

ESIA feedback

Draft Delegated Act as regards the identification of sub-categories within net-zero technologies and the list of specific components used for those technologies

Semiconductors are a key component of Net-Zero technologies

ESIA urges the European Commission to include semiconductors and related materials in the annex of the Draft Delegated Act as regards the identification of sub-categories within net-zero technologies and the list of specific components used for those technologies.

The rapidly growing demand for wind and solar plants, grids, storage, electric cars, heating systems, and many others relies on semiconductors. They are essential for solar panels, wind turbines, electricity grids and batteries and are increasingly applied to improve energy efficiency, controllability, and reliability. For instance, the complete upstream photovoltaic value chain includes metallurgical silicon, polysilicon, wafers, ingots, cells, modules, solar glass, inverters, **semiconductors**, production tools, equipment, components (such as crucible and silver paste) and much more.

In 2022 components of one single ESIA member alone were installed into 2,5 million new solar systems and 11.813 wind systems. This enabled the generation of a total clean energy capacity of 125 GW and a yearly avoidance of 128 million tons of CO₂ emissions.

The Net-Zero Industry Act and the EU Chips Act – a different rationale

The semiconductor industry believes the objective of the Net-Zero Industry Act (NZIA) to accelerate the green transition is of very high importance. The Act intends to create better conditions for the manufacturing of Net-Zero technologies, such as photovoltaic, wind, battery, heat pumps and their components. The Act can strengthen Europe's strategic role in clean technologies and make a significant contribution to decarbonization.

ESIA wants to stress that origin and scope of the EU Chips Act and the NZIA differ significantly. The EU Chips Act aims to increase the resilience of semiconductor supply chains and reduce dependencies on third countries, with a strong focus on manufacturing and R&D. Meanwhile, the NZIA also puts strong emphasis on training, education, job creation and testing of innovative solutions. The two Acts must ensure that a coherent framework for semiconductor development is in place.

It is also worth noting that the “first-of-a-kind facilities in Europe” state aid instrument of the EU Chips Act is mainly used by large companies due to the important investments required. Smaller companies, in particular SMEs, may not be able to benefit from this state aid framework, but rather see opportunities in realizing Net-Zero Strategic Projects.

In addition, the new EU Chips Joint Undertaking does not contain any restrictions on Net-Zero technology providers. In the same vein, it should be ensured that NZIA’s R&D initiatives will be open to the participation of semiconductor companies.

We are looking forward to continuing the dialogue with the EU institutions on how to create a competitive semiconductor industry in Europe and hope that our comments can be considered.

For further information:

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ABOUT ESIA

The European Semiconductor Industry Association (ESIA) is the voice of the semiconductor industry in Europe. Its mission is to represent and promote the common interests of the Europe-based semiconductor industry towards the European institutions and stakeholders in order to ensure a sustainable business environment and foster its global competitiveness. As a provider of key enabling technologies, the industry creates innovative solutions for industrial development, contributing to economic growth and responding to major societal challenges. Being ranked as one of the most R&D-intensive sectors by the European Commission, the European semiconductor ecosystem supports approx. 200.000 jobs directly and up to 1.000.000 jobs indirectly in systems, applications and services in Europe. Overall, micro- and nano-electronics enable the generation of at least 10% of GDP in Europe and the world.