



CCSA Briefing Note

Friday, 30 January 2026

Summary

CCSA have obtained a leaked draft of the European Commission's upcoming [Industrial Accelerator Act \(IAA\)](#), dated 19 January 2026. This regulation is a cornerstone of the "Clean Industrial Deal" and is expected to be officially published in late February.

The proposal aims to accelerate industrial decarbonisation and strengthen EU manufacturing resilience, by lowering administrative burdens and creating guaranteed demand for EU products.

For the CCUS and Low Carbon Products sector, the text presents a critical ambiguity:

- **Wins:** It delivers significant wins on permitting acceleration for *all* energy-intensive industries (EIs), extending beyond just "net-zero technology" manufacturers.
- **Risks:** The "Lead Market" provisions prioritise "Union Origin" (Made in EU) over purely performance-based low-carbon metrics. Crucially, the Annex detailing the mandatory purchasing quotas for steel, cement, and aluminium is missing from the leak, making it impossible to assess the exact ambition level. Meanwhile, strict sourcing quotas for hydrogen electrolyzers are explicitly detailed in an amendment to the Net-Zero Industry Act.

Key Outcomes

A. Permitting: A Major Step Forward

- **Scope Extension:** The IAA extends the streamlined permitting provisions of the Net Zero Industry Act (NZIA) to all energy-intensive industry (EII) decarbonisation projects. This effectively covers capture plants at cement, lime, and steel facilities, regardless of whether they produce "net-zero technologies" (e.g., wind blades).
- **Strategic Status & Tacit Approval:**
 - All EII decarbonisation projects will be automatically considered "**strategic projects**" for the purpose of environmental assessments, granting them priority status.
 - A new "silence means approval" rule applies to intermediate permitting steps (excluding environmental assessments).
- **Digitalisation:** A mandatory "Single Digital Portal" for all permits.

B. Lead Markets & Public Procurement

The Commission aims to use public purchasing power to drive demand for decarbonised materials.

- **Mandatory Procurement:** Public authorities *must* apply "Union-origin" and "low-carbon" requirements in procurement for **steel, cement, and aluminium** (specific percentage thresholds and definitions are to be set out in Annex II, which is not yet publicly available).
- **Low-Carbon Definitions:** Crucially, the definition of "low-carbon" will be linked to the Construction Products Regulation ('CPR') and the Ecodesign for Sustainable Products Regulation ('ESPR').
 - **Concrete** will be considered low-carbon where it meets the criteria laid down in the implementing measures adopted under the Construction Products Regulation (CPR).
 - **Steel products used in construction** and covered by a harmonised technical specification must comply with the low-carbon definition established under the CPR framework.
 - **Steel products falling outside the scope of the CPR** will be considered low-carbon where they meet the product requirements to be set out in the implementing rules adopted under the ESPR.

C. Industrial Acceleration Areas

The IAA formalises the concept of industrial clusters, termed "**Industrial Acceleration Areas**".

- **Cluster Designation:** Member States must designate at least one acceleration area within 12 months, prioritising areas with potential for industrial symbiosis and decarbonisation.
- **Infrastructure & CO₂:** Member States must conduct a comprehensive analysis of the energy needs (including infrastructure) for these areas for 2030, 2040, and 2050.
- **Permitting within Areas:** Projects within these areas will benefit from an "aggregated baseline permit", reducing the need for individual environmental assessments where impacts were already assessed at the cluster level.

D. Sector-Specific Measures – Voluntary Label for Steel

The Act introduces a **Voluntary Union Label** on the greenhouse gas intensity of steel (hot-rolled carbon steel).

- **Methodology:** The label will classify steel from Class A (highest performance) to Class F.
- **Technology Neutrality:** The classification thresholds must reflect the "emission reduction potential of emerging technologies", which should implicitly include CCS.
- **Scrap vs. Primary production:** The methodology will adjust performance classes based on scrap share (20%-90%) to incentivise recycling while ensuring primary steel decarbonisation (via CCS/Hydrogen) remains competitive.

Comparative Analysis: CCSA Demands vs. Leaked Proposal

The following table compares the CCSA's response to the July 2025 Call for Evidence against the text of the leaked proposal.

CCSA Ask (July 2025)	Leaked IAA Proposal (Jan 2026)	Assessment
<p>1. Comprehensive Strategy: A dedicated EU strategy for low-carbon and circular products (incl. CCU) by 2030-2040.</p>	<p>A Limited Scope: Focuses primarily on construction materials (steel, cement) and specific "Net-Zero Tech" (batteries, solar). CCU fuels/chemicals are not explicitly highlighted.</p>	<p>Gap: The text lacks a broader strategy for non-construction CCU products (e.g., e-fuels, chemicals).</p>
<p>2. Create Lead Markets: Establish gradual, harmonised definitions of low-carbon performance (not binary).</p>	<p>Voluntary Label (Steel only): Introduces an A-F performance scale for steel.</p> <p>Procurement (Article 9): Mandates "low-carbon" and "Union-origin" requirements for steel, cement, and aluminium.</p>	<p>Partial Alignment: The A-F scale is good, but limited to steel. The mandatory procurement rules link carbon performance to "Union Origin," conflating climate goals with industrial protectionism.</p>
<p>3. Streamline Permitting Centralised coordination, "one-stop shop", binding time limits, and harmonised EIAs.</p>	<p>Strong Reforms: One-Stop Shop: Single Point of Contact & Digital Portal.</p> <p>Tacit Approval: For intermediate steps.</p> <p>Scope: Explicitly includes EII decarbonisation projects.</p>	<p>Strong Alignment: The extension of permitting rules to all EII decarbonisation is a significant win for our members.</p>
<p>4. Priority Projects & Clusters Identify priority projects and clusters (hubs) with shared CO2 infrastructure. Promote regional industrial clusters with shared infrastructure (pipelines/storage) and ensure alignment with TEN-E.</p>	<p>Industrial Acceleration Areas: Member States must designate clusters. Projects in these areas get faster permitting and priority access to "stockpiled" critical raw materials.</p>	<p>Alignment: The "Acceleration Areas" concept maps well to CCUS clusters.</p>
<p>5. Technology Neutrality Recognise all solutions (incl. CCUS/CDR) equally; avoid picking winners.</p>	<p>Selected Sectors: The text picks specific sectors (Annex I & II). While EIIs are covered, the "Made in EU" requirements for specific technologies (e.g., electrolysers, nuclear) show a shift toward strategic autonomy over pure neutrality.</p>	<p>Unclear: EII recognition is good, but the "Made in EU" quotas may distort supply chains for project developers relying on global technology.</p>

<p>6. De-risking Mechanisms EU-level Carbon Contracts for Difference (CCfDs) and funding alignment.</p>	<p>Lead Markets: Focuses on <i>demand creation</i> (procurement) rather than <i>direct funding</i> (CCfDs are not established in this text).</p> <p>FDI: Introduces strict screening/conditions for foreign investment >€100m.</p>	<p>Gap: No new financial instruments (like CCfDs) are established in this specific Act; it relies on "synergies" with the future European Competitiveness Fund.</p>
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Risks & Concerns to address

- **CCUS Infrastructure Gap (Enabling Low Carbon Products Production):** While the NZIA sets targets for CO2 storage capacity (50Mt by 2030), the IAA creates demand for low-carbon products without explicitly linking these "Lead Markets" to the necessary infrastructure. Specifically, the provisions for "Industrial Acceleration Areas" (Article 35) mandate planning for energy needs and grid connections but fail to mention planning for CO2 transport connectivity to NZIA-designated storage sites. There is a **real risk of "stranded demand"**: public authorities will be legally required to **purchase low-carbon steel / cement** (IAA Article 9), but the steel / cement plants in Acceleration Areas may lack the **much-needed CCS infrastructure** which would enable their production.
- **Definition Dependencies (CPR & ESR Delays):** The mandatory "Low-carbon" status for **steel, cement, and concrete** is not defined in the Act itself but depends on future delegated acts under other regulations (CPR for construction materials, ESR for others). If these acts are delayed, Article 9 cannot be enforced.
- **Scope of Strategic Sectors (Annex I):** Annex I is missing from the leak. This list is the gateway for **Article 14**, which restricts certain public support schemes to "domestic producers".
- **Union-origin Complexity:** The strong focus on "Union origin" (Made in EU) for components is designed to reduce reliance on China but may increase short-term costs for projects relying on global supply chains.
 - **Thresholds (Annex II of the IAA):** Article 9 mandates quotas for **steel, cement, and aluminium**, but the missing Annex II means we do not know the ambition level, (e.g., is the "Union-origin" requirement 10% or 40%?), making impact assessment impossible.
 - **Requirements for Hydrogen:** Amendments to Annex II of NZIA imposes strict quotas on **hydrogen electrolyzers** for public auctions: the **stack and two additional main components** must originate in the EU. This will likely increase CAPEX for e-fuel and CCU projects.
- **Missing de-risking Tools (The "Financing Gap"):** The IAA acts as a regulatory shell but lacks its own financial engine. It does **not** establish the EU-level **Carbon Contracts for Difference (CCfDs)** or dedicated de-risking instruments that CCSA requested. It explicitly relies on "synergies" with a future **European Competitiveness Fund** (Article 45), creating a dangerous gap between immediate obligations and future support.



- **Foreign Investment Conditionalities:** Members with significant non-EU ownership or financing (FDI >€100m) face new tests if they operate in "Emerging Key Strategic Sectors." The leak explicitly mentions a **Joint Venture requirement (max 49% foreign ownership)** and **mandatory IP licensing** to the EU entity.

Next Steps – Legislative Procedure

The Commission is expected to publish the proposal in the coming weeks (unofficially foreseen for the 25th of February), which will be followed by negotiations in the European Parliament and Council (trilogues).

It has also been confirmed that within the European Parliament, the IAA will fall under the responsibility of the Committee on Industry, Research and Energy (ITRE). The political group Renew Europe has been designated to take the lead, appointing the Rapporteur for the file.

In summary, while the leaked proposal significantly advances permitting reform for our sector—directly addressing a key CCSA demand—other critical areas such as specific infrastructure support, and financial de-risking remain only partially addressed. CCSA will closely monitor these gaps and provide a further detailed analysis for members once the official legislative text is published.