



Brussels, **XXX**
[...] (2024) **XXX** draft

COMMISSION DELEGATED REGULATION (EU) .../...

of **XXX**

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

This draft has not been adopted or endorsed by the European Commission. Any views expressed are the preliminary views of the Commission services and may not in any circumstances be regarded as stating an official position of the Commission.

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

On 29 June 2024, Regulation (EU) 2024/1735 on establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724 (the Net-Zero Industry Act or NZIA) entered into force. This regulation establishes a framework to ensure the EU's access to a secure and sustainable supply of net-zero technologies by scaling up their manufacturing capacity and supply chains.

To support its implementation, Regulation (EU) 2024/1735 empowers the European Commission to draft a delegated act to amend the Annex, which lists the final products and specific components that are considered to be primarily used for the production of net-zero technologies. The goal of the present delegated regulation is to amend the Annex and to identify, for each sub-category of net-zero technologies, the final products and the components that are primarily used for these technologies.

All components that are listed in the present delegated regulation are considered to be primarily used for the production of net-zero technology final products. The relevant provisions in Regulation (EU) 2024/1735 and particularly the provisions in Chapter II ('Enabling conditions for net-zero technology manufacturing') therefore apply to them. Specific components not included in the present delegated regulation may still fall within the scope of Regulation (EU) 2024/1735 if, on the basis of evidence provided to a national competent authority, the project promoter can prove (for example, via market studies or off-take agreements) that the specific components are primarily used for the production of net-zero technologies.

As required by Article 46(7) of Regulation (EU) 2024/1735, the list of the primarily used components set out in the present delegated regulation is based on a comprehensive assessment and on a methodological analysis of the supply chains, taking into particular account commercial availability, the appropriate level of detail and technological developments. The assessment aimed at identifying, to the extent possible, the final products and specific components that are manufactured and traded by a company, that are essential for the production of net-zero technologies, and that can therefore reasonably be considered to be "always primarily used". The assessment is provided in Staff Working Document SWD(yyyy) xxx, which outlines the methodology that has been set up on the basis of the relevant aspects of Regulation (EU) 2024/1735. In particular, the methodology sets out some practical ways to implement the criteria outlined in Regulation (EU) 2024/1735, such as 'specific', 'commercial availability', 'primarily used' and 'essential'. The methodology is then applied to all net-zero technologies in order to identify final products and specific essential components that can reasonably be considered to be primarily used for net-zero technologies.

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

The decision to amend the Annex to Regulation (EU) 2024/1735 in order to identify, for the net-zero technologies, final products and the components that are primarily used for these technologies has been subject to a thorough consultation process. The Commission consulted in-house experts, stakeholders from net-zero technologies sectors and Member States at various stages of the preparation of the delegated act. In particular, the Commission drafted the present delegated regulation in consultation with the Expert Group on Net-Zero Technologies and Supply Chains (E03968).

During the Expert Group's first meeting, the Commission presented the methodology for selecting the components and explained its application using three examples: solar photovoltaic, ocean energy and geothermal energy technologies. Online informal meetings were also held with Member States, allowing more technical discussions on net-zero technologies. Following this first set of meetings, the methodology and its initial application were amended to take into consideration the positions of the Member States.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

Article 46(7) of Regulation (EU) 2024/1735 empowers the Commission to adopt a delegated act in accordance with Article 44 to amend the Annex based on the list of net-zero technologies in Article 4 of Regulation (EU) 2024/1735, in order to identify the sub-categories within net-zero technologies and the list of specific components used for those technologies.

The present delegated regulation includes two articles: an article to amend the Annex and an article containing the entry into force provisions.

The Annex provides, for each net-zero technology, the updated sub-categories and a list of final products and specific components used for the net-zero technologies.

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to 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) 2018/1724¹ and in particular Article 46(7) thereof,

Whereas:

- (1) Regulation (EU) 2024/1735 established a legal framework that strengthens the Union's resilience and security of supply in the field of net-zero technologies, by enhancing the Union's capacity for manufacturing, deployment and innovation in the field of net-zero technologies.
- (2) The Annex to Regulation (EU) 2024/1735 sets out in a non-exhaustive manner a list of final products and specific components considered to be primarily used for the production of net-zero technologies.
- (3) Specific components and specific machinery not included in that list may still fall within the scope of Regulation (EU) 2024/1735 if the project promoter can provide evidence, for example market studies or off-take agreements, to a national competent authority showing that the specific components or machinery are primarily used for the production of net-zero technologies.
- (4) A comprehensive assessment, based on a methodological analysis of the supply chains of the net-zero technologies, has been carried out. That assessment took into particular account the commercial availability of the components, the appropriate level of detail and developments in technology.
- (5) To identify specific components considered to be primarily used for the production of net-zero technologies, four criteria were put forward: specific, commercial availability, always primarily used and essential. As a first step, for each net-zero technologies and when necessary, sub-categories were further defined using the criteria listed above and the eventual definitions of these net-zero technologies in Regulation (EU) 2024/1735. As a second step, for each sub-category an analysis of the technology is conducted to identify the components that fulfil the criteria listed above. Components fulfilling the criteria are considered as primarily used for the production of net-zero technologies and should be listed in the Annex of Regulation (EU) 2024/1735.

¹ OJ L, 2024/1735, 28.6.2024, ELI: <http://data.europa.eu/eli/reg/2024/1735/oj>.

(6) Regulation (EU) 2024/1735 should therefore be amended accordingly,
HAS ADOPTED THIS REGULATION:

Article 1

The Annex to Regulation (EU) 2024/1735 is replaced by the text in the Annex to this Regulation.

Article 2

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission
The President
[\[...\]](#)