

26 July 2024 (updated 17 September 2024)



Net Zero Industry Act

Position of the EU Batch Galvanizing Industry on the specific components of solar technologies and their contribution as non-price criteria in the context of auctions and public procurement procedures

BACKGROUND

EGGA welcomes the Net Zero Industry Act (NZIA) insofar as it represents an important piece of legislation for the EU Batch Galvanizing Industry, which plays a key role in the supply chains of some of the net-zero technologies falling under the scope of the Act, such as solar and wind technologies.

EGGA supports the objectives of Regulation (EU) 2024/1735 and particularly endorses that the Act provides that the attainment of those objectives relies, among others, on the scaling up of the EU manufacturing capacity of net-zero technologies and their entire supply chains.

Throughout the development of the NZIA, we have emphasised the importance to recognize all components of the supply chains of the final net-zero technologies in the scope of NZIA and the use of galvanizing to impart high durability and circularity to the steel components used in those technologies. For solar technologies, we urged to clearly include mounting structures in the scope of NZIA.

As regards conditions to market access, we recommended to increase weight and prominence of sustainability and resilience contribution criteria in public procurement procedures and auctions.

This paper presents EGGA's position on the implementing legislation for the NZIA. In particular, it reflects what the EU Batch Galvanizing Industry expects from the Delegated Act that will define the list of specific components used for the solar technologies and from the Implementing Acts that will define the components relevant for the computing of the sustainability and resilience criteria in public procurement and auctions.

RECOMMENDATIONS

1. Article 46.7 of the NZIA Act provides that the Commission shall adopt a delegated act to amend the Annex to NZIA to identify the sub-categories within **net-zero technologies and the list of specific components** used for those technologies.

Recommendation – LIST OF TECHNOLOGIES: The Commission must include “mounting structures, incl. trackers”, which are used in solar technologies in the column titled “Components that are primarily used for net-zero technologies”¹ at each relevant solar technology category listed in the Annex to Regulation (EU) 2024/1735.

- The manufacture of all components in the supply chains of the net-zero technologies, especially those that are heavily, or increasingly, dependent on imports/threatened by imports, should be explicitly included in the Annex.
 - Threats to the manufacturing, investment and employment capacity of steel components, such as the mounting structures of solar PV panels, jeopardise the scale-up of solar PV technologies in the same way as threats to other solar PV components, such as the panels, the cells, etc. would do.
 - Mounting structures are essential components of the supply chain of various types of solar technologies, including solar PV, solar thermal, concentrated solar power systems, etc. Given their structural and technological function, they play a key role in determining the reliability, performance and sustainability of those solar technologies.
2. Article 29.2 of the NZIA Act provides that for the purposes of the assessment of the contribution to **resilience** in public procurement procedures and auctions, 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.

Recommendation - RESILIENCE IN PUBLIC PROCUREMENT AND AUCTIONS: The Commission must include “mounting structures, incl. trackers”, which are used in solar technologies in the list of specific components¹ contributing to resilience in public procurement procedures and auctions.

- Over recent years, the EU has been seeing increased imports of mounting structures from non-EU countries, in particular from a single source of supply outside of the EU. The primary driver of these imports is cost.
 - If the EU production of mounting structures becomes increasingly uncompetitive because of the import of cheaper extra-EU mounting structures from a single source, the resilience objectives of the Act cannot be achieved as investment in EU production of these components will be limited.
3. Article 25.5 (public procurements) of the NZIA provides that the Commission shall adopt an implementing act specifying minimum requirements on environmental sustainability for the public procurement procedures referred to in paragraph 1. Article 25.4 b of the NZIA provides that those requirements shall take the form of contract performance clauses.

Recommendation – SUSTAINABILITY IN PUBLIC PROCUREMENT:

Against this background, we have submitted these specific proposals for performance clauses:

- **Re-usability: Mounting systems and tracker structures shall be sufficiently durable, without maintenance, for the entire lifetime of the solar/PV project, plus at least one additional repowering phase of the project or direct reuse of the components. This will normally require that specifications should refer to EN ISO 1461 for all steel components and with a minimum service life of 50 years.**

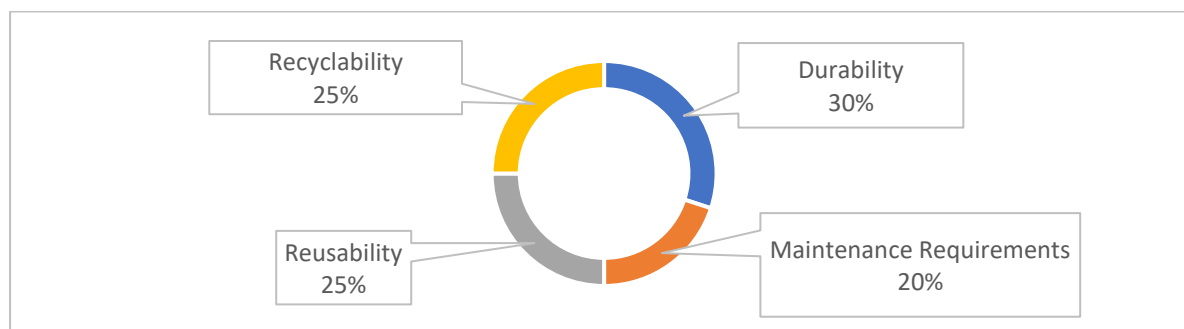
¹ Mounting structures, incl. trackers are included in the list of 8 solar supply chain categories suggested by SolarPower Europe in its position of June 2024 ([link](#)).

- **Re-cyclability: Components shall be designed and manufactured such that all critical raw materials² and strategic raw materials² can be recycled in such a way that they can be recovered separately for reuse and without loss of properties.**
 - Galvanized mounting structures can achieve very long lifespans and therefore allow virtuous circular approaches (revamping, reuse, etc.), leading to greater environmental sustainability.
 - Achieving maximum durability, reusability and recyclability of these components must be a fundamental objective of the developer.
 - This ambition should not be limited to align with lower standards of products from other industries
4. Article 26.3 (auctions) of the NZIA provides that the Commission shall adopt an implementing act further specifying the pre-qualification and award criteria

Recommendation – SUSTAINABILITY IN AUCTIONS:

When specifying minimum requirements on environmental sustainability (pre-qualification criteria) for solar PV mounting structures, the Commission must establish that mounting structures must have a minimum durability of 30 years.

When specifying environmental sustainability (as award criteria), we propose to assess sustainability individually for mounting structures. This sustainability assessment should be based on a combination of criterion, i.e., durability, maintenance needs, reusability, recyclability. Durability should be prioritized. We suggest to follow the below chart and table.



Proposed Award Criteria – Mounting structures, including trackers

Sustainability Category	Award Criteria	Weighting of the criteria
Durability	Guarantee in accordance with ISO standards for >30 years in project environment	+20%
	Guarantee in accordance with ISO standards for >40 years in project environment	+30%
Maintenance Requirement	No maintenance requirement over project design life	+20%
Potential for Reuse	Guarantee to be capable of reuse of main components or for repowering in situ	+25%
Recyclability	100% recyclable with recovery of all constituent elements, in particular critical raw materials, with no loss of properties	+25%

Recommendation – RESILIENCE IN AUCTIONS:

We support the position of SolarPower Europe of June 2024 ([link](#)).

² as defined by Regulation (EU) 2024/1252 of the European Parliament and of the Council of 11 April 2024 establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1724 and (EU) 2019/1020.