

## Net Zero Industry Act: support it with the Renewable Energy Directive

**EUREC – the Association of European Renewable Energy Research Centres – sees an opportunity for the Renewable Energy Directive, currently being revised, to support the aims of the Net Zero Industry Act.**

The European Parliament proposes an amendment to the renewable energy directive that would see at least 5% of all the new renewable energy capacity added to 2030 needing to be of “innovative” renewable energy technology. This could amount to several tens of gigawatts by that date<sup>1</sup>. It would provide market-pull for the manufacturing facilities that NZIA wants built.

That directive’s non-binding target will, we hope, push Member States to put in place new measures to help manufacturers and installers take a chance on new, unproven high-performance technology. Some of NZIA’s measures relate to ones that we have suggested<sup>2</sup>: regulatory sandboxes for deployments of all the main families of innovative renewable energy technology and “sustainability and resilience” award criteria in public procurements of energy from renewable energy sources.

But NZIA could be bolder. EUREC has advised from time to time using non-price criteria to select for products delivering *any kind* of performance improvement, not just an environmental performance improvement. And these criteria should not be used only for public procurement, where the State is the end customer, but in tenders offering public support to any renewable energy installation.

### Using NECPs

We welcome the European Commission’s call to Member States to report their progress towards re-industrialisation in the ‘Research, Innovation and Competitiveness’ components of National Energy and Climate Plans. NZIA could address the “[severe lack of national objectives and funding targets](#)” for research, innovation and competitiveness in NECPs, much like the innovative renewables provision in the renewable energy directive.

### NZIA complementing loosened state aid rules

EUREC’s Secretary General Greg Arrowsmith said, “NZIA is a step in the right direction, but its treatment of innovation is rather uneven. It is good that “net-zero technology manufacturing projects” may use the fact that they “manufacture technologies with improved sustainability and performance” to qualify for that label. But [Article 19 \(2\) b](#), which governs access for net-zero technologies to public procurement, seems to consider being innovative is an undesirable characteristic, requiring justification.”

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<sup>1</sup> See report “[Deployment of innovative renewable energy technologies to 2030](#)”, by 1-Tech under contract to EUREC (1-Tech under contract to EUREC, Oct 2022)

<sup>2</sup> See report “[5% of new capacity from ‘Innovative’ Renewable Energy – A necessary and do-able enhancement to the Renewable Energy Directive](#)” (EUREC, Oct 2022) page 11

Greg Arrowsmith continued, “On 9 March, the European Commission loosened the conditions for innovative renewable energy installations to receive state aid under the [General Block Exemption Regulation](#) and the Temporary Crisis and Transition Framework. The measures in that legislation, many of them making the launch of MW-scale demonstration projects easier, will complement NZIA’s offer to GW-scale initiatives.”