

26 July 2024 (updated 18 December 2024)



Net Zero Industry Act – Implementation Legislation

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

BACKGROUND

EGGA welcomes the Net Zero Industry Act (NZIA) as important 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, to strengthen EU manufacturing capacity of net zero technologies and their relevant components, and particularly endorses that the Act provides that the attainment of those objectives, focuses on the implementation of sustainability and resilience criteria in public procurement and auctions.

Throughout the development of the NZIA, we have emphasised the importance to recognize all components of the supply chains of the 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 urge inclusion of “solar mounting structures, incl. trackers” specifically, through the implementing legislation, in the list of specific components for the application of the sustainability and resilience criteria in public procurements and auctions, which is the aspect of the NZIA that has the highest importance to the EU Batch Galvanizing Industry.

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

RECOMMENDATIONS

1. Article 46.7 of the 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.

- Both solar mounting structures and trackers are **primarily used components**; they are **specific** components **designed and manufactured by specialist companies** and **selected** for **different solar PV systems** (agro-photovoltaic, photovoltaic car shelters, etc.).
- They are **used in many solar technologies**, including solar PV, solar thermal, concentrated solar power systems, etc.
- Mounting structures are **not just a simple steel support structure**; they are **essential/indispensable** components for the production and operation of many solar technologies.
- They have a **key structural and technological function**; they must be sturdy enough to withstand extreme weather conditions; they provide the structure needed to hold the panels in place at their optimal angles, allowing them to increase the energy yield.
- They **play a key role in determining the reliability, performance and sustainability** of solar technologies because of their structural and technological function.
- They determine the **cost** of the project. If of good quality, efficient and built to last, **they represent a significant share of the value** of a solar ground-mounted plant.

The application of resilience and sustainability criteria in public procurement and auctions is the aspect that has the highest importance to the EU batch galvanizing Industry.

We strongly urge the Commission to include mounting structures and trackers because:

- All key components in the supply chains of the net-zero technologies, especially those that are heavily, or increasingly, **dependent on imports/threatened by imports**, such as the mounting structures and trackers, should be eligible for the Commission and contracting authorities/entities’ **resilience assessment so that the resilience criterion can apply to them, if conditions are met.**
- The inclusion of solar mounting structures and trackers in the Delegated Act, Art. 46(7) is necessary in order **to be included in the list of main specific components of Implementing Act, Art. 29(2)** on which the Commission and contracting authorities/entities will conduct resilience assessments.
- The **application of the sustainability criterion** in public procurement and auctions for solar mounting structures and trackers also **depends on the inclusion of those components**
- These components are mainly manufactured from steel. Their inclusion in the Delegated Act would establish **a valuable platform for the implementation of the Commission’s intended Steel and Metals Action Plan.**

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.

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

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 and tackers from non-EU countries, **in particular from a single source of supply outside of the EU**. The primary driver of these imports is cost.
- The application of the resilience criterion to mounting structures, incl. trackers in the context of public procurements and auctions would help tackle **growing situations of dependency** that **massive imports of cheap components** from China are creating, and it would preserve and strengthen the EU manufacturing capacity for those essential components and related supply chains.
- EGGA’s evaluations and evidence from certain large-scale solar PV installations indicate that the proportion of mounting structures and trackers **originating from China accounts for more than 50% of the supply** of those components. This should be **sufficient to justify** their inclusion in the lists of components.
- A lack of official data on imports of mounting structures and trackers, due to the **current unavailability of a specific custom code for those components and their parts does not justify their exclusion**. We encourage the timely development of a specific custom code for mounting structures and trackers to facilitate implementation.
- If EU production of mounting structures becomes increasingly uncompetitive because of the massive import of cheaper 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 constrained and will create growing situations of dependency.
- Threats to the manufacturing, investment and employment capacity of these components **jeopardises the scale-up of solar PV technologies**.

Specification on the design of the Resilience Criteria

Recommendation – RESILIENCE IN PUBLIC PRUCUREMENTS :

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

- In particular, we support the principle that, when a supply dependency has been identified for a specific net-zero technology or its components pursuant to Art. 25(7), at least 50% of those specific components have to be manufactured outside the dominant source of supply to be eligible for a EU public procurement.
- The resilience assessment should be done **at project level** and should be carried out **separately for each specific component**.

3. Article 26.3 (auctions) of the NZIA provides that the Commission shall adopt an implementing act further specifying the pre-qualification and award criteria in renewable energy auctions

Recommendation – RESILIENCE IN AUCTIONS:

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

- We support the principle that when a supply dependency according to Art. 26(2) has been identified, at least 50% of the relevant specific components allowed in EU auctions have to be manufactured outside the dominant source of supply.
- We recommend to award incremental bonus points for an increasing share of EU manufactured mounting structures and trackers in auctions (at least 70% and 90%)
- When it comes to mounting structures and trackers, we recommend to apply the resilience criteria to 100 % of the volume auctioned per year per Member State

Specification on the design of the Sustainability Criteria

4. 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:

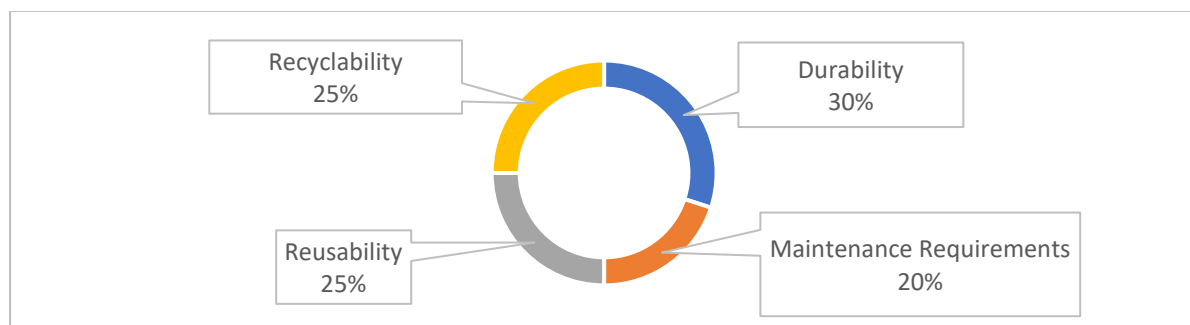
- **Re-usability: Mounting systems and tracker structures shall be sufficiently durable, without maintenance, for the entire lifetime of the solar/PV project, plus at least one additional repowering phase of the project or direct reuse of the components. This will normally require that specifications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

5. 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

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.

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%



The general (batch) galvanizing industry provides the most effective long-term corrosion protection for steel products, through the application of a metallurgically-bonded coating of zinc metal. It is a service that is applied after manufacture of the product and normally on a sub-contract basis. The coating ensuring many decades of maintenance-free durability for vital net-zero technologies, such as solar power installations and wind energy equipment. A galvanized coating is sufficiently durable and robust to provide corrosion protection across more than one product lifecycle. Both zinc and steel are recovered at eventual end-of-life.

The European General Galvanizers Association (EGGA) is the federation of the national galvanizers associations within Europe. The industry comprises about 700 general galvanizing plants (mostly SMEs) employing an estimated 40,000 people in Europe. EGGA monitors and responds to issues affecting the general galvanizing industry in Europe, in particular environmental, technical and regulatory matters. EGGA also provides a platform for coordination of marketing and other initiatives for the industry.

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