

IOGP Europe position on Industrial Accelerator Act and recommendations for modifications

Executive Summary

IOGP Europe recognises the Industrial Accelerator Act (IAA) as a positive step toward the creation of lead markets to stimulate demand for low-carbon products. To fully realise this potential, the IAA should aim to create a functioning market where demand is strong enough to sustain and reward the premium associated with low-carbon products.

IOGP Europe provides the following recommendations to ensure that the framework delivers its objectives in a practical, technology-neutral, and market-oriented manner. In this regard, the overall framework should provide a stable and predictable regulatory environment, with any empowerment of the Commission to further define, expand, or restrict requirements through delegated acts being narrowly framed and limited to what is strictly necessary to preserve legal certainty and investor confidence.

IOGP Europe's 7 recommendations for strengthening the Industrial Accelerator Act proposal:

1. Technology neutrality and level playing field principles

As many of the **key details will be defined through Delegated Acts**, it is essential that the Regulation explicitly enshrines the **principle of technology neutrality and level playing field** in its core provisions. These principles must guide the development of Delegated Acts, ensuring fair treatment across technologies, including renewable vs low-carbon hydrogen, and geographical balance across Member States.

2. Alignment between IAA and NZIA on CCS

The IAA should facilitate the development and deployment of CCS across the entire value chain, including by coordinating dedicated support mechanisms as a critical enabler of low-carbon product supply chains. At the same time, it should amend the NZIA provisions on the CO₂ injection capacity objective to ensure a realistic, investment-enabling framework for CCS value chain.

3. Definition of low-carbon products & creation of lead markets

The definition of low-carbon products is a key element of the framework. The criteria developed under Articles 10 and 16 should take into account lifecycle greenhouse gas emissions intensity and ensure a level playing field across Member States. The criteria should remain technology-neutral and recognize the role of CCS and low-carbon hydrogen in achieving the objectives of the Regulation.



Experience from the market shows that voluntary classification systems alone are unlikely to generate the scale of demand needed to drive industrial transformation or create meaningful market pull. To effectively establish lead markets, it should be reflected at the later stage to move towards stronger and more predictable demand signals, inter alia through mandatory product standards. These should be technology-neutral and designed to avoid carbon leakage by reflecting both production intensity and consumption, rather than being constrained by jurisdictional boundaries. Sound policy design will be critical to ensure effectiveness while limiting cost impacts.

4. “Made in the EU” / Union origin requirements

Union origin requirements risk creating uncertainty for globally integrated industries by disrupting value chains and reducing investment predictability. They are not an effective solution to competitiveness or unfair trade challenges, which should instead be addressed through existing EU trade and market instruments.

Strengthening the European industrial base should be carried out in a proportionate manner, while preserving openness to international cooperation. The system boundaries for the production of the covered products must also be carefully clarified as they may add further complexity to the process, as well as have implications for the European energy market. Union-origin criteria should be applied with caution to ensure their credibility and transparency, avoiding their excessive extension to entities from third countries. At the same time, strictly defined exceptions should be allowed in the context of deep strategic partnerships.

5. Foreign Direct Investment (FDI)

The proposed FDI provisions in the IAA create more uncertainty at a time when Europe needs to safeguard its attractiveness as an investment destination. We support the overall objective of requiring FDI to create value in the EU. The IAA provisions are as in initial EC draft overly prescriptive and will likely increase administrative burden for both authorities and investors. The EU should rather leverage the existing screening tools at its disposal.

6. Permitting

Single access points are a positive step, but they will only work if they genuinely coordinate the entire permitting process. Industrial projects often involve multiple components governed by different permitting frameworks and organizations. Without alignment, simplification benefits will be lost.

The Industrial Accelerator Act should therefore align single access points with those under the Net-Zero Industry Act, the Critical Raw Materials Act, and the Renewable Energy Directive, ensuring one coherent permitting process coordinated by a single authority.

Interoperability should be prioritised with existing frameworks, ensuring that project developers benefit from a single, coherent permitting pathway across the full value chain.

7. Corporate climate transition plans (Article 25(4)(h))

The inclusion of corporate climate transition plans in the designation criteria for Industrial Manufacturing Acceleration Areas should not in any way be used as a requirement for eligibility. As this would create legal uncertainty, litigation risk and duplication with existing CSRD disclosure requirements, while shifting the IAA away from its core purpose of strengthening Europe’s industrial competitiveness and deployment capacity.

IIGP Europe acknowledges the overall objectives of the IAA in promoting lead markets and accelerating low-carbon industrial transformation, and stands ready to engage constructively with policymakers and stakeholders to ensure the framework delivers effective and workable outcomes. A set of proposed amendments is provided in the Annexes.

ANNEX I

No	Proposal	Amendment proposal	Justification
1.	Include technology neutrality and level playing field principles	Article 10 (2) In developing those rules, the Commission shall at least take into account: NEW (g) the need to ensure technology neutrality and maintain a level playing field between different production pathways achieving comparable greenhouse gas emission reductions.	The delegated acts should ensure both technology neutrality and a level playing field in the development of the methodology for determining the greenhouse gas intensity of products. This is essential to allow different decarbonisation pathways to compete on equal terms and to avoid favouring specific technologies. At the same time, the methodology should not unduly disadvantage producers in certain Member States due to differences in national energy mixes, thereby ensuring fair competition across the Union.
2.	Alignment between IAA and NZIA on CCS	(NEW) Recital (XX) This Regulation recognises the need to develop integrated CO₂ transport and storage infrastructure and to ensure coordination with CO₂ emitters to guarantee the economic viability of storage projects. However, the Union CO₂ injection capacity objective set out in Article 20 of Regulation (EU) 2024/1735 focuses solely on storage capacity and does not reflect the integrated nature of the CCS value chain. This inconsistency risks undermining the effectiveness of the Union framework.	Carbon capture and storage (CCS) can only contribute effectively to the decarbonisation of energy-intensive industries if CO ₂ capture, transport and storage infrastructure are developed in a coordinated and timely manner across the full value chain.
3.	Alignment between IAA and NZIA on CCS	<u>Article 6</u> <u>Energy-intensive industry decarbonisation projects</u> (NEW) 3. In order to effectively contribute to the decarbonisation of energy-intensive industries, the deployment of CCS technology shall be considered as requiring a coordinated development of capture, transport and storage infrastructure across the full value chain, supported by enabling measures. To that end, and in order to ensure coherence with Regulation (EU) 2024/1735, in particular as regards the definition of net-zero strategic projects encompassing CO₂ capture, transport and storage infrastructure, that Regulation shall be applied and, where necessary, adapted so that the Union CO₂ injection capacity objective set out in Article 20 reflects the need to develop the full carbon capture, transport and storage value chain.	Regulation (EU) 2024/1735 already reflects this integrated approach in the definition of net-zero strategic projects set out in Article 3(18), which encompasses CO ₂ capture, transport and storage infrastructure. However, the current Union CO ₂ injection capacity objective laid down in Article 20 focuses primarily on storage capacity, without sufficiently reflecting the interdependence and parallel development needs of the different components of the CCS value chain. This misalignment risks creating bottlenecks, delaying investments and undermining the effective deployment of CCS projects in energy-intensive industries. This amendment therefore ensures internal consistency within the Regulation, strengthens coherence with the value chain approach underpinning industrial decarbonisation policies, and aligns the Union objective with the practical, economic and infrastructural requirements necessary to deliver CCS at scale, while providing greater investment certainty for project developers.

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4.	Alignment between IAA and NZIA on CCS	Article 25 [2] (b) the potential of the industrial manufacturing acceleration area to support the deployment of production capacity in the strategic sectors listed in Annex I, to strengthen Union value chains and the Union's innovation potential to accelerate sustainable manufacturing industrial activities, including decarbonisation and circular business practices, and to foster the functioning of the internal market, in alignment with strategic projects and other initiatives, including as Net Zero Acceleration Valleys, carried out pursuant to other Union legislation; while ensuring coherence with Regulation 2024/1735 to support the development of CO₂ transport and storage infrastructure, including cross border connections between Member States and third countries.	The IAA's provisions should be explicitly aligned with the NZIA Regulation to ensure that industrial decarbonisation initiatives are mutually reinforcing. Strengthening this connection will facilitate the deployment of CO₂ transport and storage infrastructure in the EU in coordination with third countries, creating predictable conditions for investment and deployment.
		Article 26 NEW (j) coordinate with CO₂ emitters and relevant stakeholders to support the development of CO₂ transport and storage infrastructure, including measures to guarantee sufficient commitments from emitters so that CO₂ storage projects are economically viable.	By requiring Member States to facilitate coordination between industrial acceleration areas and emitters, this amendment ensures that the IAA supports both low-carbon industrial projects and the broader EU storage infrastructure goals. The amendment strengthens the alignment between IAA and NZIA, providing predictable conditions for investment and accelerating industrial decarbonisation.
		Article 34 [3] Amendments to Regulation 2024/1735 in Article 23 – view Annex II	The CO₂ injection capacity obligation in the NZIA is undermining the very goals it seeks to achieve: It risks delaying CCS deployment, increases decarbonization costs to industry, and weakens EU competitiveness. The mandated 50 MTA of CO₂ injection capacity by 2030 is not feasible. The obligation was imposed retroactively on oil and gas producers based on past production. This creates legal and investment uncertainty, undermines investor confidence and deters future oil and gas investments at a time when the EU needs secure supplies. Mandating storage capacity without parallel development of capture and transport infrastructure risks creating stranded assets. The exclusion of UK and Norwegian storage options, despite their proximity and scale advantages, further limits flexibility and cost-effectiveness.

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			In several Member States, CO₂ storage is not yet permitted or is restricted to limited offshore locations which further limits compliance options and jeopardizes the selection of the most cost-effective options for the industries that need CCS as a decarbonization solution. Storage licenses are awarded competitively and are not automatically available to oil and gas license holders. In addition, oil and gas reservoirs may not necessarily be viable storage sites.
5.	Corporate climate transition plans under IMAA	Article 25(4) h) relevant location-specific information made publicly available by industry, including corporate climate transition plans, related targets and actions, investment needs, and required enabling policy frameworks.	The inclusion of corporate climate transition plans within Article 25(4)(h) is legally and strategically misplaced within the IAA. The primary objective of the Act is to strengthen Europe's industrial competitiveness by accelerating manufacturing deployment and improving permitting efficiency, not to regulate or condition industrial access on corporate climate governance strategies. First, there is currently no harmonised standalone EU framework that clearly defines mandatory corporate climate transition plans for all companies, nor is there an approved EU-wide (and globally recognised) methodology for assessing such plans. Without legal clarity on what constitutes an acceptable transition plan, what it must align with, or how Member States should evaluate it, this provision risks creating significant legal uncertainty, inconsistent national interpretation, and litigation exposure. Second, the provision risks functioning as a backdoor reintroduction of mandatory transition plans by making them indirectly relevant to accessing Industrial Manufacturing Acceleration Areas. This is particularly problematic given the recent political and legislative debate around transition plans under other EU legislations, notably CSRD and CSDDD. Under CSRD, companies already face disclosure-related obligations concerning transition plans and implementation progress where relevant, creating substantial reputational and market pressure. Introducing a parallel or implied requirement under the IAA would therefore be duplicative, redundant, and disproportionate.

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			Finally, linking access to industrial acceleration frameworks with undefined climate-strategy criteria could undermine investment certainty, particularly for strategic industrial sectors the IAA is specifically intended to support. The IAA should remain focused on competitiveness and deployment capacity, rather than broadening into uncertain corporate sustainability conditionality that is better addressed, where relevant, under the existing dedicated corporate reporting legislation.
6.	Definition of low-carbon products	Article 10 (2) Such delegated acts shall specify, as appropriate, the following elements: (a) the identification of the product for which a manufacturer may apply for a label on greenhouse gas intensity; (b) the relevant system boundaries, covering emissions from the industrial manufacturing process, emissions from relevant precursors and emissions from electricity consumption. These emissions are considered independently of whether these emissions occur in the manufacturer's facility or in other facilities, recognising that certain precursors might be acquired from other installations; (c) the methodology for the calculation of the greenhouse gas intensity of the product ensuring that all low-carbon technologies, such as CCS and low-carbon hydrogen, and production pathways are assessed in a consistent and balanced manner	The proposed amendment aims to ensure that the methodology for calculating greenhouse gas intensity remains technology-neutral, science-based, and consistent across all production pathways. Explicit recognition of low-carbon technologies, including carbon capture and storage (CCS) and low-carbon hydrogen, is necessary to ensure a level playing field among manufacturers and Member States.

ANNEX II

Amendments to NZIA focused on simplification of Article 20

No	Proposal	Amendment proposal	Justification
1.	Article 20 Introduce indicative storage capacity and extend the timeframe from 2030 to 2035	Article 20 An annual <i>indicative</i> injection capacity of at least 50 million tonnes of CO₂ shall be achieved by 2030 2035 in storage sites, meaning geological storage sites permitted under Directive 2009/31/EC including depleted oil and gas fields and saline aquifers, located in the territory of the Union, its exclusive economic zones or on its continental shelf within the meaning of the United Nations Convention on the Law of the Sea and which are not combined with Enhanced Hydrocarbon Recovery.	It is currently realistically not achievable to develop 50 Mtpa of CO₂ storage capacity by 2030 based on the existing state of projects. In 2026, only 0.025 Mtpa of CO₂ storage capacity is operational, and an additional 2.9 Mtpa reached Final Investment Decision (FID). This represents a fraction of the required capacity, and while progress is being made, the time needed to develop sufficient infrastructure, secure permits, and address regulatory requirements presents significant hurdles. Achieving this target by 2030 is practically unfeasible due to the lengthy time required for permitting and infrastructure development. On average, it takes at least five years to secure the necessary permits for CO₂ storage projects, with many current projects still in the early pre-feasibility stages. Additionally, developing storage sites in mature basins typically requires up to seven years, and over ten years in frontier basins. Given these timelines, the required capacity is highly unlikely to be available by 2030, even with significantly expedited permitting processes. Moreover, the necessary CO₂ transport infrastructure and the supporting regulatory frameworks are still under development, with relevant legislation and guidance expected only in 2026, and likely adopted in 2027. This delay further exacerbates the challenge of meeting the 2030 target. Additionally, due to the significant uncertainties in the development timelines for CO₂ storage and transport infrastructure, the 50 Mtpa target should be indicative, rather than mandatory, for the time being. This approach would allow for flexibility in response to evolving project timelines and regulatory developments while ensuring continued progress toward long-term climate goals.

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			Given these substantial challenges, it is essential that the target be extended to 2035, providing a more realistic timeframe for the development of the required CO ₂ storage capacity. This extension will allow for the completion of necessary permitting, the development of transport infrastructure, and the alignment with evolving regulatory frameworks.
2.	Article 20 (a) NEW Storage sites located in the EEA and the UK are eligible to contribute towards the indicative CO ₂ injection capacity objective of 50 million tonnes	Article 20.1 NEW: <i>(a) Storage sites located in the territories of the European Economic Area (EEA) Contracting Parties, or in the United Kingdom, shall be eligible to be taken into account for the purpose of contributing to the Union's net-zero industry indicative objective of 50 million tonnes CO₂ injection capacity, provided injection capacity for these sites is made available, on non-discriminatory commercial terms, to CO₂ emitters in the EU.</i>	To meet the indicative annual CO ₂ injection capacity of at least 50 Mt by 2035, CO ₂ storage capacity developed both within the EU and in the EEA, and the UK, should be eligible to contribute to the overall target. According to IOGP Europe data on CO ₂ storage projects, only 0.025 Mtpa of CO ₂ storage capacity is currently operational in the EU, and an additional 2.9 Mtpa has reached Final Investment Decision (FID) in 2025. At the same time, substantial CO ₂ storage capacity is progressing outside the EU, with 3.25 Mtpa of operational capacity and 3.5 Mtpa at FID stage in the EEA, as well as a further 8.5 Mtpa at FID stage in the UK. These volumes represent a material contribution towards the indicative CO ₂ injection capacity target. Several of these projects have been designed from the outset to store CO ₂ emissions originating from the EU, and for this reason have applied for, and in some cases already received, Innovation Fund support (e.g. in Iceland and Norway). It is therefore important that CO ₂ storage capacity developed outside the EU but intended to serve EU emitters, including in the EEA and the UK, is duly recognised when assessing progress towards the indicative 50 Mt target, particularly given that some Member States face technical, legal or public constraints on the development of domestic CO ₂ storage capacity on their territory.

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3.	Article 20 Allow Member States (instead of the Commission) to grant a derogation regarding the date by which the individual contributions are to be fulfilled based on detailed conditions	Article 20 (5) By 31 December 2028 <i>Following the request of an obligated entity</i> the Commission <i>a Member State</i> shall grant, on the basis of the reports referred to in Article 42(1), point (c), and Article 42(8), assess the relationship between the demand for injection capacity from CO₂ capture projects and the main infrastructure needed for the transport of CO₂ in progress or planned to be operational by 2030 and the sum of the individual contributions of the entities referred to in paragraph 1 of this Article in relation to the production activities on the territory of a given Member State. In the case of a substantial imbalance, the Member State concerned may exceptionally ask the Commission for a derogation regarding the date by which the individual contributions are to be fulfilled <i>in any case where at least one of the following conditions is not met:</i> <i>1. the granting of the relevant permits and licenses for the exploration of geological structures suitable for permanent CO₂ storage, for the use of such structures for CO₂ storage and the infrastructure relevant to transport CO₂ to the storage site;</i> <i>2. the conclusion of commercial contracts for CO₂ storage services that sufficiently confirm market demand for the storage capacity and provide a reasonable minimum return on the associated financial investment;</i> <i>3. the relevant necessary legal provisions at EU and Member State level, including but not limited to:</i> <i>1. the CO₂ accounting and liability rules regarding the capture, transport, storage, and transfer of storage ownership at the end of the injection period;</i> <i>2. the ratification of the 2009 amendment to the London Protocol and the deposit with the IMO of a declaration on its provisional application;</i> <i>3. the relevant intergovernmental arrangements relating to the establishment of cross-border CCS value chains;</i> <i>4. binding commercial agreements guaranteeing the operability of the necessary infrastructure to transport sufficient amounts of CO₂ from emitters to the storage site;</i>	The Regulation should allow obligated entities to directly request from the competent Member State, where a CO₂ authorisation has been granted, a derogation concerning the deadline by which their obligation is to be fulfilled. This empowerment of Member States is consistent with their essential role in granting project authorisations and permits, and is aligned with NZIA provisions regarding single points of contact in Member States. The process for granting derogations should be based on a clear and exhaustive list of technical, commercial, and legal requirements that projects must meet in order to reach Final Investment Decision (FID). This is essential to ensure that investments are directed to the most cost-effective injection sites and to avoid stranded assets. Where, for reasons beyond the control of the submitting entity and despite demonstrated best efforts, the commercial, financial, technical, legal, or environmental conditions required to objectively enable the project are not met, the obligated entity should be authorised by the competent Member State authority to revise the deadline for meeting its contribution.