



In this factsheet:

Net Zero Industry Act
(NZIA)

February 2024



Adopting a Net Zero industry Act in Europe

Key measures for the geothermal sector

The Net Zero Industry Act

The NZIA was proposed by the European Commission in March 2023 and the agreement on the proposal EU/2023/0081 was reached in the trilogues in February 2024. Its aim is to scale up the manufacturing of clean technologies in the EU that have a strategic role in reaching net-zero in order to strengthen competitiveness and make the energy system more secure. More specifically, the objective is for the Union's overall strategic net-zero technologies manufacturing capacity to approach or reach 40% of its deployment needs by 2030.

Strategic technologies (Article 3a)

Strategic net-zero technologies are selected based on the following three criteria: Technology readiness level, Contribution to decarbonisation and competitiveness and Resilience of the energy system. On this basis, **geothermal energy technologies** were included in the list as one of the strategic technologies. In the list of net-zero technologies include it and other ones used by geothermal:

- (c) battery and energy storage technologies;
- (d) heat pumps and geothermal energy technologies;
- (m) energy system-related energy efficiency technologies, including heat grid technologies;



Strengthening EU competitiveness

The NZI act sets a benchmark for the EU manufacturing capacity of these strategic net-zero technologies to meet at least 40% of the EU's annual deployment needs by 2030. The benchmark in this regulation aims to provide predictability, certainty and long-term signals to manufacturers and investors and to allow them to track the progress.

To ensure security for investment, NZIA wishes to create the necessary conditions to facilitate investments in these net-zero technology manufacturing projects and to make it easier for project promoters to build up net zero industrial manufacturing. It does so by addressing the core drivers of net-zero technology manufacturing investments through measures such as:

- lowering the administrative burden by streamlining administrative requirements and facilitating permitting
- ensuring access to information
- facilitating access to markets in public procurement procedures and auctions, as well as schemes aimed at supporting private demand by consumers
- supporting innovation through regulatory sandboxes

Key provisions

Simplified regulatory environment (Article 4)

It focuses on Streamlining administrative and permit-granting processes, priority status of net-zero strategic projects. It includes: Single points of contacts, online accessibility of information, maximum duration of permitting processes.

Boost investment in strategic technologies (Article 19-22)

Facilitating access to markets in public procurement procedures and auctions with on price criteria. Auctions to deploy new renewable sources must prioritise investment in technologies that provide multiple services such as dispatchable or baseload renewable electricity, heating and cooling or sustainable critical raw material extraction and seasonal storage.

Enhancing skills for quality job creation in net-zero technologies (Article 23-25)

Dedicated training programmes through Net-Zero Academies and facilitating the portability of qualifications in regulated professions.

Net-Zero regulatory sandboxes (Article 26) for innovation

Net-Zero regulatory sandboxes allow for the development, testing and validation of innovative net-zero technologies.



Financing the NZIA

Strategic Technologies for Europe Platform (STEP)

STEP is an initiative to financially support the NZIA. Once launched, it will leverage and steer existing and new funds to investments in European digital, clean and bio technologies. It also introduces a quality label for sovereignty project, the Sovereignty seal.

STEP also introduces a new Sovereignty seal – an EU label for high quality projects – granting STEP projects' visibility and facilitating cumulative or combined funding from several EU budget instruments or national public and private investments.



Target investment areas



Target beneficiaries



Available financial support



Sovereignty seal

The STEP Portal presents funding opportunities relevant for STEP critical technologies and meeting STEP conditions under EU programmes:

The first calls are expected to be published in Q2 2024.

As an example, Strategic projects recognised in accordance with NZIA and CRMA will be supported by STEP. These selected projects could receive cumulative funding through various Union programmes, and, if awarded the seal, they could be displayed in the Sovereignty Portal.