

8 July 2025

European Commission Public Consultation on the Industrial Decarbonisation Accelerator Act (IDAA)

Position of the EU Batch Hot Dip Galvanizing Industry

AN ENABLING ENVIRONMENT FOR DECARBONISATION FOR SME AND MID CAP BUSINESSES OF LOWER ENERGY INTENSITY IN THE EII SUPPLY CHAIN

The galvanizing industry enhances the circularity and durability of Europe's steel products with consequent benefits for the EU climate goal. We are committed to decarbonising our processes alongside these beneficial contributions and deserve an enabling policy framework that is not restricted by EII definitions and thresholds.

The Industrial Decarbonisation Accelerator Assessment (IDAA) initiative has high potential as a key instrument of the Clean Industrial Deal, supporting the decarbonisation of industry while safeguarding international competitiveness. We particularly value its potential to accelerate administrative procedures and facilitate investments.

The principal concern of Europe's galvanizing industry is that policy attention remains narrowly focused on core Energy-Intensive Industries (EIIs). This situation limits access to supportive policy measures to facilitate decarbonization for less energy intensive industry installations that operate within the value chains of these EIIs. If this policy distortion is not corrected, downstream SME and mid cap businesses within those value chains will be left exposed as the laggards in decarbonization whilst increasing their proportion of the carbon footprint of the final products.

We urge the Commission to pay close attention to these concerns when delivering on the aspects of the proposal that will consider those related downstream industries, in particular where thresholds for funding support, boundaries of policy measures and creation of the enabling environment is concerned. These must not be limited by the definitions of EIIs to avoid exclusion of SME and mid cap businesses in those supply chains.

DETAILED RECOMMENDATIONS

1. Targeted measures are essential to enhance grid capacity and ensure stable, secure, and affordable electricity supply. Public support instruments must be accessible to all energy-dependent sectors, including SMEs and mid-caps outside the established EII definition.

The galvanizing sector lacks sufficient access to affordable, decarbonised energy. Electrification, especially by use of electric furnaces, is a practical and cost-efficient decarbonisation path.

Key barriers include:

- **Insufficient grid capacity:** Many industrial sites cannot connect due to capacity limits. Energy-dependent installations that do not fall under the conventional EII definition are deprioritized in favor of large energy-intensive emitters.
- **High and volatile electricity prices:** Costs remain high and unpredictable due to the marginal pricing system and energy taxes. Support schemes (State aid, Grants, CCfDs, PPAs) should not be limited to large EIIs.
- **Limited supply reliability:** Gas remains more stable for industry; recent power outages raise concerns amid growing electricity demand.

2. Energy-dependent installations that fall outside the conventional definition of EIIs must have the flexibility to adopt decarbonisation technologies that are best suited to their specific installations and to receive the appropriate administrative and financial support for that technology.

While electrification is viable for the galvanizing sector, companies with lower energy intensity often face limited access to electricity, as priority is given to other actors, pushing them toward less suitable alternatives. It is ineffective to steer less energy-intensive sectors, e.g. galvanizing installations, toward selected clean technologies based mainly on infrastructure-driven policies, especially when these solutions are not technically compatible and/or economically viable for their installations, and are the result of a one-size-fits-all approach.

3. Permitting processes for industrial energy access and decarbonisation projects must be faster, more certain and consistent across Member States.

Companies in the galvanizing sector frequently encounter permitting procedures that are complex and lengthy. Planning objections cause significant delays, deter investments, and slow decarbonisation progress.

- These challenges are widespread but more severe in some countries and regions, making decarbonisation uneven across Europe.
- Few countries grant permits promptly; we believe permitting should not exceed four months.
- Mechanisms must limit undue third-party objections once a project complies with standards, ensuring legal certainty and timely investment deployment.

4. Deliver lead markets for low carbon steel products with minimum EU content requirements whilst avoiding conflict with downstream methodologies for end products in other legislative initiatives.

The creation of lead markets for low-carbon products, including steel products, has potential to boost investment in production of those low-carbon products by the application of a voluntary label.

When the boundaries of the assessments for the application of these labels are set by the ETS and CBAM methodologies with alignment to the intermediate product stage, then overlap and conflict with other methodologies and declarations of carbon intensity, such the declaration of Global Warming Potential within the Declaration of Performance under the Construction Products Regulation can likely be avoided.

It is important to carefully design these boundaries and interfaces between legislative instruments in order to avoid conflicting values and additional administrative burdens in provision of supply chain information.



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.

Contact Point at EGGA:

Valerio Mazzone, Director-Public Affairs
vmazzone@egga.com