

# Methanol Institute reaction to the ITRE Committee vote of the European Parliament on the Net Zero Industry Act (NZIA),

BRUSSELS, BELGIUM, November 8, 2023 /EINPresswire.com/ -- The European Union's Net-Zero Industry Act (NZIA) seeks to fortify the manufacturing capacities of climate-friendly technologies, with the methanol industry set to directly benefit from this initiative. The NZIA aims to expedite the adoption of green technologies through streamlined bureaucratic processes, including shortened approval procedures, which are anticipated to accelerate the deployment of these technologies significantly.

The NZIA has been designed to consider all climate protection technologies, avoiding any artificial division into separate categories. This inclusive approach is expected to quicken project initiation timelines, streamline financial assistance, and invigorate the entire spectrum of climate protection technologies, production and deployment system.

The initial proposition by the Commission had classified climate protection technologies into 'strategic' and 'non-strategic' groups. Those tagged as 'strategic net-zero technologies' would have benefitted from faster approval times and enhanced financial resource



The image shows the cover of a position paper titled "NET-ZERO INDUSTRY ACT (NZIA) Methanol Institute (MI) Position". At the top is the Methanol Institute logo, a stylized circle divided into three segments (blue, green, and white). Below the logo, the text "NET-ZERO INDUSTRY ACT (NZIA)" is written in large, bold, green letters, with "METHANOL INSTITUTE" in smaller, blue letters underneath. The title "NET-ZERO INDUSTRY ACT (NZIA)" is repeated in bold black letters, followed by "Methanol Institute (MI) Position" in green. A dark blue box contains a list of four bullet points. Below this is the "Introduction" section, which discusses the challenges of the energy transition and the role of government. At the bottom, there is a footer with the text "SINGAPORE - WASHINGTON - BRUSSELS - BEIJING - DEHLI" and "MI@METHANOL.ORG | WWW.METHANOL.ORG", along with a QR code.

**METHANOL INSTITUTE**

NZIA POSITION PAPER

## NET-ZERO INDUSTRY ACT (NZIA)

### Methanol Institute (MI) Position

- MI supports the ambition behind the Net-Zero Industry Act and recognizes its significance to enhance the competitiveness and growth of EU industry while simultaneously delivering pivotal climate progress.
- MI suggests transitioning away from an approach which selects economic winners by prescribing which technologies are to attain policy support, and instead introduce an emphasis on achieving policy outcomes by supporting all technologies that contribute to climate change mitigation. Jeopardizing net-zero innovation for short-term progress in net-zero manufacturing represents a risky approach with possibly devastating effects. We advocate for an inclusive technology-neutral approach to the energy transition, promoting all green technologies.
- MI calls on policymakers to recognize the immediate need to deploy supply-side support mechanisms to drive the integration of low-carbon and net-carbon neutral fuels into EU mobility.
- MI appeals to the European Commission, the Council, and the European Parliament to alter the NZIA to reflect coherency with other policy mechanisms aimed at supporting low-carbon fuels, recycled carbon fuels, advanced biofuels, and renewable fuels of non-biological origin (RNFBO) by guaranteeing policy support for feedstocks and production technologies associated with their integration, including carbon capture and utilization. A definition coherent with existing legal frameworks for what constitutes *sustainable alternative fuels* is further required to ensure clarity and consistency.

### Introduction

The progression towards net-carbon neutral value chains instituted by the Paris Agreement and the EU Climate Target plan represents a monumental challenge. Government plays the key role of steering investment to the deployment of technologies which enable society to power the energy transition. The enormous undertaking of shifting to renewable energy feedstocks will encompass growth pains, and through policy instruments like the Net-Zero Industry Act, policymakers may bridge inevitable but temporary cost-gaps to create space for commercial scale-up and corresponding growth. The same challenge represents an opportunity of equal size, to ensure a more resilient, effective, and competitive industry in the EU.

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access. Now, it is suggested that member states have the discretion to assign strategic status to projects based on a set of varied criteria, including Carbon Capture and Utilization (CCU) that MI has advocated for and which aligns well with the imminent domestic implementation of the Renewable Energy Directive (RED), fostering a faster scale-up of climate protection technologies.

Notwithstanding, the narrow definition of "Sustainable Alternative Fuels" provided by sector-specific regulations, such as ReFuelEU Aviation and FuelEU Maritime, has been flagged as an area of concern. The versatility of biofuels, including bioMethanol, is not limited to a single sector; these fuels are essential across various applications, from maritime to aviation and even road. A diverse market for these fuels is crucial for stabilizing investments.

In response, various European federations have advocated for a sector-agnostic definition of Sustainable Alternative Fuels within the RED, to ensure the NZIA is implemented effectively and without legal ambiguities.

The European Parliament is expected to vote during the plenary session on these matters in the week of November 20, with the categorization of strategic technologies still a central topic of discussion within the Council of the EU.

The full position paper of Methanol Institute is available on our website [HERE](#).

#### About the Methanol Institute

The Methanol Institute (MI) serves as the trade association for the global methanol industry, representing the world's leading producers, distributors, shippers, and technology companies. MI now represents its members from five offices around the world in Singapore, Washington DC, Beijing, Brussels, and Delhi.

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