

# Heat Pumps in the Net-Zero Industry Act (NZIA): EHPA recommendations for the Trilogue Negotiations

In the EU pursuit of achieving net-zero emissions, heat pumps are a pivotal and transformative technology, playing a crucial role in the transition towards sustainable and energy-efficient solutions. The Net-Zero Industry Act (NZIA) aims at strengthening the European manufacturing capacity of net-zero technologies and overcome barriers to scaling up the manufacturing capacity in Europe. In this document, EHPA provides recommendations for the Trilogue negotiations based on the positions reached by co-legislators,

**Recommendation 1: Keep the list of “strategic net-zero technologies” as short as possible => Council Mandate: Art. 3a (lines 117a to 117o of the 4c document) and Art. 3b (lines 117t to 117ae) and the EC proposal Annex (lines 409 to 416)**

By spotlighting specific technologies, such as heat pumps, their importance in the clean tech energy field is acknowledged. Technologies that are there to support reaching 2050 objectives, such as heat pumps, need effective support measures.

Article 3a (from line 117a to 117r of 4c document) of the consolidated European Parliament position is, therefore, too broad. **Widening the scope of the NZIA too much undermines the strategic focus originally given by the European Commission to the strategic technologies necessary to reach a net-zero EU.** By employing the EU taxonomy definition (from Art. 10.1 of Regulation (EU) 2020/852) of net-zero industries, and including provisions which cover the whole economy, the NZIA would lose sight of what should remain its focus: building a new EU cleantech manufacturing base that can serve rapidly growing domestic and global markets. **A strategic industrial policy requires focus – if everything is a priority, nothing is.**

**Recommendation 2: Inclusion in the scope of NZIA of critical components necessary to manufacture strategic net-zero technologies => Council’s Mandate Annex X and Art.2 (line 94 of the 4c document) of the EP position.**

Incorporating critical components necessary for manufacturing heat pumps into the legal framework of the Net Zero Industry Act (NZIA) ensures the scaling up of the manufacturing capacity of net-zero technologies in the Union, as well as fostering EU industrial competitiveness, and strengthening the EU’s technological leadership.

Annex X of the Council’s General Approach includes a technology-specific list of critical components, and Article 2 (line 94 of the 4-column document) of the EP consolidated position has broadened the scope of NZIA to encompass the entire supply chain, including **components**, materials, and machinery for producing net-zero technologies.

**Recommendation 3: Include a technology specific 60% manufacturing benchmark by 2030 => Council’s Mandate Article 9a (line 164a), and Article 1(2) (line 90a) of the EP position.**

The NZIA aims at an EU net-zero technologies overall annual manufacturing capacity benchmark of at least 40% of annual deployment needs by 2030 for the technologies including heat pumps.

For heat pumps a benchmark of 31 GW is added in the legislative proposal without explaining if this is in line with the general 40% target or another percentage. More explanation is only found in the EC [Staff Working Document](#) which explains that “the market share of EU manufacturing in EU sales is between 60% and 73%” (p. 19). So, for the heat pump sector, 40% is not ambitious and would be reducing the current EU manufacturing capacity.

Article 9a (line 164a) of the Council’s General Approach, and Article 1(2) (line 90a) of the consolidated EP position **should include a separate manufacturing benchmark for the heat pump sector of 60% by 2030**, as mentioned also in the EC [Staff Working Document](#). A more ambitious benchmark, signals a strong commitment to supporting the European industrial leadership in the net-zero technologies in general, and the heat pump sector in particular.

**Recommendation 4: re-consider the pre-qualification criteria set out in Chapter IV for heat pumps.**

The pre-qualification criteria, particularly the condition outlined in Article 19(4a) (line 251d), stating that **“no more than 50% of the net-zero technology part of the tender, measured in financial value of the equipment as determined in accordance with Regulation (EU) No 952/2013, shall originate from third countries which are not signatories of the GPA”** will pose some challenges to the heat pump sector.

The requirement related to third countries supplying more than 50% of equipment might introduce challenges for the heat pump sector, especially when certain critical components or technologies integral to heat pumps are primarily sourced from non-signatory countries. While we appreciate the importance of strengthening European industrial leadership, we would like to express some concerns regarding the potential implementation of such requirements, considering that our supply chain is global and linked to third countries. This global supply chain plays an important role in delivering high-quality, cost-effective, and sustainable solutions for Europe. This requirement will lead to vulnerability of an industry that has committed [7 billion euros](#) worth of investments in new European plants and Research and Innovation. Therefore, we suggest exploring alternatives that balance the goal of reinforcing European industrial capabilities with the preservation of our valuable international partnerships.

**Author:**

Eleonora Shehu

[eleonora.shehu@ehpa.org](mailto:eleonora.shehu@ehpa.org)

+32 484 43 84 76

 **European Heat Pump Association (EHPA)**  
Rue d'Arlon 63-67  
1000 Brussels – Belgium

 +32 2 400 10 17

 [info@ehpa.org](mailto:info@ehpa.org)

 [www.ehpa.org](http://www.ehpa.org)



The **European Heat Pump Association** (EHPA) represents the European heat pump sector.

EHPA works to shape EU policy that allows heat pumps to become the number one heating and cooling choice by 2030 and a key part of a future decarbonised Europe.

EHPA advocates and communicates to policy-makers and to our members. EHPA organises high level events and is involved in multiple projects.

EHPA coordinates the Heat Pump Keymark – a European certification scheme.

More: [ehpa.org](http://ehpa.org)