



EASE Feedback to European Commission: Draft Implementing Act on Non-Price Criteria for Renewable energy auctions

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Introduction

On 24 January 2025, the European Commission launched a call for feedback on its proposal for a Net-Zero Industry Act (NZIA) Implementing Act aiming at further specifying non-price criteria for renewable energy auctions, including:

- (i) pre-qualification criteria on responsible business conduct, cybersecurity and data security, and the ability to deliver projects fully and on time; and
- (ii) pre-qualification or award criteria to assess the auction's sustainability and resilience contribution.

The European Association for Storage of Energy (EASE) welcomes this opportunity to provide the following comments:

1. Scope and Legal Clarity for Energy Storage Systems (ESS) and Batteries (BESS)

EASE highlights that the draft Regulation **lacks clarity on its application to batteries (BESS) and energy storage systems (ESS)**, whether standalone or co-located with renewable energy installations. Additionally, hydropower being considered a renewable technology under the Renewable Energy Directive, pumped hydro storage (PHS) could also be considered as Energy Storage System which could be subjected to the art. 26 of NZIA. Clarification is essential to determine how the Regulation will affect BESS procurement and deployment across the EU.

The draft Regulation generally applies to auctions for the deployment of renewable energy sources under Article 26 of the Act, specifically net-zero technologies classified as "renewable energy technologies". Certain provisions broadly refer to "net-zero technologies", which include batteries per the NZIA, such as Article 7(1), potentially applying to batteries when co-located with PV. Additionally, neither the draft Regulation nor the NZIA clarifies the applicable definition of "renewable energy installation". For legal certainty, this term must be clearly defined to include assets such as storage and demand-side management or an alternative term should be used. At a later stage, a guidance document for Member States would also help avoid legal confusion.

2. Need for Clear & Harmonised Criteria Across the EU

EASE stresses that the draft Regulation neglects the **practical needs of industry stakeholders for clear timelines and visibility on criteria**. A clear mechanism to harmonise the listed criteria across all EU to ensure legal clarity, consistency, and reduce administrative burdens for



manufacturers and developers operating across multiple EU markets is needed, **especially for criteria involving complex implementation and that are path-dependant**, such as:

- Carbon Footprint Criteria, which demand strategic planning; and
- Circular Economy Criteria, which requires the setting-up of specific supply chains.

Clear timelines are needed for manufacturers to align investment decisions with regulatory requirements. Moreover, without visibility on criteria, manufacturers risk building facilities that may become irrelevant once regulations take effect, increasing the likelihood of stranded assets. This would make Europe a less attractive compared to regions with simpler regulatory frameworks.

Member States should be required, under the Regulation, to align Carbon Footprint and Circular Economy Criteria with the calculation methods developed under the Battery Regulation (Regulation (EU) 2023/1543).

3. Market Predictability and Auction Transparency

Under Art. 16 of the Implementing Act, the Commission should encourage Member States to outline (in form of an auction roadmap, program,...) well in advance their future auction designs, and allocation of non-price criteria per net-zero technology to allow industry to adapt accordingly.

Given the short implementation phase between entry into force of Art. 26 (NZIA) in December 2025 and the adoption of the Implementing Act by March 2025 a clear future auction design is crucial for industry adaptation.

4. Cybersecurity and Data Security Considerations

Cybersecurity and data security should be distinct:

- Cybersecurity should focus on protecting energy installation's network and information systems which are part of Europe's energy infrastructure;
- Data security should address GDPR compliance and safe data storage practices.

Cybersecurity audit requirements should be **proportionate and flexible** to avoid excessive cost burdens on smaller market participants where bidders or suppliers fall under Art. 5 (1)(a).

Compliance with existing **EU cybersecurity frameworks** is vital and the Regulation should clarify new sector-specific obligations, as is the case in Article 5(1)(b); to provide certainty to bidders and suppliers regarding which countries fall under this guidance.



5. Supply Chain Resilience and Avoiding Investment Risks

Acknowledging the differences between energy storage technologies and their respective supply chains, **resilience measures that prevent reliance on single third-country suppliers must be flexible, implemented in a step-by-step way and technology-specific to provide businesses with investment certainty.**

Article 7 sets thresholds for tendering pre-qualification or awards criteria applying to net-zero products manufactured in a dominant source of supply. However, it **does not specify how or when the Commission will determine these thresholds, nor when companies will be impacted by changes** which creates uncertainty. Manufacturers investing outside a "single country of supply" to attain the objectives of the NZIA need certainty that their investments will not be wasted if rules change mid-process. The text should establish **fixed review dates with a transparent methodology and transition period.**

Given that most energy storage production capacity outside current single sources of supply are focused on e-mobility, the **current resilience rules** – if applicable to batteries/energy storage – **applying to both the module and pack are too stringent and risk serious undersubscription of auctions** including energy storage. The approach should be phased, reflecting **actual production capacities.**

6. Carbon Footprint Criteria Implementation

Although welcome, **Article 8 does not specify how and when carbon footprint criteria will be enforced.**

EASE recommends:

- **A transition period allowing at least two years** after the implementing act defining carbon footprint methodology;
- **Harmonisation** to prevent inconsistencies that could deter investment;
- **Fixed review intervals for CO2 thresholds**, ensuring manufacturers have a clear timeline and visibility on criteria to invest in low-carbon technology.

This will ensure these criteria serve as a **motivator for sustainable investment.**

7. Strengthening the Role of Energy Storage in System Integration

Finally, we welcome that **Article 15 recognised co-location of energy storage with renewable assets as a key contributor to strengthen energy system integration.**

To further enhance this capability, we propose the addition of a **requirement on grid-forming capabilities** of energy storage assets.



Grid-forming behavior will become a **requirement towards the end of this decade** through the implementation of the **Network Code Requirements for Generators 2.0**.

As this technology is **already broadly available today** and deployed by a number of companies within Europe, we should foster the **deployment of only future-ready, grid-forming capable energy storage assets**.



About EASE

The European Association for Storage of Energy (EASE) is the voice of the energy storage community, actively promoting the use of energy storage in Europe and worldwide. It supports the deployment of energy storage as an indispensable instrument within the framework of the European energy and climate policy to deliver services to, and improve the flexibility of, the European energy system. EASE seeks to build a European platform for sharing and disseminating energy storage-related information and supports the transition towards a sustainable, flexible and stable energy system in Europe.

For more information please visit www.ease-storage.eu

Disclaimer

This response was elaborated by EASE and reflects a consolidated view of its members from an energy storage point of view. Individual EASE members may adopt different positions on certain topics from their corporate standpoint.

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