Member States.

2. The Net-Zero Europe Platform shall prepare recommendations on the design of pre-commercial procurement or public procurement of innovative solutions.

Article 21

Other forms of public intervention

1. Without prejudice to Articles 107 and 108 of the Treaty and Article 4 of Directive 2018/2001[25] and in line with the Union's international commitments, when deciding to set up ***new schemes or to update existing*** schemes benefitting households***, companies*** or consumers which incentivise the purchase of net-zero technology final products ▌, Member States, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law, shall design them in such a way as to promote the purchase by beneficiaries of net-zero technology final products with a high sustainability and resilience contribution as referred in Article ***21(3a), by either*** providing additional proportionate financial compensation***, or by conditioning the eligibility of the scheme on the basis of the criteria referred to in Article 21(3a) while considering the accessibility of the schemes for citizens living in energy poverty***.

2. The additional financial compensation granted by authorities in accordance with paragraph 1, due to the application of the criteria referred to in Article ***21(3a) (a),*** (c) and (d) shall not exceed ***5%*** of the cost of the net-zero technology final product for the consumer***, except for schemes targeting citizens living in energy poverty, [within the meaning of Article 2(1) of the Social Climate Fund,] for which the limit shall be 15%***.

3. When designing and implementing a scheme falling under paragraph 1, the authority shall base itself on an open, non-discriminatory and transparent process to assess the resilience and sustainability contribution of available ***net-zero technology final*** products on the market. Any net-zero technology final product shall be entitled to apply to join the scheme at any time. The authority shall specify a pass mark for ***net-zero technology final*** products to be eligible to the additional financial compensation under the support scheme.

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[25] Directive 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources.

3a. ***The sustainability and resilience contribution of other forms of public intervention shall be based on the following criteria which shall be objective, transparent and non-discriminatory:***

(a) contribution to resilience, taking into account the proportion of the net-zero technologies or their main specific components that originates from a third country that accounts for more than 50% of the supply of that specific net-zero technology within the Union, and at least one of the following:

(b) environmental sustainability going beyond the minimum requirements in applicable legislation;

(c) contribution to innovation by providing entirely new solutions or improving comparable state-of-the-art solutions;

(d) contribution to the energy system integration.

This shall not preclude Member States from using additional non-price criteria beyond those listed in this paragraph 3a.

For the purpose of point (a), the country of origin shall be determined in accordance with Regulation (EU) No 952/2013 of the European Parliament and of the Council.

4. Member States shall publish on a single free access website all information relating to schemes pursuant to Article 21(1) for each relevant net-zero technology ***final*** product.

Article 22

Coordination of access to markets initiatives

1. Where relevant, the Commission shall provide guidance on the ***application of the*** criteria to assess the resilience and sustainability contribution of ***net-zero technology*** products covered by the forms of public intervention covered under articles 19, 20 and 21.

2. ***For the assessment of the contribution to resilience,*** the Commission shall ***adopt an implementing act providing for*** a list of each of the net-zero technology final products ***and their main specific components. The implementing act shall be adopted in accordance with the examination procedure as referred to Article 34(3)***.

Based on the implementing act referred to in subparagraph 1 of paragraph 2, the Commission shall provide updated information on the shares of the Union supply originating in different third countries in the last year for which data is available for each of the net-zero technologies and their main specific components. The country of origin shall be determined in accordance with Regulation (EU) 952/2013 of the European Parliament and of the Council.

3. The Net-Zero Europe Platform shall discuss measures carried out by Member States to implement Articles 19 ***to*** 21 and exchange best practices, inter alia, as concerns the practical use of criteria defining the sustainability and resilience contribution in public procurement, or schemes incentivising the purchase of net-zero technology final products.

Chapter V
Enhancing skills for quality job creation

Article 23

European Net Zero Industry Academies

1. ***Based on an assessment, by the Commission, using existing data and reports, of skills shortages in net-zero technology industries key for the industrial transformation and decarbonisation, and fully respecting the competence of Member States in the field of education and training,*** the Commission shall support, including through the provision of seed-funding, the ***launch*** of European Net Zero Industry Academies***, as organisations or consortia or projects of relevant stakeholders***, which have as their objectives to:

(a) develop***, for voluntary use by Member States and education and training providers on their territories,*** learning programmes, content and learning and training materials for training and education***, such as*** on developing, producing, installing, commissioning, operating, maintaining***, repairing, ecodesigning, re-using*** and recycling net-zero technologies, ***and*** on raw materials ▌ as well as ***relevant occupational health and safety aspects and transversal competences. This shall reflect the assessment of skills shortages and*** support the capacities of public authorities***, in particular, those*** competent to issue permits and authorisations referred to in Chapter II and contracting authorities referred to in Chapter IV of this Regulation;

(b) ▌ promote the ***voluntary*** use of the learning programmes, content and materials by education and training providers in the Member States ▌ ;

(ba) offer support to the education and training providers that use the learning programmes, content and materials produced by the academies to uphold the quality of the training offered and develop mechanisms to ensure the quality of the training offered;

(c) develop ▌ credentials, including***, if appropriate,*** micro-credentials, ***for voluntary use by Member States and education and training providers on their territories, in order*** to facilitate the ***identification*** of skills ***and, where appropriate, the recognition of qualifications, to*** enhance the transferability between jobs and ***industries, to facilitate*** the cross-border mobility of the workforce, and to promote matching with relevant ***quality*** jobs through tools such as the European Employment Services (EURES) network and EURAXESS ***as well as to make visible that a learning programme or learning content was developed by a European Net Zero Industry Academy***.

1a. ***European Net-Zero Academies shall involve relevant actors, such as net-zero technology industry, education and training providers and social partners from a range of Member States. European Net-Zero Academies shall develop action plans setting out, among others, milestones, targets including in terms of number of learners to be based on the assessment of skills shortages, as well as a financial plan aiming to achieve financial sustainability. The action plans shall pay particular attention to regions in industrial transformation or with a high rate of unemployment, where relevant.***

2. European ***Net-Zero*** Industry Academies shall ***produce gender-balanced content, contribute to*** counter gender stereotypes and ***shall promote equal access to learning contents for all, paying*** particular attention to the need to activate more women and young people, ***in particular those*** who are not in education, employment or training***, (NEETs), older people, workers in professions which are at risk of disappearing or the content and tasks of which are being highly transformed by new technologies, people working in regions in transition and persons with disabilities. The European Net-Zero Industry Academies shall promote diversity and inclusivity of people with disability, migrants and people in vulnerable situations***.

2a. ***Without prejudice to the respective powers of the budgetary authority, financial means shall be made available where appropriate at Union-level to support the launch of the European net-zero skills academies with the foreseen seed-funding. In addition, Member States are encouraged to make use of relevant Union funds such as ESF+, to support the deployment of the learning content developed by the net-zero industry academies.***

Article 24

Regulated professions in Net Zero Industries and recognition of professional qualifications

1. ***Within nine months after the completion of the learning content and materials developed by an Academy*** and every two years thereafter, Member States shall ***strive to*** identify whether the learning programmes developed by the European net-zero industry academies are equivalent to the specific qualifications required by the host Member State to access regulated activities within the scope of a profession with particular interest for the net-zero industry ***in that Member State***. Member States shall ensure that the results of the assessments are made public and easily accessible online. ***In the event that the learning programmes are deemed not to be equivalent to the qualifications required by the host Member State to access regulated activities, or where a Member State has not sought to identify equivalence, that Member State shall inform the Net-Zero Europe Platform, providing the relevant information on either:***

   i) the reasoning for not completing the identification exercise, or

   ii) the differences between the learning programmes developed by the European net-zero industry academies and the specific qualifications required by that host Member State and how to achieve equivalence.

2. If a Member State ***conclude that the learning programmes developed by the European Net-Zero industry Academies are equivalent to the specific qualifications required by the host Member State to access regulated activities***, it shall facilitate the recognition of credentials issued by education and training providers on the basis of the learning programmes developed by the academies, under Title III Chapter I of Directive 2005/36/EC of the European Parliament and of the Council***[1]***, whenever a holder of such a credential requests access to a regulated profession within the meaning of Article 3(1)(a) of Directive 2005/36/EC, and of particular importance for the net-zero industry, by ***treating*** the credential ***as sufficient*** evidence of formal qualifications***, according to the Article 11 of the Directive 2005/36/EC***.

3. Where access to a profession of particular importance for the net-zero industry is regulated within the meaning of Article 3(1)(a) of Directive 2005/36/EC, Member States shall work towards developing a common set of minimum knowledge, skills and competences necessary for the pursuit of this specific profession with the purpose of establishing a Common Training Framework as referred to in Article 49a (1) of Directive 2005/36/EC of the European Parliament and of the Council to enable automatic recognition of qualifications. The Net Zero ***Europe*** Platform may also submit suggestions as referred to in Article 49a (3) of Directive 2005/36/EC.

Article 25

Net-Zero Europe Platform and skills

The Net-Zero Europe Platform referred to in Article 28 shall support ***and supplement the action of the Member States in the*** deployment of skills in ***net zero*** technologies, ***while respecting their competence, by advising and assisting the Commission and Member States, including*** competent authorities and contracting authorities referred to in Chapter II and Chapter IV, through the following tasks:

(1) ▌ assessing, continuously monitoring and forecasting the demand and supply of a workforce with the skill sets needed in net-zero technologies and the availability and uptake of corresponding education and training opportunities, informing as appropriate the activities of the European Net-Zero Industry Academies;

(2) ***monitoring*** the activity of the European Net-Zero Industry Academies and***, based on the data and information on how many people have benefited from*** the learning programmes developed by the Academies, ***including disaggregated data by industrial sectors, gender age and levels of education and qualification,*** foster synergies with other national and Union skills initiatives and projects, ***strengthen and scale-up good practices, among others, to attract a diverse workforce*** and provide ***general*** oversight;

(2a) analyse the root causes of labour and skills shortages, based on existing insights and data, including those related to the quality of the job offer, thus assessing whether additional measures are needed to attract more workers of all qualification levels in certain industries.

(3) assist the mobilisation of stakeholders including industry, ***undertakings including SMEs,*** social partners and education and training providers***, such as universities,*** for the ***promotion, and, according to national practices, their possible participation in the*** roll-out of learning ***programmes*** developed by the European Net-Zero Industry Academies;

(4) assist the uptake ▌ of learning credentials ***developed by*** the European Net-Zero Industry Academies in the Member States to promote the ***identification of skills and, where relevant*** recognition of ***qualifications*** and the matching of skills and jobs, inter alia by promoting the validity and acceptance of the credentials throughout the labour market of the European Union;

(4a) monitor the uptake and recognition of learning credentials and contribute to providing solutions where issues of non-recognition are detected;

(5) facilitate***, where appropriate,*** the development of European occupation profiles***, for the voluntary use by Member States,*** consisting of a common set of knowledge, skills and competences for key professions in the net-zero technologies, drawing inter alia upon the learning programmes developed by the European Net-Zero Industry Academies, and, where appropriate, using the terminology provided by the European Skills, Competences, Qualifications and Occupations (ESCO) classification to facilitate transparency and mobility between jobs and across internal market borders;

(6) promote ***career prospects and quality*** working conditions***, including adequate wages,*** in jobs in net-zero technology industries, the ***labour market integration of more*** women and ***young people, in particular those who are not in education, employment or training (NEETs), older people, workers in professions which are at risk of disappearing or the content and tasks of which are being highly transformed by new technologies, people working in regions in transition and persons with disabilities,*** to the labour market for net-zero technology industries, and the attraction of skilled workers from third countries ***through instruments such as the European Blue Card and in accordance with national competences, law and practice***, and thereby achieve a more diverse workforce;

(6a) encourage and support labour mobility across the Union and promote the publication of vacant positions related to net-zero technologies by EURES, in accordance with Regulation (EU) 2016/589;

(7) facilitate closer coordination and the exchange of best practices ***and knowhow*** between Member States ***and within the private sector*** to enhance the availability of skills in the net-zero technologies, including by contributing to Union and Member States policies to attract new talents from third countries ***and all educational levels, in accordance with national competences, law and practice***. ***This shall be done in coordination with the already existing structures of European cooperation in education and training;***

(7a) look for synergies with existing training or education programs, with the aim, among others, to match the learning programmes of the Academies with the needs of the European industry.

Chapter VI
Innovation

Article 26

Net-Zero regulatory sandboxes

-1. By ... [9 months from the date of entry into force of this Regulation], Member States shall, when setting up net-zero regulatory sandboxes, designate or establish one or more contact points. The designated contact point shall be the sole contact point for any grouping of organisations willing to request the establishment of a net-zero regulatory sandbox pursuant to this Article.

1. Member States ***and where appropriate together with local and regional authorities and other Member States,*** may at their own initiative establish net-zero regulatory sandboxes, allowing for the development, testing and validation of innovative net-zero technologies ***and other innovative technologies***, in a controlled real-world environment for a limited time before their placement on the market or putting into service, ***Member States shall establish net-zero*** regulatory ***sandboxes, in close collaboration with industry and where relevant, research institutes, social partners and civil society,*** in accordance with paragraph 1 at the request of any company***, organisation or consortium*** developing innovative net-zero technologies , which fulfils the eligibility and selection criteria referred to in paragraph ***2(a)*** and which has been selected by the competent authorities following the selection procedure referred to in paragraph ***2(b)***.

2. The modalities and the conditions for the establishment and operation of the net-zero regulatory sandboxes under this Regulation shall be adopted through implementing acts in accordance with the examination procedure referred to in Article ***34(3)***. The modalities and conditions shall ▌ support flexibility for national competent authorities to ***prioritise between and deciding on approval of applications for*** Net-zero regulatory sandboxes***. The modalities and conditions shall*** foster innovation and regulatory learning and shall particularly take into account the special circumstances and capacities of participating SMEs***- and*** start-ups. The implementing ***act as*** referred to in ***this*** paragraph shall include common main principles on the following issues:

(a) eligibility and selection for participation in the net-zero regulatory sandboxes;

(b) procedure for the application, participation, monitoring, exiting from and termination of the net-zero regulatory sandboxes ▌ ;

(c) the terms and conditions applicable to the participants.

3. The participation in the net-zero regulatory sandboxes shall not affect the supervisory and corrective powers of the authorities supervising the ***net-zero regulatory*** sandbox. The testing, development and validation of innovative net-zero ***technologies or other innovative*** technologies shall take place under the ▌ supervision and ***support*** of the competent authorities. The competent authorities shall exercise their supervisory powers in a flexible manner within the limits of the relevant legislation, adapting existing regulatory practices and using their discretionary powers when implementing and enforcing legal provisions to a specific net-zero regulatory sandbox project, with the objective of removing barriers, alleviating regulatory burden, reducing regulatory uncertainty, and supporting innovation in net-zero ***technologies or other innovative*** technologies.

4. Where relevant to achieve the objective of this article, the competent authorities shall consider granting derogations or exemptions ***in national law*** to the extent allowed by the relevant Union ▌ law. The competent authorities shall ensure that the sandbox plan ensures respect for ***requirements of the Union law and*** key objectives and essential requirements of ▌ national legislation. Competent authorities shall make sure that any significant risks to health, safety or the environment identified during the development and testing of innovative net-zero technologies ***or other innovative technologies*** is publicly communicated and results in immediate suspension of the development and testing process until such risk is mitigated. Where competent authorities consider that the proposed project raises exceptional risks for the health and safety of workers, of the general population, or of the environment, in particular because it relates to testing, development or validation involving particularly toxic substances, they shall only approve the ***net-zero regulatory*** sandbox plan once they are satisfied that adequate safeguards have been put in place commensurate with the exceptional risk identified.

5. ▌

6. Participants in the ▌ net-zero regulatory sandbox shall remain liable under applicable Union and Member States' liability legislation for any ***material*** harm inflicted on third parties as a result of the testing taking place in the regulatory sandbox.

7. The duration of the net-zero regulatory sandbox may be extended through the same procedure upon agreement of the national competent authority.

8. The net-zero regulatory sandboxes shall be designed and implemented in such a way that, where relevant, they facilitate cross-border cooperation between the national competent authorities. Member States that have established net-zero regulatory sandboxes shall coordinate their activities and cooperate within the framework of the Net-Zero Europe Platform with the objectives of sharing relevant information ***with other Member States within the Platform. The Platform may invite companies who have participated in a net-zero regulatory sandbox to share their experience of the process.*** The Commission ***shall, on the basis of information provided by the Members States and the discussions in the Platform, report regularly*** on the results of the implementation of regulatory sandboxes, including good practices, lessons learnt and recommendations on their setup and, where relevant, on the application within the regulatory sandbox of this Regulation and other Union legislation in a manner adapted for the purposes of the sandbox.

Article 27

Measures for *SMEs and start-ups*

1. Member States shall undertake the following actions:

   (a) provide ***SMEs and start-ups*** with priority access to the ▌ Net-zero regulatory sandboxes to the extent that they fulfil the eligibility conditions set in Article 26;

   (b) organise awareness raising activities about participation to the regulatory sandboxes by ***SMEs and start-ups***;

(c) where appropriate, establish a dedicated channel for communication with ***SMEs and start-ups*** to provide guidance and respond to queries about the implementation of Article 26.

2. Member States shall take into account the specific interests and needs of ***SMEs and start-ups***, and provide adequate administrative support to take part in the regulatory sandboxes. Without prejudice to the application of Articles 107 and 108 ***TFEU***, Member States should inform ***SMEs and start-ups*** of available financial support to their activities in the regulatory sandboxes.

Article 27a

Establishment of the Strategic Energy Technology (SET) Plan Steering Group

1. The SET Plan Steering Group is hereby established;

2. The SET Plan Steering Group shall perform the tasks entrusted to it in this Regulation.

Article 27b

Tasks of the SET Plan Steering Group

1. The SET Plan Steering Group shall provide guidance and direction to the Strategic Energy Technology (SET) Plan.

2. The Commission and Member States shall work and coordinate within the SET Plan Steering Group to help support the development of clean, efficient and cost-competitive energy technologies through coordination and collaboration in clean energy research and innovation (R&I) and where relevant with third countries upon invitation.

3. The SET Plan Steering Group shall advice and assist the Commission in setting up initiatives related to the tasks referred to in paragraph 1 and 2.

Article 27c

Structure and functioning of the SET Plan Steering Group

1. The SET Plan Steering Group shall be composed of EU Member States and the Commission. It shall be chaired by one or more representatives of the Commission.

2. Each Member State shall appoint a high-level representative to the SET Plan Steering Group. Where relevant as regards the function and expertise, a Member State may have more than one representative in relation to different tasks related to the work of the SET Plan Steering Group. Each member of the SET Plan Steering Group shall have an alternate.

3. On a proposal by the Commission, the SET Plan Steering Group shall adopt its rules of procedure by a simple majority of its members.

4. The SET Plan Steering Group shall meet at regular intervals to ensure the effective performance of its tasks. Where necessary, the SET Plan Steering Group shall meet at the reasoned request of the Commission or a simple majority of its members.

5. The Commission shall assist the SET Plan Steering Group by means of an executive secretariat that provides technical and logistic support.

6. The SET Plan Steering Group may establish standing or temporary working groups and task forces dealing with specific questions and tasks.

Chapter VII

Governance

Article 28

Establishment and tasks of the Net-Zero Europe Platform

1. The Net-Zero Europe Platform (‘the Platform’) is established.

2. The Platform shall perform the tasks set out in this Regulation.

3. The Platform may advise and assist the Commission and Member States in relation to their actions to reach the objectives outlined in Chapter I of this Regulation, ***while avoiding disproportionate administrative burden for Member States where feasible, and*** taking into account Member States' national energy and climate plans submitted under Regulation (EU) 2018/1999[40].

3a. ***Members of the Net-Zero Europe Platform shall*** coordinate within the Platform on the Net-Zero Industrial Partnerships ***to help promote the adoption of net-zero technologies globally, to collaborate in the development*** of net-zero ***innovative*** technologies [redacted] and to support the role of Union industrial capabilities in paving the way for the global clean energy transition, in line with the overall objectives of this Regulation stemming from Article 1 of this Regulation. The Platform may periodically discuss***, among other topics***:

(a) how to improve ***and promote*** cooperation***, knowhow and technology sharing*** along the net-zero value chain between the Union and third countries;

(aa) the resilience including through enhanced competitiveness of the European industries within the scope of this Regulation in relation to global value chains and recommended actions for enhancement;

(ab) where appropriate, improving consonance between this Regulation and other Union initiatives which could contribute to the objectives of this Regulation and consider issuing recommendations on this matter;

(ac) the progress on value chains for net-zero technologies, ongoing technological and industrial changes, and potential future emerging strategic value chains in view of the objectives of this Regulation;

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[40] Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (Text with EEA relevance.), (OJ L 328, 21.12.2018, p. 1).

(af) best practices with regard to the implementation of Section I of Chapter II as well as to Articles 12 and 13 and accelerating the permitting deadlines;

(b) how to address non-tariff barriers to trade, such as through mutual recognition of conformity assessment or commitments to avoid export restrictions;

(c) which third countries ***could*** be prioritised for the conclusion of Net-Zero Industrial Partnerships, taking into account the following:

i) the potential contribution to security of supply, taking into account their manufacturing capacity of net-zero technologies;

ii) whether there are existing cooperation agreements between a third country and the Union;

(iia) whether a third country's regulatory framework and its implementation ensures the monitoring, prevention and minimisation of environmental impacts, the use of socially responsible practices including respect of human and labour rights and meaningful and equitable engagement with local communities, the use of transparent business practices and the prevention of adverse impacts on the proper functioning of public administration and the rule of law;

(iib) CO_2 injection and storage capacities within their territories;

(ca) how to incentivise production of net-zero technologies in Europe, by addressing funding, regulatory framework and investment and location guarantees;

(cb) the assessment of the application of trade measures in net-zero industries.

This paragraph shall be without prejudice to the prerogatives of the Council in accordance with the Treaties in relation to non-binding international instruments.

5. Member States ***may*** support the Commission in the implementation of the cooperation measures set out in the Net-Zero Industrial Partnership. ▌

5b. ***Taking into account the Competitiveness Progress Report On Clean Energy Technologies and the Annual Burden Survey of the European Commission, the Commission shall report to the Platform on the development of the regulatory burden for the Net-Zero industries in Europe.***

5c. ***The Platform shall regularly coordinate with the High-Level Forum on Standardisation to discuss the use of standardisation to support the development of net-zero technologies in Europe.***

Article 29

Structure and functioning of the Net-Zero Europe Platform

1. The Platform shall be composed ***of representatives of*** Member States and of the Commission. It shall be chaired by a representative of the Commission.

2. Each Member State shall appoint a high-level representative to the Platform. Where relevant as regards the function and expertise, a Member State may have more than one representative in relation to different tasks related to the work of the Platform. Each member of the Platform shall have an alternate. ***Only Member States shall have voting rights. Each Member State shall have only one vote regardless the number of representatives.***

3. On a proposal by the Commission, the Platform shall adopt its rules of procedure by a simple majority of its members.

4. The Platform shall meet at regular intervals to ensure the effective performance of its tasks specified in this Regulation. Where necessary, the Platform shall ***hold extraordinary meetings*** at the reasoned request of the Commission or a ***Member State***.

5. The Commission shall assist the Platform by means of an executive secretariat that provides technical and logistic support.

6. The Platform may establish standing or temporary sub-groups dealing with specific questions and tasks ***related to this Regulation***.

The Platform shall establish at least a sub-group to ensure the appropriate implementation of the Net-Zero Industry Academies pursuant to Chapter V.

7. The Platform shall invite representatives of the European Parliament to attend, as observers, its meetings, including of the standing or temporary sub-groups referred to in paragraph 6. ***The European Parliament shall receive all documentation and information related to the work of the Platform at the same time as the Members of the Platform.***

7a. The Platform shall establish a Net-Zero Industry group. The Group shall, on its own initiative or on the request of the Platform, provide recommendations to the Platform with a view of contributing to the objectives of this Regulation.

8. Where appropriate, the Platform or the Commission may invite experts ***representing industry, civil society, academia, trade unions*** and other third parties to ***participate in the*** Platform and sub-group meetings or to provide written contributions***, but without rights to participate in the decision making***.

9. The Platform shall take the necessary measures to ensure the safe handling and processing of confidential and commercially sensitive information.

10. The Platform shall use its best endeavours to reach consensus.

11. The Platform shall coordinate and cooperate with existing ***and relevant*** industrial alliances ***and, where appropriate, invite them to attend its meetings, including of the standing or temporary sub-groups referred to in paragraph 6 of this Article***.

11a. The Platform shall meet at least once every year with representatives from the SET Plan Steering Group referred to in Article (27a) in order to discuss the most recent developments, synergies between the implementation of this Regulation and the Strategic Energy Technology Plan and issue recommendations on this topic.

Article 29a

Net-Zero Regulatory Burden Scientific Advisory Group

1. A Net-Zero Regulatory Burden Scientific Advisory Group (the "Scientific Advisory Group") is hereby established.

2. The Scientific Advisory Group shall be composed of at least 7 senior scientific experts covering a broad range of relevant disciplines. Members of the Scientific Advisory Group shall meet the criteria laid down in paragraph 4.

3. No more than two members of the Scientific Advisory Group shall hold the nationality of the same Member State. The independence of the members of the Scientific Advisory Group shall be beyond doubt.

4. The members of the Scientific Advisory Group shall be designated for a term of four years, which shall be renewable once, following an open, fair and transparent selection procedure. The selection of members shall be based on the following criteria:

(a) scientific excellence;

(b) experience in carrying out scientific assessments and providing scientific advice in the fields of expertise;

(c) expertise in the field of public administration or other fields relevant for the tasks of the Board;

(d) professional experience in an inter-disciplinary environment in an international context.

5. The members of the Scientific Advisory Group shall be appointed in a personal capacity and shall give their positions completely independently of the Member States and the Union institutions. The Scientific Advisory Group shall elect a chairperson from among its members for a period of four years and it shall adopt its rules of procedure.

5a. ***The Scientific Advisory Group shall in the exercise of its activities function exclusively in an advisory capacity and act without prejudice to the Commission's right of initiative, the Interinstitutional Agreement on Better Law-Making and the Commission's scrutiny and quality-control functions in the Regulatory Scrutiny Board.***

6. ***The Scientific Advisory Group shall support, in accordance with paragraph 5a, the work of the Commission, the Parliament and the Member States while acting independently in discharging its tasks by providing advisory reports on the regulatory impact and burden of Union law on industrial activities in the scope of this Regulation. In order to provide consistent advice, the Scientific Advisory Group shall assess regulatory impacts and burdens on industrial activities in in the scope of this Regulation, utilizing a science informed methodology and where appropriate taking into account the Better Regulation Toolbox.***

7. ***The Commission shall provide the secretariat of the Scientific Advisory Group.***

8. ***The Scientific Advisory Group shall regularly exchange with the Platform on its work.***

Article 30

Articulation with National Energy and Climate Plans

Member States shall take into consideration this Regulation when preparing their national energy and climate plans and their updates, submitted pursuant to Articles 3, 9, and 14 of Regulation (EU) 2018/1999, in particular as regards the dimension "research, innovation and competitiveness" of the Energy Union, ***reflecting the priorities of the Energy Union Strategy and the Strategic Energy Technology (SET) Plan,*** and in the submission of their biennial progress reports in accordance with Article 17 of that Regulation.

Chapter VIII
Monitoring

Article 31

Monitoring

1. The Commission shall monitor on an ongoing basis:

(a) the Union's progress with respect to the Union's objectives referred to in Article 1, ***in particular the supply risks of net zero technologies that would distort competition or fragment the internal market,*** and the related impact of this Regulation;

(aa) the Union's progress with respect to the benchmarks referred to in Article 3c, taking into account the constraints and opportunities on the global market;

(ab) the value or volume of imports into its territory and exports outside of the Union's territory of net-zero technologies;

(b) the progress with respect to the Union level objective of CO_2 injection capacity referred to in Article 16 ***and to the related CO_2 transport infrastructure as well as the related CO_2 capture activities***.

2. Member States and the national authorities they designate for this purpose shall collect and provide data and other evidence required pursuant to paragraph 1, points (a)***, (aa), (ab)*** and (b). In particular, they shall collect and report ***every 3 years*** to the Commission data on:

(-a) identified obstacles to trade of net-zero technologies or in goods that use net-zero technologies within the internal market and their potential drivers including where this stems from the global supply chain disruptions;

(a) ***developments in net-zero technologies*** and market trends, ***as well as market prices for the respective net-zero technologies, including information on auctions about their frequency, awarding*** prices***, and volume as relevant for Chapter IV***;

(b) net-zero technology manufacturing capacity and related activities, including data on employment and skills ▌ ;

(c) ▌

(ca) the number of SMEs that are part of net-zero technology manufacturing projects;

(d) the ***following information related to permit-granting processes per net-zero technology:***

(i) the number of permit-granting processes initiated, the number of applications refused, and the number of comprehensive decisions taken and specifying whether they approved or refused the project;

(ii) the duration of the permit-granting processes where a comprehensive decision was taken, including duration of extensions of the time limits;

(iii) information on the resources allocated to the operation of the designated contact point(s);

(e) ▌

(f) ▌

(g) the number ***and nature*** of sandboxes ▌ ;

(h) the amount of CO_2 stored permanently underground in accordance with Directive 2009/31/EC.

3. ▌

3a. The data referred to in paragraph 2 shall be reported where they are not already included in or in accordance with the elements of the reporting notified to the Commission pursuant to Articles 17 and 25 of Regulation 2018/1999.

3b. ***The reporting obligations referred to in paragraph 2 shall not apply where Member States consider that it would be contrary to their essential security interests in accordance with Article 346 of the Treaty of the Functioning of the European Union.***

4. The first report shall be sent to the Commission by each Member State ***by 15 March 2027 and every three years thereafter***.

4a. ***The Commission is empowered to adopt implementing acts in accordance with Article 34(3) setting out a template for the reports referred to in paragraph 4.***

5. ▌

6. On the basis of the reports submitted ***every three years*** pursuant to paragraph 2 of this Article, the Commission shall monitor the Union's progress referred to paragraph 1, point (a) ***of this Article*** and publish related ***recommendations*** as part of the Annual Reports on Competitiveness of Clean Energy Technologies, pursuant to Article 35 (2), point (m) of Regulation (EU) 2018/1999. ***The recommendations shall also include considerations on whether all the net-zero technologies necessary to achieve the objectives in Article 1 are covered by the Regulation.***

7. On the basis of the draft permit applications submitted pursuant to Article 10 of the Directive 2009/31/EC and on the reports submitted pursuant to Articles 17(2) and Article 18(4) and 18(6) of this Regulation, the Commission shall monitor the progress towards reaching the Union-wide target for ***CO_2*** injection capacity referred to paragraph 1 point (b) of this Article and shall report annually to the European Parliament and the Council.

7a. ***The Commission shall inform the Net-Zero Europe Platform on its findings.***

Chapter IX
Final provisions

Article 32

Delegation of power

The Commission is empowered to adopt delegated acts in accordance with Article 33 to amend the modalities in which agreements between entities referred to in Article 18(1) and investments in storage capacity held by third parties are taken into account to meet their individual contribution set out in Article 18 (5), as well as the content of the reports referred to in Article 18 (6).

Article 33

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 32 shall be conferred on the Commission for a period of five years from [date of application]. The Commission shall ***present*** a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

3. The delegation of power referred to in Article 32 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect on the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Article 32 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 34

Committee procedure

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011. ***For matters related to Article 19 the Commission shall be assisted by the Advisory Committee on Public Procurement established by Council Decision 71/306/EEC. For matters related to Article 20 the Commission shall be assisted by the Energy Union Committee established by Article 44 of Regulation (EU) 2018/1999.***

2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

4. Where reference is made to this paragraph, Article 8 of Regulation (EU) No 182/2011, in conjunction with Article 4 thereof, shall apply.

Article 35

Evaluation

1. ***By…[4*** years ***from*** the date of application of this Regulation], and every 3 years thereafter, the Commission shall evaluate this Regulation and present a report on the main findings to the European Parliament, the Council and the European Economic and Social Committee.

2. The evaluation shall assess***:***

(a) whether the objectives of this Regulation as established in Article 1, in particular its contribution to the functioning of the Single Market, have been achieved and its impact on business users, especially SMEs, and end users, and the European Green Deal objectives;

(b) whether provisions in the Net-Zero Industry Act are fit to deliver beyond 2030 and towards the longer term 2050 climate neutrality target referred to in Article 1, taking into account, among other aspects, the possibility to include in the Net-Zero Industry Act other technologies that can play a significant role in achieving climate neutrality by 2050;

c) whether benchmarks for specific technologies are needed in order to achieve the security of supply of that technology for the Union.

3. The evaluation shall take into account***:***

(a) the result of the monitoring process as outlined in Article 31;

(b) the technology needs stemming from the updates of the National Energy and Climate Plans notified by Member States in accordance with the [Energy Union Governance Regulation], including the Strategic Energy Technology (SET) Plan referred to in Chapter VI, and informed by the most recent State of the Energy Union Report;

3a. ***Within the same period referred to in paragraph 1 at the latest as well as after each renewal or update of the [NECPs] and after consultation with the Net-Zero Europe Platform, the Commission shall assess and, where appropriate, present a proposal to expand the list of net-zero technologies set in Article 3a.***

4. The competent authorities of the Member States shall provide to the Commission any relevant information they have and that the Commission may require to draw up the report referred to in paragraph 1.

4a. ***Where, based on the report referred to in paragraph 1, the Commission concludes that the Union is likely not to achieve the objectives set out in Article 1(1), it shall, in consultation with the Net-Zero Europe Platform, assess the feasibility and proportionality of proposing measures in order to ensure the achievement of those objectives.***

4c. ***At the latest by [9 months after the entry into force of this Act], the Commission shall adopt a delegated act to amend Annex X based on the list of net-zero technologies set out in Article 3a, in order to identify the sub-categories within Net-zero technologies and the list of specific components used for these technologies. This delegated act as well as any future delegated act amending Annex X shall be based on a comprehensive assessment to identify specific essential components that can reasonably be assumed as primarily used for net-zero technologies. This assessment shall be based on a methodological analysis of the supply chains of the net-zero technologies, taking into account notably the commercial availability of the components, the appropriate level of detail and technology developments.***

Article 36

Treatment of confidential information

1. Information acquired in the course of implementing this Regulation shall be used only for the purposes of this Regulation and shall be protected by the relevant Union and national legislation.

2. Member States and the Commission shall ensure the protection of trade and business secrets and other sensitive, confidential and classified information acquired and generated in application of this Regulation, including recommendations and measures to be taken, in accordance with Union and the respective national law.

3. Member States and the Commission shall ensure that classified information provided or exchanged under this Regulation is not downgraded or declassified without the prior written consent of the originator ***in accordance with relevant national or Union law***.

4. If a Member State assesses that the presentation of aggregated information in the context of Article 18 may nonetheless compromise its national security interest, it may object to the Commission's presentation through a justified notice.

5. The Commission and the national authorities, their officials, employees and other persons working under the supervision of these authorities shall ensure the confidentiality of information obtained in carrying out their tasks and activities ***in accordance with relevant national or Union law***. This obligation also applies to all representatives of Member States, observers, experts and other participants attending meetings of the Platform pursuant to Article 29.

Article 37

Amendment to Regulation (EU) 2018/1724

Regulation (EU) 2018/1724 is amended as follows:

(1) in Annex I, in the first column, a new row 'R. Net-zero technology manufacturing projects' is added.

(2) in Annex I, in the second column, in the row 'R. Net-zero technology manufacturing projects', the following point are added:

'1. information on the permit-granting process'

'2. financing and investment services'

'3. funding possibilities at Union or Member State level'

‘4. business support services, including but not limited to corporate tax declaration, local tax laws, labour law.’

(3) in Annex II, in the first column, a new row ‘Net-zero technology manufacturing projects’ is added.

(4) in Annex II, in the second column, in the row ‘Net-Zero technology manufacturing projects’, the following points are added:

‘ ***‘***Procedures for all relevant ▌ permits to ***build, expand, convert*** and operate net-zero technology manufacturing projects, ***and net-zero strategic projects,*** including building, chemical and grid connection permits***,*** environmental assessments and authorisations where ***those*** are required, and encompassing all ▌ applications and procedures.’

(5) in Annex II, in the third column, in the row ‘Net-Zero manufacturing projects’, the following point is added:

‘ All outputs pertaining to the procedures ranging from the ***acknowledgement that the application is complete*** to the notification of the comprehensive decision on the outcome of the procedure by the ***designated contact point***.’

(6) in Annex III, the following point is added:

‘(8) ***Designated contact point*** acting as ***single point of contact*** pursuant to ***Articles 4, 13b(1) [and 26(1)]*** of [the NZIA] Regulation.’

Article 38

Entry into force and application

This Regulation shall enter into force on…[the day following that of its publication in the Official Journal of the European Union].

This Regulation shall enter into force on [the day following that of its publication in the Official Journal of the European Union]. It shall apply from [date of entry into force]. Until [2 years following the date of application of this Regulation], Article 19 ***(1)*** shall apply only to contracts concluded by central purchasing bodies as defined in Article 2 (1), point (16), of Directive 2014/24/EU and Article 2 (1), point (12), of Directive 2014/25/EU and for contracts of a value equal to or higher than EUR 25 million ▌.

Articles 20 and 21 shall apply from 18 months after the date of application of this Regulation.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament	*For the Council*
The President	*The President*

Annex X

List of final products and specific components considered as primarily used for the production of Net-Zero technologies

	Sub-categories within Net-zero technologies	**Components primarily used for these technologies**
Solar technologies	Solar photovoltaic technologies	
	Solar thermal electric technologies	
	Solar thermal technologies	
	Other solar technologies	
Onshore wind and offshore renewable technologies	Onshore wind technologies	
	Offshore renewable technologies	
Battery and energy storage technologies	Battery technologies	
	Energy storage technologies	
Heat pumps and geothermal energy technologies;	Heat pump technologies	

	Geothermal energy technologies	
Hydrogen technologies	Electrolysers	
	Hydrogen fuel cells	
	Other hydrogen technologies	
Sustainable biogas and biomethane technologies	Sustainable biogas technologies	
	Sustainable bio-methane technologies	
Carbon capture and storage technologies	Carbon capture technologies	
	Carbon storage technologies	
Electricity grid technologies	Electricity grid technologies	
	Electric charging technologies for transportation	

	Technologies to digitalise the grid	
	Other electricity grid technologies	
Nuclear fission energy technologies	Nuclear fission energy technologies	
	Nuclear fuel cycle technologies	
Sustainable alternative fuels technologies	Sustainable alternative fuels technologies	
Hydropower technologies	Hydropower technologies	
Other renewable energy technologies	Osmotic energy technologies	
	Ambient energy technologies, other than heat pumps	
	Biomass technologies	

	Landfill gas technologies	
	Sewage treatment plant gas technologies	
	Other renewable energy technologies	
Energy system-related energy efficiency technologies	Energy system-related energy efficiency technologies	
	Heat grid technologies	
	Other energy system-related energy efficiency technologies	
Renewable fuels of non-biological origin	Renewable fuels of non-biological origin technologies	
Biotech climate and energy solutions	Biotech climate and energy solutions	
Transformative industrial technologies for decarbonisation	Transformative industrial technologies for decarbonisation	

CO_2 transport and utilisation technologies	CO2 transport technologies	
	CO2 utilisation technologies	
Wind and electric propulsion technologies for transportation	Wind propulsion technologies	
	Electric propulsion technologies	
Other nuclear technologies	Other nuclear technologies	