

ANNEX I – NZIA – OUTLINE OF ARTICLE 25

Regulation (EU) 2024/1735 in relation to ‘*Establishing a Framework of Measures for Strengthening Europe’s Net-Zero Technology Manufacturing Ecosystem*’ (hereinafter: the Net Zero Industry Act – NZIA)¹ has been published on the Official Journal of the European Union on 28th June 2024 and has entered into force on the day following its publication². Accordingly, this Regulation is binding in its entirety and has been directly applicable in all Member States since 29th June 2024. However, certain provisions have a delayed Applicability Date. Additionally, in 2025, a Corrigendum³ and the Commission Delegated Regulation (EU) 2025/1463⁴ have also been issued.

The Department of Contracts encourages Contracting Authorities⁵/Entities⁶, to read and familiarise themselves with the latest version of Regulation (EU) 2024/1735 especially the provisions and obligations of Article 25 of the Net Zero Industry Act.

Scope for Public Contracts

Article 2 of NZIA specifies that Regulation (EU) 2024/1735 lays down a set of measures aimed to achieve the General Objectives of the Net-Zero Industry Act. In fact, from a Public Procurement perspective vis-à-vis Article 25, Sub-Article 2(c) of NZIA aims to:

‘(c) encourage demand for sustainable and resilient net-zero technologies through public procurement procedures, ... and ...’.

Entry into Force and Effective Dates

Articles 49(2) and 49(3) of NZIA respectively specify that Regulation (EU) 2024/1735 ‘*shall apply from 29 June 2024*’ and ‘*Until 30 June 2026, Article 25(1) shall apply only to contracts concluded by central purchasing bodies as defined in Article 2(1), point (16), of Directive 2014/24/EU and Article 2(1), point (12), of Directive 2014/25/EU and for contracts of a value equal to or higher than EUR 25 million*’.

Applicability of NZIA: Procurement/Concession Provisions

Contracting Authorities/Entities when procuring any of the eleven (11) Net-Zero Technologies, as specifically listed in Article 4(1)(a) to 4(1)(k) of Regulation (EU) 2024/1735, shall include the requirements as detailed in Article 25 of NZIA.

¹ Regulation (EU) 2024/1735 of the European Parliament and of the Council of 13 June 2024 on establishing a framework of measures for strengthening Europe’s net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724.

² The NZIA may be downloaded from <https://eur-lex.europa.eu/eli/reg/2024/1735/oj/eng> - Regulation (EU) 2024/1735 of the European Parliament and of the Council of 13 June 2024 on establishing a framework of measures for strengthening Europe’s net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724 Text with EEA relevance. - CL2024R1735EN0010010.0001_cp 1..1

³ On 5th February 2025, Corrigendum 2025/90111 took place - https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202590111

⁴ On 28th July 2025, Commission Delegated Regulation (EU) 2025/1463 of 23 May 2025 amending NZIA as regards the identification of sub-categories within net-zero technologies and the list of specific components used for those technologies took place - [Commission Delegated Regulation \(EU\) 2025/1463 of 23 May 2025 amending Regulation \(EU\) 2024/1735 of the European Parliament and of the Council as regards the identification of sub-categories within net-zero technologies and the list of specific components used for those technologies](#).

⁵ Contracting Authorities in S.L. 601.03 and S.L. 601.05 are defined as the ‘State, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law’. Contracting Authorities in S.L. 601.09 is defined as per S.L. 601.03 with the additional inclusion of ... ‘other than those authorities, bodies or associations which pursue one of the activities referred to in Schedule 4 and award a concession for the pursuit of one of those activities’.

⁶ Contracting Entities in S.L. 601.05 are entities which: (a) are contracting authorities or public undertakings and which pursue one of the activities referred to in regulations 8 to 14; (b) when they are not contracting authorities or public undertakings, have as one of their activities any of the activities referred to in regulations 7 to 13, or any combination thereof and operate on the basis of special or exclusive rights granted by a competent authority.

Article 25 of NZIA lays down salient Public/Utilities Procurement and Concession provisions⁷, specifically identifying three (3) Sets of Qualitative Non-Price Criteria (including their implementation) to be considered when procuring Net-Zero Technologies:

- Social or Employment-related Considerations or Cybersecurity Compliance or Timely Delivery Obligation [Article 25(3)]
- Environmental Sustainability [Articles 25(1), 25(4) and 25(5)]
- Resilience Contribution [Article 25(7)]

Social or Employment-related Considerations or Cybersecurity Compliance or Timely Delivery Obligation Criteria [Article 25(3)]

Works Public Contracts and Works Concession procedures falling within the scope of Directives 2014/23/EU, 2014/24/EU or 2014/25/EU, specifically where the Net-Zero Technologies (as listed in Article 4(1)(a) to 4(1)(k) of NZIA) are included, Contracting Authorities/Entities shall apply *at least one (1)* of the following Criteria:

- Special Condition that relates to Social or Employment-Related Considerations that takes the form of a Contract Performance Clause⁸;
- Requirement to demonstrate Compliance with applicable Cybersecurity requisites provided for in a Cyber Resilience Regulation (including, where appropriate and where available, through a relevant European Cybersecurity Certification Scheme);
- Contractual Obligation to timely deliver the Component of the Contract relating to Net-Zero Technologies (as listed in Article 4(1)(a) to 4(1)(k) of NZIA), that may give rise to an obligation to pay an appropriate charge if this obligation is not fulfilled, and that goes beyond the requirements provided for in the applicable national legislation, if such legislation exists.

Pursuant to Article 49(2) of NZIA the above three (3) Criteria [as per Article 25(3)] entered into force on 29th June 2024.

Environmental Sustainability [Articles 25(1), 25(4) and 25(5)]

Public/Utilities Procurement and Concession Procedures falling within the scope of Directives 2014/24/EU, 2014/25/EU or 2014/23/EU, where contracts have Net-Zero Technologies [listed in Article 4(1)(a) to 4(1)(k) of NZIA] as part of their Subject Matter, or in the case of Works Public Contracts and Works Concessions including said technology, Contracting Authorities/Entities shall apply Minimum Mandatory Requirements regarding Environmental Sustainability.

⁷ Recital 78 of NZIA specifies that 'For the purposes of the application of the provisions relating to public procurement pursuant to this Regulation, where a product is covered by a delegated act adopted pursuant to Regulation (EU) 2017/1369 of the European Parliament and of the Council [Setting a Framework for Energy Labelling], contracting authorities and contracting entities should purchase only the products that comply with the obligation laid down in Article 7(2) of that Regulation.

⁸ Contract Performance Clauses within meaning of Art. 70-Directive 2014/24/EU & Art. 87-Directive 2014/25/EU & of General Principles of Directive 2014/23/EU.

The Minimum Mandatory Requirements, shall take the form, where appropriate, of:

- Technical Specifications/Requirements⁹; or
- Contract Performance Clauses¹⁰.

Implementing Act: In accordance with Article 25(5)¹¹ of NZIA, the European Commission has published the Implementing Regulation 2026/718 on ‘*laying down rules for the application of Regulation (EU) 2024/1735 ... as regards minimum environmental sustainability requirements for public procurement procedures involving certain net-zero technologies*’. It covers the Minimum Environmental Sustainability Requirements related to Onshore Wind and Offshore Wind Technologies¹². Article 2 of Implementing Regulation 2026/718 specifies that the Wind Turbine Blades of Onshore Wind and Offshore Wind Technologies shall have a recyclability rate of at least 70%. The Recyclability Rate shall be calculated as the relative weight of recyclable material. Recital 12 denotes that ‘*the European standard EN 45555:2019 (or equivalent) provides methods for the recyclability of energy-related products and should therefore be used to assess the recyclability of wind blades*’. The said Recyclability Rate shall be demonstrated at the latest upon completion of the execution of the contract.

Contracting Authorities/Entities shall read and apply the requirements of the Implementing Regulation 2026/718 when drafting Procurement/Concession Documents in relation to Onshore Wind and Offshore Wind Technologies¹³. The said Implementing Regulation may be reviewed from the EUR-Lex website: <https://eur-lex.europa.eu>¹⁴.

Furthermore, Contracting Authorities/Entities shall take note and adhere to other Legislation that define any applicable Environmental Sustainability Requirements for Public Procurement in relation to the below Technologies, but not limited to:

- *Heat Pumps*: Article 7(1) of Directive (EU) 2023/1791¹⁵, Commission Delegated Regulation (EU) No 811/2013¹⁶ and Article 7(2) of Regulation (EU) 2017/1369¹⁷.
- *Batteries or products containing Batteries*: Article 85(3) of Regulation (EU) 2023/1542¹⁸.

⁹ Technical Specifications/Requirements within meaning of Art. 36-Directive 2014/23/EU, Art. 42-Directive 2014/24/EU & of Art. 60-Directive 2014/25/EU.

¹⁰ Contract Performance Clauses within meaning of Art. 70-Directive 2014/24/EU & Art. 87-Directive 2014/25/EU & of General Principles of Directive 2014/23/EU.

¹¹ By 30 March 2025, the Commission shall adopt an implementing act specifying minimum requirements on environmental sustainability for the public procurement procedures referred to in paragraph 1. When adopting that implementing act, the Commission shall consider at least the following elements: (a) the market situation at Union level of the relevant technologies; (b) provisions regarding environmental sustainability set out in other Union legislative and non-legislative acts applicable to public procurement procedures covered by the obligation set out in paragraph 1; (c) the Union's international commitments, including the GPA and other international agreements of which the Union is bound. That implementing act shall be adopted in accordance with the examination procedure referred to in Article 45(2).

Due to the scope of the Public Procurement provisions of Regulation (EU) 2024/1735, both in terms of Net-Zero Technologies covered and potential Minimum Requirements on Environmental Sustainability to be considered, extensive mapping and analysis were required. As a result, the deadline could not be met.

¹² The rules set in accordance with Article 25 of NZIA should apply to the procurement of the Net-Zero Technologies, except where such procurement is used to carry out projects awarded in the context of Renewable Energy Auctions subject to Article 26 of NZIA.

¹³ Recital 9 of Implementing Regulation 2026/718 states that ‘While only little wind technology deployment is formally done through public procurement, contracting entities will in some markets publicly procure wind turbines. This is the case when they are subject to Directive 2014/25/EU and when the market is not directly exposed to competition, so that the exception of Article 34 of Directive 2014/25/EU does not apply’.

¹⁴ The Environmental Sustainability for Onshore Wind & Offshore Wind Technologies Implementing Regulation may be downloaded from https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202600718.

¹⁵ Directive (EU) 2023/1791 on energy efficiency may be downloaded from <https://eur-lex.europa.eu/eli/dir/2023/1791/oj/eng>.

¹⁶ Commission Delegated Regulation (EU) No 811/2013 supplementing Directive 2010/30/EU with regard to the energy labelling of space heaters, combination heaters, packages of space heater, temperature control and solar device and packages of combination heater, temperature control and solar device may be downloaded from https://eur-lex.europa.eu/eli/reg_del/2013/811/oj/eng.

¹⁷ Regulation (EU) 2017/1369 setting a framework for energy labelling may be downloaded from <https://eur-lex.europa.eu/eli/reg/2017/1369/oj/eng>.

¹⁸ Regulation (EU) 2023/1542 concerning batteries and waste batteries may be downloaded from <https://eur-lex.europa.eu/eli/reg/2023/1542/oj/eng>.

Recital 8 of Implementing Regulation 2026/718 explains that '*potential implementing measures under Directive 2009/125/EU ... and Regulation (EU) 2017/1369 are under preparation*' for Photovoltaic Products, implying Mandatory Public Procurement Provisions similar to Heat Pumps. Contracting Authorities/Entities are not precluded from using Additional Minimum Requirements or Award Criteria in relation to Environmental Sustainability.

Pursuant to Article 49(3) of NZIA, until 30th June 2026, the Environmental Sustainability Requirement [as per Article 25(1)] shall apply only to Public/Utilities Procurement Contracts concluded by (i) Central Purchasing Bodies* and those with an Estimated Value equal to or higher than Euro 25 million excluding VAT.

In line with Recital 16 and Article 3 of the Implementing Regulation 2026/718, the Minimum Environmental Sustainability Requirements for Onshore Wind and Offshore Wind Technologies shall apply to Public/Utilities Procurement and Concession procedures falling within the scope of Article 25(1) of NZIA launched on or after 30th June 2026.

**Central Purchasing Bodies as defined in Article 2(1), point (16)-Directive 2014/24/EU¹⁹ and Article 2(1), point (12)-Directive 2014/25/EU²⁰.*

Resilience Contribution [Article 25(7)]

Public/Utilities Procurement and Concession procedures falling within the scope of Directives 2014/24/EU, 2014/25/EU or 2014/23/EU, where contracts have Net-Zero Technologies [listed in Article 4(1)(a) to 4(1)(k) of NZIA] as part of their Subject Matter, or in the case of Works Public Contracts and Works Concessions, including said technology, and in the case of Contracts awarded on the basis of a Framework Agreement²¹, Contracting Authorities/Entities shall take into account the Tender's Resilience Contribution²².

If the European Commission, at the time of the Call for Competition for a Public/Utilities Procurement and Concession Procedure or commencement of such a procedure, has determined in accordance with Article 29(2) of NZIA that the proportion of a Specific Net-Zero Technology or its Main Specific Components²³ originating in a Third Country accounts for more than 50% of the Supply of that Specific Net-Zero Technology or its Main Specific Components within the EU, or if the European Commissions has determined in accordance with Article 29(2) of NZIA that the Proportion of Supply within the EU of a Specific Net-Zero Technology or its Main Specific Components originating in a Third Country has increased by at least 10% points on average for Two

¹⁹ Central Purchasing Body: 'a contracting authority providing centralised purchasing activities and, possibly, ancillary purchasing activities' (Directive 2014/24/EU).

²⁰ A Central Purchasing Body in Directive 2014/25/EU is defined as 'a contracting entity within the meaning of Article 4(1) of this Directive or a contracting authority within the meaning of point 1 of Article 2(1) of Directive 2014/24/EU providing centralised purchasing activities and, possibly, ancillary purchasing activities.'

²¹ Contracts awarded on the basis of a Framework Agreement where the estimated value of those agreements is equal to or above the values set out in Article 8 of Directive 2014/23/EU, Article 4 of Directive 2014/24/EU and Article 15 of Directive 2014/25/EU.

²² Recital 76 of NZIA specifies that the 'application of the provisions on resilience in public procurement procedures pursuant to this Regulation should be without prejudice to Article 25 of Directive 2014/24/EU and Articles 43 and 85 of Directive 2014/25/EU, and in line with the Commission communication of 24 July 2019 entitled 'Guidance on the participation of third country bidders and goods in the EU procurement market'. Similarly, public procurement provisions should continue to apply to works, supplies and services subject to this Regulation, including Article 67(4) of Directive 2014/24/EU and any implementing measures resulting from Regulation (EU) 2024/1781'.

²³ Article 3(2) of NZIA defines Component as 'a part of a net-zero technology final product that is manufactured and traded by a company, including processed material', whereby Article 3(11) of NZIA defines Processed Material as 'a material that has been processed in such a way to be suitable for a specific function in a net-zero technology supply chain, with the exception of critical raw materials defined pursuant to Article 4 of Regulation (EU) 2024/1252'.

(2) consecutive years and reaches at least 40% of the Supply within the EU, Contracting Authorities/Entities shall include the following conditions for the Public/Utilities Procurement and Concession Procedures:

- i. Obligation for the Contract Duration not to Supply more than 50% of the Contract Value of the Specific Net-Zero Technology from each Individual Third Country as determined by the European Commission;
- ii. Obligation for the Contract Duration that no more than 50% of the Contract Value of the Main Specific Components of the Specific Net-Zero Technology is supplied or provided directly by the Successful Tenderer or by a Subcontractor from each Individual Third Country as determined by the European Commission;
- iii. Obligation to provide Contracting Authorities/Entities, upon their request, adequate evidence relating to point (i) or point (ii) above, at the latest upon completion of the Contract Execution;
- iv. Obligation to pay a Proportionate Charge, in the event of non-observance of the conditions referred in point (i) or point (ii) above, of at least 10% of the Contract Value of the Specific Net-Zero Technologies of the Contract.

For Contracts covered by the EU's Appendix I to the Agreement on Government Procurement (GPA) and by other relevant International Agreements by which the EU is bound, Contracting Authorities/Entities '*shall not apply the requirements of points (a) to (d) of the second subparagraph of paragraph 7 [Article 25(7) of NZIA refers]*', where the specific net-zero technology or its main specific components originates from sources of supply that are signatories to those agreements'. Therefore, in such instances the conditions detailed in the above points (i) till (iv) shall not apply.

Implementing Act: In accordance with Article 25(7) of NZIA, where there is evidence of a significant dependency on Third Countries regarding the EU's Supply of Net-Zero Technologies, Non-Price Criteria, such as the Resilience Contribution, are to be applied in Public/Utilities Procurement and Concession Procedures. Pursuant to Article 29(2)²⁴ of NZIA, the European Commission has published the Implementing Regulation 2025/1178 on '*laying down rules for the application of Regulation (EU) 2024/1735 ... as regards the list of net-zero technology final products and their main specific components for the purposes of assessing the contribution to resilience*'²⁵. The Main Specific Components included in the List of the Annex to the Implementing Regulation 2025/1178 include Specific Components primarily used to produce Net-Zero Technologies that are essential to ensure the effective implementation of the EU's Resilience Contribution if they contribute significantly to the Final Product's Value, or if they are critical in supporting the resilience of the Overall Supply Chain. The said Implementing Regulation may be reviewed from the EUR-Lex website: <https://eur-lex.europa.eu>²⁶.

²⁴ For the purposes of the assessment of the contribution to resilience, 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. That implementing act shall be adopted in accordance with the examination procedure referred to Article 45(2). On the basis of the implementing act referred to in the first subparagraph, the Commission shall provide updated information on the shares of the Union supply originating in different third countries in the most recent year for which data is available for each of the net-zero technologies and their main specific components. The country of origin shall be determined in accordance with Regulation (EU) No 952/2013.

²⁵ Commission Implementing Regulation (EU) 2025/1178 of 23 May 2025 - https://eur-lex.europa.eu/eli/reg_impl/2025/1178/oj/eng.

²⁶ The Resilience Contribution Implementing Regulation may be downloaded from https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202501178.

The European Commission shall provide updated information on the shares of the EU Supply originating in different Third Countries in the most recent year for which Data is available for each Net-Zero Technology and its Main Specific Components. The Country of Origin shall be determined in accordance with Regulation (EU) No 952/2013²⁷.

Pursuant to Article 25(7) of NZIA, the Resilience Contribution Requirement [as per Article 2 of Implementing Regulation 2025/1178] entered into force on 30th December 2025.

Non-Applicability of NZIA: Public Contracts

Articles 25(9), 25(10) and 25(11) of NZIA provide the salient provisions vis-à-vis the exceptional circumstances whereby the NZIA may not be applicable in Public/Utilities Procurement and Concession Procedures. Such articles specify when and how the previously mentioned three (3) Sets of Qualitative Non-Price Criteria need not be applied.

Social or Employment-related Considerations or Cybersecurity Compliance or Timely Delivery Criteria and Environmental Sustainability

Pursuant to Article 25(9) of Regulation (EU) 2024/1735, Contracting Authorities/Entities may, on an exceptional basis, decide not to apply Articles 25(1) to 25(4) of NZIA, where:

- Net-Zero Technology can only be supplied by a Specific Economic Operator and no reasonable Alternative or Substitute exists and the Absence of Competition is not the result of an Artificial Narrowing down of the parameters of the Public/Utilities Procurement or Concession Procedure;
- No suitable Tenders or no suitable Requests to Participate have been submitted in response to a similar former procedure launched by the same Contracting Authority/Entity in the two (2) years immediately before the Commencement of the planned new Public/Utilities Procurement or Concession Procedure;
- Application of the Criteria would oblige that Contracting Authority/Entity to acquire Equipment having Disproportionate Costs or would result in Technical Incompatibility in Operation and Maintenance.

Article 25(10) of NZIA states that *‘Estimated cost differences above 20 %, based on objective and transparent data, may be presumed by contracting authorities and contracting entities to be disproportionate’*.

²⁷ Regulation (EU) No 952/2013 laying down the Union Customs Code - <https://eur-lex.europa.eu/eli/reg/2013/952/oj/eng>.

Resilience Contribution

Pursuant to Article 25(11) of Regulation (EU) 2024/1735, where the application of the Resilience Contribution pursuant to Article 25(7) has led to a situation where no suitable Tenders or no suitable Requests to Participate have been submitted in response to a Public/Utilities Procurement or Concession Procedure, Contracting Authorities/Entities may, on an exceptional basis:

- Utilise the Negotiated Procedure without Prior Publication²⁸; or
- Not apply Article 25(7) in a specific subsequent Public/Utilities Procurement or Concession Procedure that aims to address the same needs as those which led to the commencement of the initial procedure.

²⁸ Utilisation of the Negotiated Procedure without prior Publication pursuant to Article 32(2), point (a), of Directive 2014/24/EU, Article 50, point (a), of Directive 2014/25/EU or Article 31(5) of Directive 2014/23/EU.

ANNEX II – NZIA – LIST OF DEFINITIONS

In line with Article 3 of Regulation (EU) 2024/1735²⁹, for the purpose of NZIA, specifically in the context of relevant parts within Chapter IV (Access to Markets), the following definitions shall apply. *It is to be noted that the numbering assigned to the Definitions below does not necessarily correspond to the numbering within NZIA.*

1. *Net-Zero Technologies:* The Technologies listed in Article 4 of NZIA where they are Final Products, Specific Components or Specific Machinery Primarily Used for the Production of those Products.
2. *Component:* A part of a Net-Zero Technology Final Product that is manufactured and traded by a company, including processed material.
3. *Primarily Used:* Final Products and Specific Components which are essential for the Production of Net-Zero Technologies, as set out in the Annex of NZIA, or Final Products, Specific Components and Specific Machinery which are essential for the Production of Net-Zero Technologies on the basis of evidence provided to a National Competent Authority by the Project Promoter, with the exception of Energy-Intensive Industry Decarbonisation Projects, for which such evidence is not required.
4. *Processed Material:* A Material that has been processed in such a way to be suitable for a specific function in a Net-Zero Technology Supply Chain, with the exception of Critical Raw Materials defined pursuant to Article 4 of Regulation (EU) 2024/1252.
5. *Innovative Net-Zero Technologies:* Net-Zero Technologies that comprise genuine innovations which are not currently available on the market and that are advanced enough to be tested in a controlled environment.
6. *Other Innovative Technologies:* Energy-Related or Climate-Related Technologies with a proven potential to contribute to the Decarbonisation of Industrial or Energy Systems and to reduce Strategic Dependencies that comprise genuine innovations that are not currently available on the Union Market and that are advanced enough to be tested in a controlled environment.
7. *Pre-Commercial Procurement:* The Procurement of Net-Zero Technologies in a Pre-Commercial Phase, involving risk-benefit sharing under market conditions and Competitive Development in Phases.

²⁹ Article 3 of NZIA contains a total of 33 Definitions.

8. *Public Procurement of Innovative Solutions*: A Public Procurement Procedure for which Contracting Authorities/Entities act as a launch customer for Net-Zero Technologies, which may include Conformity Testing.
9. *Net-Zero Technology Manufacturing Project*: A planned Commercial Facility or an Extension or Repurposing of an Existing Facility to manufacture Net-Zero Technologies, or an Energy-Intensive Industry Decarbonisation Project.
10. *Energy-Intensive Industry Decarbonisation Projects*: The Construction or Conversion of the Commercial Facility of an Energy-Intensive Business as defined in Article 17(1), point (a), of the Directive 2003/96/EC in the Steel, Aluminium, Non-Ferrous Metals, Chemicals, Cement, Lime, Glass, Ceramics, Fertilisers, as well as Pulp and Paper Sectors that are part of the Supply Chain of a Net-Zero Technology and that are to Reduce Emission Rates of CO₂-eq of Industrial Processes significantly and permanently to an extent which is Technically Feasible.
11. *Net-Zero Strategic Project*: A Net-Zero Technology Manufacturing Project, a CO₂ Capture Project, a CO₂ Storage Project or a CO₂ Transport Infrastructure Project located in the Union that a Member State has recognised as a Net-Zero Strategic Project pursuant to Articles 13 and 14 of NZIA.
12. *Project Promoter*: Any Undertaking or Consortium of Undertakings developing a Net-Zero Technology Manufacturing Project or a Net-Zero Strategic Project.
13. *Public Procurement Procedure*: Either of the following:
 - (a) any type of Award Procedure covered by Directive 2014/24/EU for the Conclusion of a Public Contract or Directive 2014/25/EU for the Conclusion of a Supply, Works and Service Contract.
 - (b) a Procedure for the Award of Works or a Service Concession covered by Directive 2014/23/EU.
14. *Contracting Authority*: In the context of Public Procurement Procedures, a Contracting Authority as defined in Article 6 of Directive 2014/23/EU, Article 2(1), point (1), of Directive 2014/24/EU and Article 3 of Directive 2014/25/EU.
15. *Contracting Entity*: In the context of Public Procurement Procedures, a Contracting Entity as defined in Article 7 of Directive 2014/23/EU and Article 4 of Directive 2014/25/EU.

- 16. *Contract*:** In the context of Public Procurement Procedures, Public Contracts as defined in Article 2(1), point (5), of Directive 2014/24/EU, Supply, Works and Service Contracts as defined in Article 2, point (1), of Directive 2014/25/EU, and Concessions as defined in Article 5, point (1), of Directive 2014/23/EU.
- 17. *Auction*:** A Mechanism for Competitive Tendering Procedures to support the Production or Consumption of Energy from Renewable Sources that does not fall under Directive 2009/81/EC of the European Parliament and of the Council (51) or Directive 2014/23/EU, 2014/24/EU or 2014/25/EU.
- 18. *Manufacturing Capacity*:** The Total Amount of Output Capacity of the Net-Zero Technologies produced in a Manufacturing Project or, where a Manufacturing Project produces Specific Components or Specific Machinery Primarily Used for the Production of such Products rather than the Final Products themselves, the Output Capacity of the Final Products for which such Components or Specific Machinery are produced.

The full List of Definitions [Article 3(1) till Article 3(33)] for the purposes of Regulation (EU) 2024/1735 includes other definitions not specified above.

Article 3 of NZIA includes a total of 33 Definitions.

ANNEX III – NZIA – LIST OF NET-ZERO TECHNOLOGIES

In line with Article 4(1) of Regulation (EU) 2024/1735, the Net-Zero Technologies mentioned in Article 25 of NZIA are:

- (a) Solar Technologies, including PV³⁰, Solar Thermal Electric and Solar Thermal Technologies.
- (b) Onshore Wind and Offshore Renewable Technologies.
- (c) Battery and Energy Storage Technologies.
- (d) Heat Pumps and Geothermal Energy Technologies.
- (e) Hydrogen Technologies, including Electrolysers and Fuel Cells.
- (f) Sustainable Biogas and Biomethane Technologies.
- (g) CCS³¹ Technologies.
- (h) Electricity Grid Technologies, including Electric Charging Technologies for Transport and Technologies to Digitalise the Grid.
- (i) Nuclear Fission Energy Technologies, including Nuclear Fuel Cycle Technologies.
- (j) Sustainable Alternative Fuels Technologies.
- (k) Hydropower Technologies.

The full List of the Net-Zero Technologies [Article 4(1)(a) till Article 4(1)(s)] within the scope of Regulation (EU) 2024/1735 includes other technologies not mentioned above.

Article 4(1) includes a total of 19 Net-Zero Technologies.

³⁰ PV: Photovoltaic.

³¹ CCS: Carbon Capture and Storage Technologies.

ANNEX IV – NZIA – BRIEF OVERVIEW

Regulation (EU) 2024/1735 in relation to ‘*Establishing a Framework of Measures for Strengthening Europe’s Net-Zero Technology Manufacturing Ecosystem*’ (hereinafter: the Net Zero Industry Act – NZIA) may be reviewed and downloaded from the EUR-Lex website: <https://eur-lex.europa.eu>³².

Subject Matter and Objective

The Net-Zero Industry Act, which is a Central Pillar of the Green Deal Industrial Plan³³, establishes a Regulatory Framework to improve the functioning of the Internal Market with the objective and scope of ensuring that the European Union (EU) becomes home to Clean Technologies.

The NZIA aims to ensure the EU’s access to a Secure and Sustainable Supply of Net-Zero Technologies. In fact, it purposes to reinforce and scale up the Manufacturing Capacity of Net-Zero Technologies and their Supply Chains in the EU, thus, safeguarding their Resilience while contributing to achieving the EU’s 2030 Climate and Energy Targets as well as Climate Neutrality Objective³⁴ with a view to the Decarbonisation of the EU’s Economy and Society. To this end, NZIA applies to Energy-Intensive Industry Decarbonisation Projects³⁵ that are part of the Supply Chain of a Net-Zero Technology and that reduce significantly the Emission Rates of CO₂-eq of Industrial Processes. Accordingly, Regulation (EU) 2024/1735 introduces an ambitious benchmark, namely, to meet at least 40% of the EU’s Annual Deployment needs for the corresponding Net-Zero Technologies manufactured in the EU.

Regulation (EU) 2024/1735 shall also contribute to Quality Jobs in Net-Zero Technologies and thus enhancing the Competitiveness of Net-Zero Industries.

Accordingly, Article 1(2) of NZIA lays down measures aiming to:

- Lower the risk of supply disruptions related to Net-Zero Technologies likely to distort competition and fragment the internal market, in particular by identifying and supporting the scale-up of the Manufacturing Capacity of Net-Zero Technologies and their Supply Chain.
- Establish an EU Market for CO₂ Storage Services.
- Encourage demand for Sustainable and Resilient Net-Zero Technologies through Public Procurement Procedures, Auctioning and other Forms of Public Intervention.
- Enhance Skills through the support of the Academies, thereby safeguarding and creating Quality Jobs.
- Support Innovation through the creation of Net-Zero Regulatory Sandboxes, Coordination of Research and Innovation Activities through the Strategic Energy Technologies Plan Steering

³² The NZIA may be downloaded from <https://eur-lex.europa.eu/eli/reg/2024/1735/oj/eng> - Regulation (EU) 2024/1735 of the European Parliament and of the Council of 13 June 2024 on establishing a framework of measures for strengthening Europe’s net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724 Text with EEA relevance. - CL2024RI1735EN0010010.0001 cp 1..1

³³ https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/green-deal-industrial-plan_en
The European Green Deal - European Commission

³⁴ Climate Neutrality Objective, as defined in Regulation (EU) 2021/1119 - <https://eur-lex.europa.eu/eli/reg/2021/1119/oj/eng>.

³⁵ Article 2(3) of NZIA specifies that ‘With the exception of Articles 5, 25, 26 and 28, this Regulation applies to energy-intensive industry decarbonisation projects that are part of the supply chain of a net-zero technology ...’.

Group, as well as through Pre-Commercial Procurement and Public Procurement of Innovative Solutions.

- Improve the EU's ability to Monitor and Mitigate Supply Risks related to net-Zero Technologies.

Scope

Except for Articles 33³⁶ and 34³⁷ of Regulation (EU) 2024/1735 (which apply to Innovative Net-Zero Technologies and other Innovative Technologies), NZIA applies To Net-Zero Technologies. Critical Raw Materials falling under the scope of Regulation (EU) 2024/1252³⁸ are excluded from the scope of NZIA. In the case of integrated production facilities that cover the production of materials falling both under the scope of Regulation (EU) 2024/1252 and of Regulation (EU) 2024/1735, it shall be the Facilities' Final Product that determines which Regulation applies.

Article 2(3) of NZIA also denotes that *'With the exception of Articles 5, 25, 26 and 28, this Regulation applies to energy-intensive industry decarbonisation projects that are part of the supply chain of a net-zero technology and that reduce emission rates of CO₂-eq of industrial processes significantly and permanently to an extent which is technically feasible'*.

NZIA Index

The Net-Zero Industry Act Regulation (EU) 2024/1735 consists of Nine (9) Chapters:

- Chapter I: Subject Matter, Scope and Definitions
- Chapter II: Enabling Conditions for Net-Zero Technology Manufacturing
- Chapter III: CO₂ Injection Capacity
- Chapter IV: Access to Markets
- Chapter V: Enhancing Skills for Quality Job Creation
- Chapter VI: Innovation
- Chapter VII: Governance
- Chapter VIII: Monitoring
- Chapter IX: Final Provisions

In addition, the NZIA Regulation includes also an Annex with the 'List of Final Products and Specific Components considered to be primarily used for the Production of Net-Zero Technologies'.

³⁶ Article 33 of NZIA is titled Net-Zero Regulatory Sandboxes

³⁷ Article 34 of NZIA is titled Measures for SMEs and Start-Ups

³⁸ Regulation (EU) 2024/1252 establishing a framework for ensuring a secure and sustainable supply of critical raw materials may be viewed from <https://eur-lex.europa.eu/eli/reg/2024/1252/oj/eng>

Chapter IV: Access to Markets

One significant measure towards building a strong EU-Domestic Manufacturing Capacity of Net-Zero Technologies relates to facilitating Market Access. In fact, Regulation (EU) 2024/1735, as part of the actions to strengthen the Competitiveness of Europe's Net-Zero Technology Manufacturing Ecosystem, seeks to boost diversification for such Technologies by introducing Non-Price Criteria in Public Procurement Procedures and for Renewable Energy Auctions³⁹, as well as Support Schemes incentivising private demand by Households and Businesses.

To this end, Chapter IV (Access to Markets) of NZIA includes the below Articles:

- Article 25: Sustainability and Resilience Contribution in Public Procurement Procedures
- Article 26: Auctions to deploy Renewable Energy Sources⁴⁰
- Article 27: Pre-Commercial Procurement and Public Procurement of Innovative Solutions
- Article 28: Other Forms of Public Intervention⁴¹
- Article 29: Coordination of Access to Markets Initiatives

Net-Zero Europe Platform

Article 38 of the NZIA established the Net-Zero Europe Platform, a Governance Tool that is composed of representatives of the Member States and of the European Commission⁴². They shall jointly assist and advise each other in relation to the implementation (including the Monitoring Progress) of the Net-Zero Industry Act Regulation (EU) 2024/1735, as well as facilitate the Engagement and Exchange of Communication between Stakeholders. The Key Priorities of the Net-Zero Europe Platform⁴³ are:

- Discuss, Coordinate, and Share Best Practices
- Ensure Uniform Implementation of NZIA across all EU Countries
- Advise Project Promoters on Financing and Investor Matchmaking

The main Tasks of the Net-Zero Europe Platform are:

- Monitoring
- Permitting
- Access to Markets
- Strategic Projects & Financing
- Academies
- Sandboxes
- Partnerships⁴⁴

³⁹ Non-Price Pre-Qualification and Award Criteria (inter alia on Cybersecurity, Environmental Sustainability and Resilience) will have to apply to at least 30% of the Volume auctioned every Year or 6 GW per Member State.

⁴⁰ Article 3(27) of NZIA defines Auction as a 'mechanism for competitive tendering procedures to support the production or consumption of energy from renewable sources that does not fall under Directive 2009/81/EC of the European Parliament and of the Council or Directive 2014/23/EU, 2014/24/EU or 2014/25/EU'. An Auction's Non-Price Pre-Qualification (Responsible Business Conduct, Cybersecurity & Data Security & Ability to Timely Complete Projects) and Award Criteria (Sustainability and Resilience Contribution) must apply to at least 30% of the Volume auctioned annually per EU Country or 6 Gigawatts per Year per Member State.

⁴¹ Public Intervention Forms, such as Support Schemes that Incentivise Households' and Businesses to Purchase Net-Zero Technology Products.

⁴² The Net-Zero Europe Platform shall be chaired by a representative of the European Commission.

⁴³ https://single-market-economy.ec.europa.eu/industry/sustainability/net-zero-industry-act/net-zero-europe-platform_en.

⁴⁴ Article 3(31) of NZIA defines Net-Zero Industrial Partnerships as a 'commitment between the Union and a third country to increase cooperation related to net-zero technologies that is established through a non-binding instrument setting out concrete actions of mutual interest.

On 19th February 2025, the European Commission organised the first high-level meeting of the Net-Zero Europe Platform, marking the formal launch of the Platform⁴⁵. In addition, four (4) Technical Sub-Groups, having the scope of advancing the EU's Net-Zero Objectives were established; one such Sub-Group⁴⁶ shall focus on the Access to Markets.

Article 29(3) of the NZIA specifies that the Net-Zero Europe Platform '*shall discuss measures carried out by Member States to implement Articles 25 to 28 and exchange best practices, inter alia, with regard to the practical use of criteria defining the sustainability and resilience contribution in public procurement procedures, or schemes incentivising the purchase of net-zero technology final products*'. In addition, in line with Article 27(2) of Regulation (EU) 2024/1735, as part of its Access to Markets Tasks, the said Platform shall '*prepare recommendations on the design of pre-commercial procurement or public procurement of innovative solutions*'⁴⁷.

European Net-Zero Industry Academies

In line with Article 30(1)(a) of NZIA, the European Commission shall support the launch of European Net-Zero Industry Academies as organisations or consortia or projects of relevant stakeholders, which shall have specific objectives⁴⁸. The said Academies shall develop Learning Programmes and Training Materials which shall '*reflect the assessment of skills shortages and support the capacities of public authorities, in particular those... contracting authorities and contracting entities referred to in Chapter IV*' of Regulation (EU) 2024/1735.

Monitoring and Reporting

In line with Article 42(1) of Net Zero Industry Act, the European Commission shall monitor the:

- (a) EU's progress with respect to the objectives referred to in Article 1 of NZIA, particularly Supply Risks of Net-Zero Technologies that would distort Competition or fragment the Internal Market, and the related impact of NZIA.
- (b) EU's progress in meeting the Benchmarks (Article 5 refers), taking into account constraints and opportunities on the Global Market.
- (c) Value or Volume of imports into its territory and exports outside of EU's territory of Net-Zero Technologies.
- (d) Progress vis-a-vis EU Level Objective of CO₂ Injection Capacity (Article 20 refers) and to the related CO₂ Transport Infrastructure as well as the related CO₂ Capture Activities.

Article 42(2)(b) of Regulation (EU) 2024/1735 states that '*Member States and the national authorities they designate for that purpose shall collect and provide data and other evidence required pursuant to paragraph 1. In particular, they shall, at least every 3 years collect data on: developments in net-zero technologies and market trends, as well as market prices for the respective net-zero*

⁴⁵ https://single-market-economy.ec.europa.eu/news/net-zero-europe-platform-launched-2025-02-19_en

⁴⁶ The other Sub-Groups are (i) Permitting and Valleys (ii) Strategic Projects and Financing and (iii) Skills.

⁴⁷ https://single-market-economy.ec.europa.eu/industry/sustainability/net-zero-industry-act/net-zero-europe-platform_en

⁴⁸ <https://ec.europa.eu/newsroom/growth/items/823315/en>

technologies, including information on auctions, their frequency, awarding prices, and volume as relevant for fulfilling the requirements of Chapter IV’.

To this end, Contracting Authorities/Entities are encouraged to keep record of any information, evidence and data that the local Competent National Authority might be requesting to fulfil any relevant Monitoring and Reporting requirements.

Additional Information

Further Supplementary Information on NZIA may be accessed through the list of links below:

- [*Net-Zero Industry Act - European Commission*](#)
- [*Public procurement in the NZIA Regulation | Public Buyers Community*](#)
- [*NZIA Slides PP Website.pdf*](#)
- [*The Net Zero Industry Act with new provisions on public procurement entered into force on 29 June 2024 | Public Buyers Community*](#)
- [*The Net-Zero Industry Act*](#)
- [*Factsheet Make Europe home of clean tech industries.pdf*](#)
- [*Net-Zero Industry Act - European Commission*](#)
- [*Net-Zero Europe Platform - Internal Market, Industry, Entrepreneurship and SMEs*](#)
- [*Q&A: The Net-Zero Industry Act and European Hydrogen Bank*](#)
- [*Q&A on the Net-Zero Industry Act*](#)
- [*Net-Zero Industry Act*](#)