

EUROMOT POSITION

RECOMMENDATIONS ON NET-ZERO INDUSTRY ACT

13 June 2023

EUROMOT, the European Association of Internal Combustion Engine and Alternative Powertrain Manufacturers, represents the key manufacturers of internal combustion engines and alternative powertrains installed in industrial non-road mobile machinery, marine and stationary applications that are operating in Europe and worldwide.

Delivering dependable power for society at high energy conversion efficiency with low emissions remains a key objective of EUROMOT member companies. EUROMOT asserts internal combustion engines and alternative powertrains are a key enabler to address the additional societal needs for decarbonisation across multiple industry sectors. This can be achieved by continuing to advance the development of highly efficient energy conversion systems capable of operating on low and net-zero Greenhouse Gas (GHG) energy carriers.

After reviewing the European Commission's (EC) proposal for a regulation Net-Zero Industry Act (NZIA) - COM(2023)161 ^{1/}, EUROMOT recommends:

- **Inclusion of sustainable fuels fired reciprocating engines ("recips") as a (Strategic) Net Zero Technology**

EUROMOT welcomes the Net-Zero Industry Act (NZIA) and its objective to boost Europe's green industry. Nevertheless, we recommend that Article 3 (1) on definitions and the Annex 1 list of (Strategic) Net zero technologies (see also Annex of this paper) need to include sustainable fuels fired reciprocating engines ("recips"), as they:

1. Fulfil criteria set by the NZIA included technologies
2. Fulfil the NZIA objectives,
3. Ensure consistency with Union policies,
4. Reciprocating engines ("recips") are future safe, and
5. Key grid stabilising technology.

(More details below)

1. **Fulfil criteria set by the NZIA included technologies:** “Recips” fulfil the three main criteria that the Annex “Strategic Net-Zero Technologies” included technologies must ensure: 1) technology readiness level ^{/2/}; 2) contribution to decarbonisation and competitiveness; and 3) security of supply risks ^{/3/}.
2. **Fulfil the NZIA objectives:** Many leading “recips” brand manufacturers are European and reach the “benchmark of at least 40% of the Union’s annual deployment needs (...) necessary to achieve the Union’s 2030 climate and energy targets” ^{/3/}. The sector contributes to achieving a high resilience and autonomy by securing the supply of a key energy related technology and thus meet the overall objective. Furthermore, gas power plants are recognised as a key technology on the global market for decarbonisation ^{/4/5/}.
3. **Ensure consistency with Union policies:** Reciprocating engine (“recips”) technology is recognised in the Complementary Taxonomy Climate Delegated Act ^{/6/} (e.g. via activity 4.29) and in the First Taxonomy Climate Delegated Act Regulation^{/7/} (e.g. via activity 4.8), is commercially available and has a good potential for rapid scale up to support the Union’s 2030 climate targets, improves the security of supply for net-zero technologies and their supply chains, as well as safeguards or strengthens the overall resilience and competitiveness of the Union’s energy system.
4. **Reciprocating gas engine technology is future safe:** Today, this technology can already operate on a broad scope of renewables (low carbon, green or carbon neutral) such as biogas, bioliquids, methanol and hydrogen-natural gas blends. Moreover, in the future, engine manufacturers will offer new and retrofitted “recips” which enable use of carbon-free, green hydrogen-derivates such as ammonia and pure hydrogen.
5. **Key grid stabilising technology:** Large-scale electrification will make the European society and economy increasingly dependent on an uninterrupted electric power supply. With a substantial fraction of electricity coming from solar panels and wind turbines, it is of crucial importance that the power grid stays stable with a maximum reliability. “Recips” technology ensures grid-stabilisation thanks to its multifuel capability ability and its rapid start-up and shut down in response to varying demand. This technology operates in case of deficit of intermittent renewables in the electricity grid. This contributes to the fundamental key policy objectives of the whole EU Energy Union i.e.:
 - Increased renewables energy production and thus use of low-carbon electricity,
 - Replacement of fossil gas with decarbonised gas and fuels (via the production of Synthetic renewable-based ‘Power-to-X’ fuels); increased energy efficiency; and
 - Ensuring access to secure, stable and affordable energy to EU citizens.

It is important to make full use of already viable technologies enabling a fast cost-effective decarbonization coupled with access to a secure, affordable and sustainable energy system. The EU Net-Zero Industry Act should thus acknowledge the grid-stabilizing and renewable-enabling role of modern sustainable fuels/gas fired engine power plants: this would, in turn, enable the EU to accelerate the decarbonization of its energy grid in a fast, efficient and cost-effective way.

The NZIA is also said to contribute to the objectives of parts of the EU Fit for 55 package that focus on decarbonisation EU industry .., increased electrification .. in a technologically neutral way. For the NZIA proposal to fulfil this criteria, the list of (Strategic) Net zero technologies should be complemented with the sustainable fuel fired reciprocating engine (“recips”) technology.

As EUROMOT, we are more than happy to further discuss with the European Commission and EU leaders to clarify any aspects of our recommendation and that the proposal meets the NZIA objectives.

EUROMOT – 2023-06-13

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A Non-Governmental Organisation in consultative status with the UN Economic
Commission for Europe (UNECE) and the UN International Maritime Organisation (IMO)

PRESIDENT

Dr Holger Lochmann

GENERAL MANAGER

Dr Peter Scherm

THIS IS EUROMOT

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Founded in 1991, we provide an unparalleled heritage and hub of expertise for businesses, authorities, regulators, and public stakeholders worldwide. In partnership with major sector associations and institutions, it is our mission to drive smart regulation and sustainable innovation.

Delivering dependable power for society at high energy conversion efficiency with low emissions remains a key objective of EUROMOT member companies. EUROMOT asserts internal combustion engines and alternative powertrains are a key enabler to address the additional societal need for decarbonisation across multiple industry sectors. This can be achieved by continuing to advance the development of highly efficient energy conversion systems capable of operating on low and net-zero Greenhouse Gas (GHG) energy carriers.

Headquartered in Brussels, EUROMOT is a European interest group, and our profile is registered in the EU Transparency Register under the identification number 6284937371-73. We have been granted consultative status at the United Nations IMO (International Maritime Organization, London) and United Nations ECE (Economic Commission for Europe - Geneva) and other relevant stakeholders.

OUR MEMBERS



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30
YEARS
1991-2021

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Annex 1 the Annex 1 list of Net zero technologies

ANNEX

STRATEGIC NET-ZERO TECHNOLOGIES

1.	Solar photovoltaic and solar thermal technologies
2.	Onshore wind and offshore renewable technologies
3.	Battery/storage technologies
4.	Heat pumps and geothermal energy technologies
5.	Electrolysers and fuel cells
6.	Sustainable biogas/biomethane technologies
7.	Carbon Capture and storage (CCS) technologies
8.	Grid technologies

Annex 2 - Overview of References

1. European Commission Proposal for a Regulation COM(2023)161 & Annex. Available at: [Net Zero Industry Act \(europa.eu\)](#)
2. *Last sentence on page 15 and first paragraph on page 16 of the Regulation OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL, on establishing a framework of measures for strengthening Europe's net-zero technology products manufacturing system /Net Zero Industry Act), 2023/0081 (COD), Brussels, 16.3 2023*
3. Art. 1(2)(a) of the REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on establishing a framework of measures for strengthening Europe's net-zero technology products manufacturing ecosystem (Net Zero Industry Act). 2023/0081 (COD). Brussels, 16.3.2023
4. *World Bank Group Climate Change Action Plan 2021-2025, Supporting Green, Resilient, and Inclusive Development. Available [HERE](#). "A gas power plant may be essential to enhance power supply reliability and grid stability, thus facilitating higher rates of renewables integration..."*
5. Asian Development bank (ADB) (2021) "Energy Policy Supporting Low-Carbon Transition in Asia and the Pacific. Page 76 " ADB recognizes that natural gas has a role to play as a transitional fuel that can support power system flexibility under specific circumstances...". Available [HERE](#).
6. Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities. Available [HERE](#).
7. *First Taxonomy CDA 2021/2139, Available [HERE](#).*