

EURIMA POSITION PAPER ON THE NET ZERO INDUSTRY ACT

Enabling the change through Energy Efficiency

Brussels, June 2023

The Commission's proposal for a Net-Zero Industry Act (NZIA) represents a significant milestone in tackling the obstacles hindering the advancement of the manufacturing of clean technology in Europe. Nevertheless, in order to instigate a comprehensive transformation in our industrial policy, a broader and more all-encompassing plan is required, with the scope being extended to the entire energy efficiency sector.

In light of this, the European Insulation Manufacturers Association (Eurima) embraces the inclusive approach advocated by MEP Ehler in the ENVI draft report and puts forward several crucial points that should be considered in the final version of the NZIA. These essential aspects encompass the following recommendations:

- 1. Recognise the enabling role of Energy Efficiency technologies and products, such as Mineral Wool insulation, by clearly including them in the “Net-Zero Technologies” definition (art. 3) and in the list of the strategic net-zero technologies in Annex I**

Energy efficiency technologies are designed to prevent and reduce energy usage and therefore play a crucial role in achieving the goal of reaching net-zero emissions, as evidenced by the Energy Efficiency First Principle. By curbing energy consumption, these technologies effectively decrease energy-related greenhouse gas (GHG) emissions and like the waste management hierarchy, the prevention of energy use in the first instance - should be the most desirable outcome.

Investments in energy efficiency not only yield environmental benefits but also have a positive impact on employment by creating new job opportunities. Moreover, energy efficiency improvements contribute to overall economic activity within the EU, fostering the creation of additional wealth and promoting GDP growth¹.

Additionally, increased energy efficiency enhances energy security by reducing reliance on imports and mitigating potential supply disruptions. Indeed, implementing the energy efficiency measures outlined in the EU's Fit-For-55 Package will save the EU a total of 45 billion cubic meters of natural gas by 2030², showcasing the immense impact of energy efficiency in reducing fossil fuel dependence.

One of the significant advantages of energy efficiency is also its ability to reduce households' financial burdens. This reduction in energy bills not only helps address energy poverty but also contributes to a more equitable energy transition, complying with the principle of “leaving no-one behind”³.

¹ CfEF (2022) “The Higher the 2030 EU Energy Efficiency Target, the Higher the Benefits”

² IEA (2022) “A 10-Point Plan to reduce the European Union’s Resilience on Russian Natural Gas”

³ CfES (2022) “2030 EU energy efficiency target: The multiple benefits of higher ambition”

Lastly, in the context of Europe's heat supply electrification goals, energy efficiency measures are essential companions to the deployment of heat pumps. Energy-efficient buildings play a crucial role in managing heat demand peaks, particularly during winter, preventing strain on Europe's power grid. Inadequately insulated buildings increase the workload of heat pumps, resulting in higher energy consumption and ultimately leading to increased energy costs for end-users. It is crucial to recognize that all energy usage, including renewable energy, necessitates valuable resources that should not be wasted. In this sense, building renovation efforts and energy efficiency improvements in industry serve to reduce the environmental impact of the current fossil fuel-based energy system and the future renewables-based energy system⁴.

2. Guarantee that installations manufacturing energy efficiency technologies and products, such as MW insulation, benefit from a simplified and quicker permitting process (art. 10)

Current permitting issuing takes a long time and due to a potentially increasing number of permitting applications, the process is at risk of becoming even more congested. Now, more than ever, it is crucial for installations to be nimble and actively contribute to the pressing challenges of reducing EU energy demand, as well as achieving the broader objectives outlined in the Green Deal and the zero pollution action plan towards 2050. Therefore, any revisions to the permitting process should prioritize the quick and efficient issuance of permits, enabling installations to accelerate their progress towards meeting the stated aims.

The permitting system should ensure that there are no unnecessary delays for all industrial installations that positively contribute to mitigating the risks posed by the energy crisis and reducing emissions. In this regard, the production of energy-efficient technologies and products, such as MW insulation, could undergo a streamlined permit-granting process. It is crucial to avoid favouring only a limited selection of clean technologies, as this could hinder the potential contributions of other installations towards achieving net-zero goals. In the end, all contributions will be necessary to meet our collective goals.

3. Place the envisaged outcomes of the NZIA in service of the decarbonisation of the whole industrial sector, with specific regard to energy-intensive industries

Eurima welcomes the Commission's goal to establish a specific framework to strengthen the clean technology ecosystem in the EU by having manufacturing capacity achieving at least 40% of the EU's deployment needs by 2030. However, it is vital that the NZIA not only supports the expansion of the clean-tech sector but also aligns its envisioned outcomes with the overarching goal of decarbonizing the entire industrial sector, with particular emphasis on energy-intensive industries. Indeed, by increasing access to affordable and decarbonised energy, accelerating the development of Carbon Capture and Storage technologies and enhancing the availability of CO₂ storage sites, the NZIA must provide a clear and strong support to the decarbonisation of the EU industrial sector.

On top of that, even when innovative technologies are already available, these tend to come with high costs. For this reason, it is crucial to assist the EU industry through the establishment of a new

⁴ [Eurima \(2023\) Feedback on the COM'S action plan to accelerate the roll-out of heat pumps across the EU.](#)

pan-European funding system specifically dedicated to the decarbonisation of energy-intensive processes, potentially subsidized by the revenues generated from the Emissions Trading Scheme (ETS).

About the European Insulation Manufacturers Association (Eurima)

Eurima (TR ID number: 98345631631-22) is the European Insulation Manufacturers Association, representing the interests of all major European mineral wool insulation producers.

Our industry members produce a wide range of mineral wool products for thermal and acoustic insulation, providing fire protection of domestic and commercial buildings and industrial facilities while offering innovative growing media and green-roofing solutions.

We are a science and research-driven organisation, communicating the benefits of mineral wool insulation while assisting our members in fields such as product standardisation and EU-focused issue monitoring and management, helping them to stay informed and contribute to EU affairs relevant to mineral wool insulation products and the industry's licence-to-operate.

Contact:

Sara Versano | Policy Manager - Industry & Sustainable Construction

Phone: +32 2 626 20 92 | sara.versano@eurima.org