Follow up to the European Parliament non-legislative resolution on energy-intensive industries

1. **Resolution tabled pursuant to Rule 136(2) of the European Parliament's Rules of procedure**

2. **Reference numbers:** 2025/2536(RSP) / B10-0209/2025 / P10_TA(2025)0065

3. **Date of adoption of the resolution:** 3 April 2025

4. **Competent Parliamentary Committee: Committee on Industry, Research and Energy (ITRE)**

5. **Brief analysis/ assessment of the resolution and requests made in it:**

The resolution reaffirms the importance of energy-intensive industries (EIIs) for the EU’s competitiveness, strategic autonomy, and decarbonisation and calls for a balanced, technology-neutral approach and targeted support to ensure the cost-effective transition of EIIs towards climate neutrality by 2050. The resolution Parliament’s support for EU decarbonisation goals and calls on Member States to speed up permitting and licensing for clean energy projects, with improved administrative capacity and grid connectivity. It urges the Commission to go beyond the “overriding public interest” concept and devise solutions to accelerate decarbonisation initiatives. The resolution stresses the need to fully implement the Electricity Market Design (EMD) rules, especially to promote long-term contracts like power purchase agreements (PPAs) and contracts for difference (CfDs). It calls on the Commission to urgently remove obstacles to signing such contracts—especially for SMEs—via risk reduction tools and public guarantees. It suggests exploring ways to decouple fossil fuel and electricity prices and bringing forward the analysis of short-term markets to 2025. The Commission is urged to scale up best practices and issue recommendations to reduce energy cost exposure for EIIs. This includes reducing taxes and levies, harmonizing network charges, and maintaining public investment in grids. The resolution calls for enhanced energy system integration, especially cross-border, and more investment in flexibility solutions and it reaffirms energy efficiency as a key cost-saving tool. The resolution underlines the need to phase out gas, while recognising some sectors cannot electrify soon, calls on Member States to manage gas price spikes in limited cases and urges the Commission to develop tools for affordable gas supply, including demand aggregation and joint purchasing. It also demands a review of the gas-CO_2 price link and ETS market stability reserve (MSR) parameters. The Commission is called upon to support EIIs in adopting clean technologies—like Carbon Capture and Storage (CCS) and low-carbon hydrogen—by strengthening funding and ensuring effective use of ETS revenues. The resolution calls for InvestEU to be expanded before the next MFF and for unused Recovery and Resilience Facility (RRF) loans to support EII decarbonisation. It seeks scaled-up funding via the Innovation Fund and Hydrogen Bank and calls for streamlined permitting in the upcoming Industrial Decarbonization Accelerator Act. The resolution calls on the Commission to make full and efficient use of trade defence tools and secure a long-term solution against unfair global competition and overcapacity. It urges engagement with the US to prevent tariff escalations. The resolution stresses that effective CBAM implementation is vital to avoid carbon leakage and offset the phasing out of ETS free allowances. It urges the Commission to counter CBAM circumvention, propose solutions for exporters, and assess extending CBAM to downstream sectors. Finally, the Commission is called upon to create lead markets for clean, circular EU products via sustainable procurement, EU content requirements, and voluntary labels—especially for strategic sectors.

6. Response to the requests and overview of the action taken, or intended to be taken, by the Commission:

With regard to the call to develop, beyond the concept of overriding public interest, solutions for speeding up decarbonisation projects (**paragraph 2)**, the Commission, as announced in the Clean Industrial Deal and as part of the Industrial Decarbonisation Accelerator Act, will propose concrete measures to address permitting bottlenecks related to industrial decarbonisation. The Commission will consider measures seeking to accelerate certain decisions in the permitting process and how digitalisation can help in the permit-granting process.

Concerning the call to propose urgent measures to address current barriers to the signing of long-term agreements, especially for Small and Medium-sized Enterprises (SMEs), using risk reduction instruments and budgetary guarantees, including public guarantees such as the ones implemented by the European Investment Bank (EIB) Group (**paragraph 3**), the Action Plan for Affordable Energy sets out measure to further support the development of these contracts. In order to reduce barriers for new actors, in particular Energy Intensive Industries (EIIs), to conclude long-term contracts, the Commission has launched, with the European Investment Bank (EIB), a pilot program to provide guarantees for counter-party risk in the Power Purchase Agreements (PPAs) undertaken by companies for the long-term purchase of electricity generation for an indicative amount of EUR 500 million. In line with the Electricity Market Design approach, the Commission will also 1) assess barriers to Power purchase agreements (PPAs), 2) issue guidance on their removal and 3) assess the potential role of market platforms. The Commission will provide guidance to Member States on the design of effective contracts for difference, including their combination with PPAs, by the end of the year.

At **paragraph 4** the European Parliament calls on the Commission to assess the possibility of scaling up best practice for EIIs from Member States and to develop recommendations for reducing the exposure of consumers, and especially EIIs, to rising energy costs. In this regard, the Commission recalls that one of the key pillars of the Action Plan for

Affordable Energy is to lower energy costs, for example by streamlining permitting, promoting long-term contracts, reviewing energy bill components, improving gas market oversight, enhancing energy efficiency, reinforcing grids and boosting flexibility. In this regard, on 2 July 2025, the Commission put forward a guidance on tariff methodologies for network charges to incentivise the use of flexibility and investments in electrification, while maintaining the incentive to invest in the grid and ensuring a level playing field.[1] Moreover, in line with the Energy Taxation Directive, which allows decreasing taxes down to zero for electricity consumed by households and energy intensive industries, the Commission will issue a recommendation to Member States in Q4 2025 on how to use such flexibilities with a view to ensure across all sectors that electricity is taxed less than more polluting energy sources while pursuing our long-term decarbonisation objectives.

On the request for increased investment in flexibility, such as storage, including pumped storage hydropower and heat and waste heat storage as well as for demand response to optimise grid stability (**paragraph 5**), the Commission recalls that in the Action Plan for Affordable Energy it is outlined that the complete delivery of an electricity system underpinned by market integration, renewable generation and flexible capacity could result in 40% lower wholesale electricity prices on average in the EU as compared to a less optimised system. It is also stressed that more flexibility can provide tangible cost savings, with industry estimates showing EUR 2.7 billion per year in avoided peak generation capacity by 2030. In this regard, the Clean Industrial Deal State aid framework, adopted on 25 June 2025, clarifies the State aid requirements for non-fossil flexibility schemes, to make it easier for Member States to design their support mechanisms and to give consumers the incentive to provide flexibility to the system. By Q1 2026, the Commission will adopt new rules on demand response and distributed flexibility to ensure their full participation to the market and enable consumers to value their flexibility. These rules will address the remaining barriers that hamper flexibility solutions like demand response and storage services in the internal electricity market.

With regard to the call to develop tools to ensure gas supply at a mitigated cost by enabling demand aggregation, building on AggregateEU and joint gas purchasing, while keeping decarbonisation objectives (**paragraph 6**), the Commission is currently implementing the mandates provided in the last gas directive and regulation, and is preparing dedicated mechanisms for gas and for hydrogen and its derivatives. While the hydrogen mechanism will directly contribute to decarbonisation, when designing the gas one, the Commission will ensure its contribution to decarbonisation objectives. The Commission

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[1] COMMUNICATION TO THE COMMISSION Approval of the content of a draft Commission Notice on Guidelines on future proof network charges for reduced system costs, C(2025) 4010 final

recalls that transparency in energy markets is established thanks to energy legislation applicable to both spot and derivatives markets (Regulation on Wholesale Energy Market Integrity and Transparency - REMIT) and financial legislation applicable to energy derivatives (e.g., Markets in Financial Instruments Directive – MiFID and Market Abuse Regulation - MAR). As part of the Action Plan for affordable Energy, the Commission set up a Gas Market Task Force to comprehensively scrutinise the EU natural gas markets.

Within the same paragraph, the European Parliament also calls for an impact assessment in the upcoming Emission Trading System (ETS) review to analyse the relationship between the gas market and CO_2 prices and the role of the market stability reserve and its parameters. The Commission recalls that the EU ETS Directive and the Market Stability Reserve (MSR) Decision are subject to review by July 2026. The MSR review will analyse the design of the reserve considering the relevant market circumstances and the more general EU ETS framework. The MSR review will look at the various parameters of the reserve, including the intake rate, the upper and lower thresholds, and the release volume.

Concerning the Parliament’s call to support EIIs in adopting clean and net-zero technologies, including carbon capture and storage and low-carbon hydrogen, and energy-efficient production methods by strengthening funding mechanisms and ensuring that ETS revenue is used effectively by Member States (**paragraph 7**), the Commission stresses that the Clean Industrial Deal (CID) aims to present European industry with a stronger business case for climate neutral investments in energy-intensive sectors. This will include proposing an Industrial Decarbonisation Bank under the governance of the Competitiveness Fund, including supporting projects through carbon contracts for difference, enhancing the effectiveness of State aid, developing lead markets for low-carbon industrial products and clean technologies, and enhancing circularity and access to raw materials. The Commission seeks to pursue these aims through various forthcoming initiatives including the Industrial Decarbonisation Accelerator Act and 2026 review of the EU ETS Directive.

In **paragraph 8** the Parliament’s calls for InvestEU to be topped up before the next multiannual financial framework (MFF), the Commission recalls that on 26 February, it has proposed an amendment to the InvestEU Regulation to increase the amount of EU guarantee available in this MFF by 1) using further reflows, and 2) a combination of InvestEU with legacy instruments portfolios, to mobilise around EUR 50 billion of investment including to support the CID and other investments priorities outlined in the Competitiveness Compass such as digital frontier technologies. On top of that, the proposal also seeks to simplify the programme and its reporting. With regard to the call for leftover RRF loans to support investment in EII decarbonisation, the Commission stresses that the RRF supports Member States reforms and investments contributing to the decarbonisation of energy intensive industries and other strategic priorities linked to the digital transition, and Member States can request the revision of their recovery and resilience plans to add further measures in that regard, in so far as the related milestones and targets can be completed by 31 August 2026. As provided by the RRF Regulation, Member States could request loan support until 31 August 2023 and RRF loans were committed by 31 December 2023. No additional RRF loans can be committed. Finally, concerning the call on the Commission to build on the Net-Zero Industry Act (NZIA) in the upcoming Industrial Decarbonisation Accelerator Act, to streamline the processes for granting permits and strategic project status, the Commission stresses that in the upcoming Industrial Decarbonisation Accelerator Act, it intends to propose concrete measures to address permitting bottlenecks related to industrial access to energy and industrial decarbonisation, when these are not already covered by the provisions in the NZIA. These measures will build on the experience acquired, among other, through the NZIA and the Renewable Energy Directive (RED).

With regard to the Parliament's call to make full and efficient use of trade defence instruments stated in **paragraph 11**, the Commission reiterates its full commitment to a robust application of the trade defence instruments to tackle unfair trade. At present there are more than 210 measures in force protecting over 640,000 jobs in the EU and that 2024 saw a high number of new investigations initiated (33), which is indicative of the Commission's intent to act when there are allegations of unfairly traded imports damaging EU producers. With regard to the call to engage with the United States (US) in relation to the announced tariffs on EU imports and avoid any harmful escalation, stated in the same paragraph, the Commission **refers to the deal on tariffs and trade announced on 27 July**."

With regard to the steel industry, in the Autumn, the Commission will propose a long-term measure to replace the current steel safeguards, providing an effective protection to the EU's steel sector, as it faces intense pressure from global overcapacity, rising exports from China, and increasing trade barriers in key markets like the US. With regard to the Parliament's call to address the risks of resource shuffling and circumvention of the CBAM as well as for the implementation of an effective solution for EU exporters and an analysis of the possible extension to further sectors and downstream products, preceded by an impact assessment (**paragraph 12**), the Commission recalls that, as previously announced in the Steel and Metals Action Plan (SMAP), it has issued a communication on the implementation of Clean Industrial Deal on 2 July 2025, including an option on how to address the problem of carbon leakage for goods covered by the Carbon Border Adjustment Mechanism (CBAM) and exported from the EU to third countries. The SMAP furthermore announced that by Q4 2025, the Commission will conduct a comprehensive review of CBAM, which will be accompanied by an anti-circumvention strategy and by a first legislative proposal to extend the scope of CBAM to certain steel and aluminium-intensive downstream products. This proposal will build on an impact assessment.

Finally, with regard to the call in **paragraph 13** for the creation of lead markets for clean and circular European products, the Commission recalls that, as announced in the CID, the upcoming Industrial Decarbonisation Accelerator Act seeks to create lead markets for the development of European clean and resilient industrial technologies and products, while the European Steel and Metals Action Plan reiterates the commitment to include resilience and sustainability criteria to support the production of EU-made clean products. Similarly, the Automotive Action Plan states that the Act will propose that any public support benefitting the automotive industry should be made conditional on resilience and sustainability criteria, with the aim to boost the European production of key vehicle components. Furthermore, the Automotive Action Plan calls for upcoming legislation, including the Industrial Decarbonisation Accelerator Act or the corporate fleets, to address European content requirements on battery cells and components in Electric Vehicles sold in the EU, in line with the Union's international legal commitments. Finally, the Industrial Decarbonisation Accelerator Act will also develop a voluntary label on the carbon intensity of steel, based on a simple methodology with ETS data and building on the CBAM methodology. In parallel, the Commission will continue working on developing comprehensive life-cycle assessments, building on the Industrial Decarbonisation Accelerator Act's voluntary label where relevant, in the context of existing legislation, like the Eco-design for Sustainable Products Regulation (ESPR). Furthermore, the Commission reaffirms its commitment to review the EU public procurement framework in 2026 with a view to introducing European preference criteria in EU public procurement for certain strategic technologies and sectors, while ensuring the competitiveness of tenders. Additionally, the Circular Economy Act (2026) will help create market demand for secondary materials, including through public procurement criteria, and a single market for waste, notably in relation to critical raw materials.