

Public Consultation on the Net-Zero Industry Act

Bioenergia ry - The Bioenergy Association of Finland supports the objective of the Net-Zero Industry Act (NZIA) to enhance the competitiveness of the key European industries in achieving the EU's climate targets and energy goals. It is important to accelerate the deployment of the key technologies by simplifying and fast-tracking permitting procedures and thus supporting the upscaling of these technologies. At the same time, it is vital to ensure a level playing field for all of the sustainable energy solutions.

The Bioenergy Association of Finland emphasizes the importance of technology neutral approach, where the best and most cost-efficient clean energy technologies are determined by the market and not by political decisions. In the proposal, the Commission rationalizes the promotion of the manufacturing capacity of the listed technologies with geo-strategic aspects. However, strengthening the EU's self-sufficiency in certain technologies while, at the same time, increasing the dependency risk in others, is not the optimal way forward. There is a wide consensus that the EU will need a broad portfolio of sustainable energy solutions to reach our climate goals and thus creating narrow lists of "the proper technologies or solutions" is by no means the optimal method. However, in case this approach is maintained, it is essential to include all of the key technologies needed in the green transition.

The proposed legislation acknowledges all renewable energy technologies as "net-zero technologies". However, it does not recognize all renewable energy technologies as strategic. Bioenergy technologies are a crucial component of the European clean energy industry, as they can provide renewable and storable energy sources and significantly increase the EU's energy security. Bioenergy is also a stable energy source which is an important aspect considering the fluctuating nature of other renewable energy solutions. If bioenergy is not considered as a strategic net-zero technology in the Net-Zero Industrial Act, it may not receive sufficient support and could push EU-based bioenergy technology providers to outsource their production to non-EU territory. This would significantly weaken the EU economy and remarkably decrease its industrial competitiveness. The EU is a world leader in the bioenergy sector: currently, more than 70% of bioenergy's equipment manufacturers are based in Europe, and, for example, only 7% are based in China, making bioenergy a truly European industry. The EU should not take this position for granted but should rather provide the necessary support to make sure it is maintained. To ensure that all renewable energy solutions are properly acknowledged as strategic sectors, solid bioenergy should be added to strategic technologies.

While the Commission's proposal addresses some of the pivotal aspects regarding the promotion of carbon capture and storage technologies, it lacks vision regarding the importance of negative emissions technologies and the massive need for scaling up these technologies in the coming years, already by 2030. This need for rapid upscaling of carbon removal technologies was strongly emphasized also by the European Scientific Advisory Board on Climate Change in their recent report on the EU's 2040 climate target. The storage capacity is a central bottle neck in scaling up some of these technologies and it is therefore important that measures are taken to ensure the necessary storage capacity and the access to the storage sites. However, it is alarming that the proposal does not differentiate between fossil and biogenic CO₂ capture and storage, even though there is an urgent need for negative emissions at the EU level. Even if both solutions are needed, the incentives should not be on the same level. The solutions related to biogenic CO₂ should be more strongly supported since they can provide the much-needed negative emissions which currently have no incentives at the EU level, whereas fossil-CCS already has an incentive through EU ETS.

The potential of negative emissions technologies that store CO₂ in long-lived products, such as biochar carbon removal (BCR), does not get recognized in the proposal. Considering that we will need a wide portfolio of carbon removal technologies in the coming years, negative emissions technologies should be broadly recognized as strategic net-zero technologies. In order to enable this change in the Act, the Technological Readiness Level (TRL) requirement for the strategic technologies should be lowered from the current TRL8 "system complete and qualified" to TRL7 "system prototype demonstration in operational environment". This would ensure that the attention is still focused on projects that are at commercial readiness level or very close to it and thus foster the deployment of these technologies faster.

Supporting innovative technologies by regulatory sandboxes is a welcomed method to speed up the development of emerging technologies to reach the commercial level faster.

By ensuring the swift and timely permitting procedures for all of the key technologies in the green transition, we will ensure that the investments needed to reach the climate targets can be realized in due time and that these investments will take place in the EU. The competitiveness of the EU industry has to be in the core of EU policymaking and securing level playing field for all sustainable energy solutions is a fundamental component in this matter.