

Sub.: Building resilient European cleantech manufacturing and value chains with the NZIA to reach a 40% total EU-market share by 2030

*TO THE COMMISSIONER FOR INTERNAL MARKET THIERRY BRETON,
TO THE REPRESENTATIVE OF THE BELGIAN PRESIDENCY OF THE COUNCIL OF THE EUROPEAN UNION KAROLINE VAN DEN BRANDE, AND
TO MEMBER OF EUROPEAN PARLIAMENT AND RAPPORTEUR OF THE NZIA FILE CHRISTIAN EHLER*

We, the undersigned companies, are a group of manufacturers with interests in Europe. Together, we represent approximately 120,000 jobs in Europe, representing cleantech and cleantech-adjacent industries which form the foundation of the net-zero technology industrial base. Together we have the potential to play a pivotal role in enabling Europe's carbon-neutral future while reinforcing the European Union's energy resilience.

However, for our industries to derive value from the **Net Zero Industry Act's (NZIA) objectives and the EU's net-zero goals**, the Act must provide the effective scaffolding needed to foster greater resilience and competitiveness in European manufacturing. This would ensure an accelerated transition to **climate neutrality**, which is aligned with **European values**. It would also allow Europe's cleantech manufacturing sector, and its value chains to be seen as investable again. We believe this is essential to ensuring that the NZIA is a fiscally responsible and politically viable investment for the EU and its member states.

We are concerned that the Council's stance in the ongoing trilogue negotiations, which focus on costs using highly subsidized and market-distorting imported cleantech as the benchmark, weakens provisions designed to achieve the **NZIA's core objectives of greater resilience and competitive domestic industries**. This stance is detrimental to European interests by deepening rather than addressing strategic vulnerabilities, and its basis in pricing that does not reflect market reality raises immediate concerns among international investors looking to participate in Europe's transition to a carbon-neutral future.

To be clear, we see the NZIA not as a crutch to lean on but a catalyst for investment, innovation, and a renaissance in European cleantech manufacturing.

As we engage in the crucial final stages of the trilogue discussions, it is essential to maintain focus on guiding the NZIA towards its primary goals, including leveling the playing field and enhancing the investment appeal of European cleantech manufacturing.

Europe's transition to a net zero carbon future must be underpinned by a strong and viable domestic net-zero technology industrial base. To ensure that NZIA enables a renaissance in cleantech manufacturing we urge an unwavering **emphasis on resilience and sustainability criteria (RSC)** in NZIA (Article 19(1) and Article 20(1)).

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The RSC would help level the playing field and attract manufacturing investments by creating demand-side drivers incentivizing the use of European-made products. A gradual introduction of RSC in auctions would catalyze investments providing certainty that by the time new manufacturing facilities are completed and ramped up, ideally by 2027, the entire auction volume will be subject to a resilience benefit. This will unlock the economies of scale required for competitive EU value chains.

Furthermore, leveraging RSC provides an opportunity to **ensure a just transition to carbon neutrality**. As the European Union advances towards legislation promoting responsible business practices, it becomes essential to embed pre-qualification criteria for renewable energy tenders. This step will reinforce NZIA's commitment to a fair and ethical transition, aligning with broader EU initiatives for social responsibility in business.

The introduction of an ambitious Net Zero Industry Act in Europe holds the potential to catalyze significant economic benefits, serving as a cornerstone for sustainable growth, job creation, and investment. Establishing a robust framework for cleantech manufacturing could contribute to generating an estimated €600 billions of net-zero technologies annually by 2030 and, as experience has shown in the United States and India, can stimulate a wave of innovation and industrial expansion, leading to the creation of substantial economic value and high-quality jobs across diverse sectors.

Yours sincerely, the undersigned:



Pierre-Emmanuel Martin, President



Bernhard Adler, CEO



Dr. Johan Lindahl, Secretary General

(Representing ACG Active Glass, Austrian Institute of Technology, Becquerel Institute, Centro Nacional de Energías Renovables, Fraunhofer ISE, Interuniversity Microelectronics Centre, Ines Solaire, L'Institut Photovoltaïque d'Île-de-France, Mondragon Assembly, NexWafe, REC Solar, Giga PV, The Norwegian Solar Energy Cluster, SoliTek, ECM Greentech, MCPV, Mersen, Voltec Solar, LuxChemtech, First Solar, ISC Konstanz, Midsummer, Solarge, Oxford PV, Sanital S.P.A. Vitronic, TNO, 3S Swiss Solar Solutions AG, RENA, Siemens, Abora, Enlog, Carbon, M10 Solar Equipment, Exasun, Lightyear, Maxeon, Forschungszentrum Jülich, AGP Glass, Futurasun, Exateq, RCT Solutions, Grenzebach Envelon, Autarq, Bottero, GALA, Sunmaxx, PVA Crystal Growing Systems, Ulbrich, Solliance, Sunerg Solar, Escelco, Smart Solar Technologies, ROSI, Stäubli, Wacker, Glasfabrik Lamberts, AE Solar, Gransolaer Group, GR2L, Power Electronics, Holosolis, BEE Solar, Ecoprogetti, Dr Hands Werner Chemikalien, Heckert Solar, 3 SUN, MRP Energy, Belga Solar, NorSun, Photowatt, Singulus)



Elisa Naranjo, Co-Founder



First Solar

Anja Lange, Managing Director



Tim Böltken, Founder and Managing Director



Bertrand Cazes, Secretary General

(Representing BV Glass, Fédération du Cristal et du Verre, British Glass, Fédération de l'Industrie du Verre, Glass Producers Association, Şişecam, Polish Glass Manufacturers Federation, Glasindustrie Fachverband Österreich, Slovak Glass Association, Vidrio España, Vereniging van Nederlandse Glasfabrikanten, Assovetro, Asociație sklářského a keramického průmyslu ČR, Glass Fibre Europe, Glass for Europe, European Container Glass Federation).



Bertrand Cazes, Secretary General

(Representing AGC, Guardian Glass, NSG Group, Saint-Gobain, Association of Glass Nordic, ASSOVETRO, Bundesverband Flachglas, BV Glas, Union Des Transformateurs de Verre Plat, Fédération de l'Industrie du Verre (FIV), Bouwend Nederland Vakgroep GLAS, GGF, Związku Pracodawców "Polskie Szkło")



Benjamin Trinkerl, CEO



Jan Jacob Boom-Wichers, CEO



Benjamin Trinkerl, CEO



Marc Rechter, CEO



Davor Sutija, CEO



David Ward, CEO



Christopher Case, President
(Representing) 5N Plus, First Solar, Grenzebach, LPKF SolarEquipment, Oxford PV, Saule Technologies, Solliance, Von Ardenne)



Dr. Wilhelm Stein, CEO



David Oudsandji, CEO



**Christian Westermeier, Vice President Customer
& Quality Management**