



Fellesforbundet

STYRKE



Norsk Industri



**Fornybar
Norge**



OFFSHORE NORGE

07.07.2025

Joint response to the call for evidence on the Industrial Decarbonisation Accelerator Act

The Norwegian Confederation of Trade Unions (LO), The Confederation of Norwegian Enterprise (NHO), The United Federation of Trade Unions (Fellesforbundet), The union Styrke (Forbundet Styrke), The Federation of Norwegian Industries (Norsk Industri), Renewables Norway (Fornybar Norge) and Offshore Norway (Offshore Norge) refer to the European Commission's call for evidence on the Industrial Decarbonisation Accelerator Act (IDAA).

Our organisations welcome the intention of supporting Europe's energy intensive industries (EIs) on their decarbonisation pathways while securing their international competitiveness.

Europe's EIs face multiple challenges. Energy prices can be expected to remain higher and more volatile in the years to come while the clean transition requires substantial investments in new production technologies and infrastructure, resulting in rising production costs. In addition, the global environment for trade has become less predictable, with increased geopolitical tensions and a trend towards leveraging economic power to advance policy interests. In this context, we welcome the EU's strategic approach to industrial policy.

The IDAA can be part of the answer to these challenges. However, securing both decarbonisation and competitiveness will require a range of consorted policies. Joint financing on the European level is needed to ensure that the most innovative, scalable and cost-efficient projects are implemented, alongside a state aid framework that supports our political goals while avoiding subsidy races within the internal market.

Ramping up the production of and access to affordable and reliable energy, increasing flexibility in both electricity production and consumption and strengthening electricity grids remain crucial. Equally important is the EU Emission Trading System (ETS) post-2030 framework, the future of the Carbon Border Adjustment Mechanism (CBAM) and continued indirect cost compensation. EIs need predictability for the long-term investments needed to decarbonise, and a prerequisite for the transition is to stay competitive.

Regulatory simplification should be targeted towards making Europe a more competitive, predictable and attractive investment environment through reducing unnecessary red tape and fostering efficiency. However, simplification cannot come at the expense of Europe's social standards or result in climate backtracking. Safeguarding social security and a well-

organised work life is essential to our societal cohesion and resilience. With an expected increase in activity in various decarbonising sectors, we expect good health and safety and decent working conditions for the workers who are playing an instrumental role in this transition. Any tension between the push for competitiveness and the EU's climate commitments risks adding to the uncertainty and costs of the clean transition. Bullet-proofing Europe's carbon leakage protection tools and keeping a predictable trajectory for emission reductions is the best pathway towards a sustainable and secure economy.

Norway is a longstanding partner to the EU and an integrated member of the Single Market through the European Economic Area (EEA) agreement.¹ The importance of cooperating on socially and environmentally sustainable solutions will only increase through the clean transition. Norwegian value chains are highly integrated into those of Europe and must therefore be considered part of Europe's industrial base.

Efforts to strengthen Europe's domestic industries through "Buy European" criteria or European preference requirements should consistently span the whole Single Market by taking a "Made in the EEA" or "Made in Europe" approach, rather than a "Made in the EU" approach, to comprise the 30 states making up the Single Market.

With these perspectives in mind, we would make the following recommendations to the IDAA:

Access to electricity infrastructure: EIs' access to affordable electricity depends on sufficient infrastructure, as well as sufficient generation capacity and flexibility. In Norway, we have seen examples of industrial electrification projects stalling in grid connection queues. Using the IDAA and/or the forthcoming Grid Package to introduce incentives to build and set stricter deadlines for permitting processes could help expanding grids, move the queue and accelerate decarbonisation. However:

- While stricter deadlines to speed up permitting and infrastructure projects would be welcome, European legislation should leave flexibility in terms of how national processes are designed to meet such deadlines. It should allow the necessary consultation of affected parties, as well as sufficient environmental impact assessments.
- It could be necessary to fast-track certain mature industrial electrification projects in the connection queue. National authorities should in these cases have the possibility to prioritise projects based on their maturity, greater societal value and contributions to economic resilience. Generation capacity must be taken into consideration, alongside an assessment of whether the fast-tracking of a grid connection project could impact the operational security of the grid.
- Rapid grid expansion could lead to rapidly increasing grid charges, adding to the total costs related to the clean transition. The Commission should assess options for achieving the necessary strengthening of Europe's grids while managing its potential impact on consumers' final energy bills.

Access to carbon capture, use and storage (CCUS) infrastructure: CCUS technologies are necessary for Europe's industrial transition. CCUS requires a complete value chain where

¹ The EEA covers the 27 EU Member States and the 3 EEA/EFTA countries Iceland, Lichtenstein and Norway.

each part needs to be promoted in unison. With the Net-Zero Industry Act (NZIA), the EU has set high ambitions for the storage part of the value chain. However, the storage target must be complemented with the development of transport options as well as incentives for capture projects and the use of industrial products decarbonised with CCUS. These elements should be further addressed in the IDAA and the forthcoming Grid Package.

- Particular attention should be given to flexible CO₂ transport options such as ship, barge and truck. Flexible transport options may help an initial market materialise, as they allow for transporting smaller volumes of CO₂ compared to a pipeline. European-level funding gaps for flexible CO₂ transport options should be addressed.
- Permitting bottlenecks remain significant barriers to the timely development of CO₂ capture facilities, transport infrastructure and storage projects. Despite recent progress under the NZIA and the TEN-E Regulation, inconsistencies in permitting timeframes and uncertainties around procedures across Member States persist. There is therefore a need to accelerate and streamline administrative and permitting procedures, while ensuring the projects are maturing well.

Lead markets for low-carbon products: Open and rules-based international trade provides the basis for economic development, and trade restrictive measures should be considered with great care. However, we recognise the need for striking a balance between open markets and the protection of Europe's critical value chains. When creating lead markets for low-carbon products:

- It is crucial that any new local content requirements recognise content from the EEA/EFTA States as equal to content from the EU Member States. Due to our closely interwoven value chains, disadvantaging content from EEA/EFTA States could jeopardise competitiveness, slow decarbonisation and decrease overall resilience. A clear and consistent approach to European content, which includes the EEA, is needed.
- The same principle holds for the suggested European label to promote low-carbon products vis-à-vis public and private procurers. Norwegian companies must have the same rights to use this label as their EU counterparts, especially considering that the label will build on data from the EU ETS/CBAM framework which Norway is part of. This will help secure a level playing field on the Single Market for both EU and EEA/EFTA States.
- Public procurement can play an important role in boosting innovation and growing the market for climate friendly products, while increasing demand for European content or manufacturing and ensuring high social standards in Europe's industrial sectors. We expect this to be further addressed in the forthcoming revision of the Public Procurement Directive, which should complement the IDAA in engaging public purchasing power.

Uphold a technology-open approach: The IDAA should enable the scale-up of all viable solutions for the decarbonisation of EIs, including CCUS, hydrogen, electrification and low-carbon industrial processes, based on their relevance to sectoral and regional needs. Policies used to stimulate demand for low-carbon products should enable fair competition across all decarbonisation pathways. The IDAA should:

- Prioritise strategically important sectors and target the projects with the highest GHG abatement potential, while also enabling cross-sectoral infrastructure that benefits multiple sectors and jurisdictions.
- Guide public authorities to integrate lifecycle GHG performance into procurement decisions alongside considerations for economic resilience and social standards.
- Ensure that the definition and certification of low-carbon intensity products is integrated consistently across the regulatory framework, including funding programmes, infrastructure planning and market incentives.