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IFIEC-Europe answer to the EU consultation

Industrial Accelerator Act – speeding up decarbonisation

IFIEC Europe represents the interests of industrial energy users in Europe for whom energy and climate policies are significant components of production costs and a key factor of competitiveness in their activities in both Europe and throughout the world.

1. Competitiveness and productivity: build robust lead markets

IFIEC supports the IAA's demand-side approach. Lead markets are the most valuable instrument the Act offers: by creating stable and predictable demand for low-carbon materials, they generate the green premium that creates opportunities for viable decarbonisation investments in Europe, reinforcing European strategic autonomy and strengthening Europe's industrial competitiveness. We therefore support low-carbon and Union-origin requirements in public procurement and public support schemes. We recommend that public requirements should impose at least 50% of products manufactured in Europe.

Energy-intensive industries support the objective of increasing the share of industry EU manufacturing capacity to 20% of EU GDP by 2035, in a context of deindustrialization and rising strategic dependencies. However, the current proposal does not yet fully address the structural challenges faced by energy intensive industries, in particular regarding energy and climate costs, investment conditions and global competition.

At the same time, “Union-origin”, to be effective, must reflect the entire value chain, coming from raw materials, including intermediate products and strategic components, while accounting for specific market realities and value chain dynamics of different materials. Defining origin on final assembly alone would create loopholes whereby products largely manufactured outside the EU still qualify as European, undermining the demand of creation for genuine EU low-carbon production. Union origin requirements should therefore be anchored in meaningful production stages that

represent the core value-creating and energy-intensive steps of the value chain, ensuring a genuine link to industrial activity in Europe, and preventing reliance on minimal downstream processing, while safeguarding Europe-based smelting and recycling capacity. Derogations should therefore remain strictly limited.

Voluntary carbon-intensity labels can support low-carbon markets and improve transparency across value chains, based on actual lifecycle emissions levels and physical realities. They should, however, build on existing standards and verification frameworks and avoid new audit or certification requirements that slow down implementation and raise costs for industry. Moreover, the conceptualization of low carbon should be based on a robust methodology for calculating the material's carbon footprint and for verifying the submitted data. In this view, the life-cycle assessment (LCA) methodology is the most adequate for quantifying the environmental footprint of raw materials. Low carbon product definitions and any carbon-intensity label should be performance-based and technology-neutral: they should reward the carbon intensity achieved, not prescribe a specific production route. This way every viable decarbonisation pathway can compete on equal terms.

Union-origin equivalence should not automatically extend to all countries having Free Trade Agreements with the European Union. - Eligibility should instead be subject to a case-by-case "opt-in" mechanism based on clear and robust criteria, including compliance with ESG standards, respect for the rule of law, market economy principles, fair competition practices, transparency obligations and effective reciprocity. Third countries seeking Union-origin equivalence should bear the burden of demonstrating compliance with these conditions, including the absence of state-induced industrial overcapacities and market distortions.

2. Availability and affordability of energy at a competitive price

The conditions defined by IAA and lead-market measures are necessary but not sufficient. For energy-intensive industry, global competitiveness is subject to the level of electricity and energy costs relative to global competitors. This is primarily addressed by instruments other than the IAA, and the IAA must therefore be explicitly coordinated with the Affordable Energy Action Plan and the state-aid framework. This prevents the decarbonisation incentives it creates not to be offset by a structural energy-cost disadvantage.

Additionally, decarbonisation policies must not undermine energy availability or affordability, which are critical for energy-intensive industries exposed to international competition. Affordability also extends to green energy carriers and infrastructure: access to competitively priced renewable and low-carbon electricity and hydrogen are necessary for realization of the goals set by the IAA.

Furthermore, when establishing industrial acceleration areas, Member States should support facilitated access to finance, rigorous assessments of current and projected energy needs,

alongside measures to promote the uptake of PPAs, by removing barriers including the costs associated with profiling renewable PPAs with baseload industrial demand.

3. Secure access to secondary raw materials

Ensuring sufficient access to recycled raw materials is essential to support low-carbon production in Europe. Targeted measures should be considered to prevent for example the export of steel and aluminum scrap outside the EU, while preserving flows within the EU. This would help secure local, lower-carbon footprint resources for European industry leading to lower energy consumption.

4. Reducing regulatory and administrative burden

The simplification of the regulatory and administrative burden must be significant. The priority should be coherence between the IAA and the existing acceleration frameworks, since the number of accelerated permitting rules has risen greatly. This large number of sector-specific and horizontal acceleration frameworks, each with its own scope, timelines, single points of contact and environmental-assessment procedures risk exacerbating the complexity these frameworks are intended to address. The IAA should consolidate and align these regimes rather than add to them. Crucially, accelerated permitting must extend to the enabling energy infrastructure (grid, hydrogen, CCUS), not only to the industrial installation itself: a faster permit for a plant is irrelevant if its necessary infrastructure is not available.

Conclusions

The IAA has the potential to become a central pillar of Europe's industrial and climate strategy. A coordinated and pragmatic framework will be essential to unlock investments, accelerate decarbonisation and maintain a strong industrial base in Europe. To deliver its objectives, it should combine technological neutrality, strong lead market incentives, workable origin rules and a clear focus on competitiveness and energy availability.

However, lead-market and origin measures must complement, not substitute, the instruments that protect against carbon leakage during the transition (free allocation under EU ETS, a properly functioning CBAM, indirect cost compensation). The demand these measures create is only effective if European manufacturing remains internationally competitive on energy and carbon costs in the first place.

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