



C/2026/4113

29.7.2026

COMMUNICATION FROM THE COMMISSION

**Guidance on Article 26 of Regulation (EU) 2024/1735 on establishing a framework of measures for strengthening Europe's net-zero zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724**

(C/2026/4113)

TABLE OF CONTENTS

|                                                                                                             | Page |
|-------------------------------------------------------------------------------------------------------------|------|
| 1. INTRODUCTION .....                                                                                       | 2    |
| 2. SCOPE OF ARTICLE 26 OF THE NZIA .....                                                                    | 3    |
| 2.1. Auctions under the scope of the NZIA .....                                                             | 3    |
| 2.2. Exemptions and special provisions .....                                                                | 5    |
| 3. DESIGN OF AUCTIONS INCLUDING NON-PRICE CRITERIA .....                                                    | 8    |
| 4. SPECIFICATION AND ASSESSMENT OF NON-PRICE CRITERIA .....                                                 | 11   |
| 4.1. Responsible business conduct .....                                                                     | 12   |
| 4.2. Cybersecurity and data security .....                                                                  | 13   |
| 4.3. Ability to deliver fully and on time .....                                                             | 15   |
| 4.4. Resilience contribution .....                                                                          | 16   |
| 4.5. Sustainability contribution .....                                                                      | 20   |
| Annex 1: Resilience criterion flow chart .....                                                              | 22   |
| Annex 2: Example of NZIA-compliant PV installations under Article 7(1) of the Implementing Regulation ..... | 23   |
| Annex 3: Example of NZIA-compliant onshore turbine under Article 7(3) of the Implementing Regulation .....  | 24   |

## 1. INTRODUCTION

Non-price criteria in auctions to deploy renewable energy sources are important for boosting the competitiveness of companies and EU net-zero technology manufacturing, and for attracting further clean investment to Europe. Regulation (EU) 2024/1735 on establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724 (referred to as the Net-zero industry act, NZIA) <sup>(1)</sup> establishes rules on non-price criteria in auctions that set a new model for renewable energy auctions in the EU. This model considers the wider societal benefits of going beyond price when assessing bids, including security of supply, environmental protection and a stronger supply chain.

The Draghi report <sup>(2)</sup> outlines the importance of non-price criteria in enhancing system integration, promoting innovation and incentivising resilience, amongst other goals. The report also states that Commission guidance will be important in supporting Member States in the clear definition and application of criteria <sup>(3)</sup>. This Communication responds directly to those ambitions by supporting the understanding of the non-price criteria of Article 26 of the NZIA and providing practical insight to facilitate their consistent and effective application across the EU.

Renewable energy auctions ('auctions') are a mechanism for competitive tendering procedures to support the production or consumption of energy from renewable sources. The expansion in the share of energy from renewable energy sources has been significantly facilitated by auctions organised by Member States. These auctions may involve State aid. They might allocate the rights to develop a project to a developer in a specific location or public support for the construction of renewable projects, or both. Auctions have allowed Member States to determine the level of financial support for renewable energy technologies in a competitive manner. They have also been instrumental in optimising the level of public support <sup>(4)</sup>. As such, they contribute significantly to accelerating the transition from fossil fuels to renewable energy sources in the EU. By including non-price criteria in auction design, Member States may promote different policy goals and appropriately reward projects which stand out on the basis of quality criteria other than price.

Article 26 of the NZIA requires Member States to include certain non-price criteria in at least 30 % of the volume auctioned per year or, alternatively, in at least 6 gigawatts per year per Member State in auctions for the deployment of energy from renewable sources <sup>(5)</sup>. This provision applies since 30 December 2025.

Commission Implementing Regulation (EU) 2025/1176 ('the Implementing Regulation') of 23 May 2025 specifying the pre-qualification and award criteria for auctions for the deployment of energy from renewable sources further specifies the non-price criteria laid down in Article 26 of the NZIA <sup>(6)</sup>. It facilitates the design and application of those criteria and ensures uniformity across the Union, while providing sufficient flexibility to Member States.

This communication is intended purely as a guidance document for the purposes of supporting Member States in implementing Article 26 of the NZIA. Only the text of the EU legislation itself has legal force. Only the Court of Justice of the European Union is competent to interpret the Regulation with final authority.

---

<sup>(1)</sup> Regulation (EU) 2024/1735 of the European Parliament and of the Council of 13 June 2024 on establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724 (OJ L, 2024/1735, 28.6.2024, ELI: <http://data.europa.eu/eli/reg/2024/1735/oj>).

<sup>(2)</sup> Draghi, M. (2024), *The Future of European Competitiveness*, Brussels: European Commission. Available at: The Draghi report on EU competitiveness (accessed: 12.3.2026).

<sup>(3)</sup> 'Commission guidance will be key to accompanying Member States in the definition and application of clear and transparent, comparable criteria which are easy to access, apply and measure.' Draghi report.

<sup>(4)</sup> Commission Recommendation of 13.5.2024 on auction design for renewable energy (C(2024) 2650).

<sup>(5)</sup> The threshold of 30 % should be calculated using a similar metric for the whole volume auctioned, whether capacity or generation.

<sup>(6)</sup> Commission Implementing Regulation (EU) 2025/1176 of 23 May 2025 specifying the pre-qualification and award criteria for auctions for the deployment of energy from renewable sources (OJ L, 2025/1176, 18.6.2025, ELI: [http://data.europa.eu/eli/reg\\_impl/2025/1176/oj](http://data.europa.eu/eli/reg_impl/2025/1176/oj)).

This communication does not cover auctions for the deployment of energy from renewable sources which are carried out in accordance with EU public procurement legislation <sup>(7)</sup> and other forms of public intervention. These topics are covered in separate communications from the Commission which provide the Guidance on Article 25 <sup>(8)</sup> and 28 <sup>(9)</sup> of the NZIA respectively.

## 2. SCOPE OF ARTICLE 26 OF THE NZIA

### 2.1. Auctions under the scope of the NZIA

Article 26 of the NZIA covers:

(1) *Auctions for the technologies listed in Article 4(1), points (a) to (j), that are renewable energy technologies*

Pursuant to Article 26(1), non-price criteria should be included in auctions for technologies that meet two conditions: (1) the technologies are listed in Article 4(1), points (a) to (j); and (2) they qualify as renewable energy technologies. Article 3 (3) of the NZIA defines '**renewable energy technologies**' as technologies that produce energy from renewable sources. Here 'energy from renewable sources' follows the definition in Article 2 point (1) of the Renewable Energy Directive (RED) <sup>(10)</sup>. The RED defines energy from renewable sources as 'energy from renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas.'

On the basis of those conditions, the technologies concerned are listed in footnote 2 in the Implementing Regulation and are the following:

- solar technologies, including photovoltaic (PV), solar thermal electric and solar thermal technologies;
- onshore wind and offshore renewable technologies;
- heat pumps and geothermal energy technologies;
- hydrogen technologies, including electrolyzers and fuel cells, where used for the production of renewable energy;
- sustainable biogas and biomethane technologies;
- sustainable alternative fuels technologies which are renewable fuels technologies.

Of the technologies listed in Article 4(1), points (a) to (j), of the NZIA, the following are **not considered renewable energy technologies** and therefore do not fall within the scope of Article 26 of the NZIA: (c) battery and energy storage technologies <sup>(11)</sup>; (g) CCS technologies; (h) electricity grid technologies, including electric charging technologies for transport and technologies to digitalise the grid; (i) nuclear fission energy technologies, including nuclear fuel cycle technologies.

'**Hydrogen technologies**', such as electrolyzers and fuel cells, are neutral regarding whether or not the hydrogen they produce is a renewable energy source. Hydrogen technologies thus fall under the scope of Article 26 of the NZIA only when they are used to produce renewable energy. This does not mean that Member States cannot apply Article 26 to auctions for the support of hydrogen technologies that can also be used to produce hydrogen that is not renewable

<sup>(7)</sup> Directive 2009/81/EC, Directive 2014/23/EU, Directive 2014/24/EU or Directive 2014/25/EU (OJ L 216, 20.8.2009, p. 76, ELI: <http://data.europa.eu/eli/dir/2009/81/oj>).

<sup>(8)</sup> Placeholder reference to Guidance on Article 25 of NZIA.

<sup>(9)</sup> Communication from the Commission – Guidance on the implementation of Article 28 of Regulation (EU) 2024/1735 establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724 (NZIA) (OJ C, C/2026/123, 7.1.2026, ELI: <http://data.europa.eu/eli/C/2026/123/oj>).

<sup>(10)</sup> Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82, ELI: <http://data.europa.eu/eli/dir/2018/2001/oj>).

<sup>(11)</sup> It should be noted that battery and energy storage technologies can nevertheless be promoted by applying the energy system integration criterion.

according to the RED. However, for the purpose of calculating the minimum threshold of auction volume that has to apply the requirements of Article 26 of the NZIA hydrogen that is not of renewable origin cannot be taken into account. **‘Sustainable alternative fuels’**, as defined in Article 3, point (7), of the NZIA, means sustainable aviation fuels, synthetic low-carbon aviation fuels or hydrogen for aviation as defined in Article 3, point (7), (13) or (17), of Regulation (EU) 2023/2405 destined for the aviation sector or fuels destined for the maritime sector as identified in accordance with criteria defined in Article 10(1) and (2) of Regulation (EU) 2023/1805. As this definition includes fuels with a non-renewable energy source, it needs to be clarified that only sustainable alternative fuel technologies used to produce renewable energy fall under the scope of Article 26 of the NZIA. Sustainable alternative fuels that are also renewable and fall within the scope are therefore the following: biofuels and renewable fuels of non-biological origin (RFNBOs) used in aviation, and biofuels, biogas and RFNBOs used in the maritime industry.

Furthermore, hydropower, biomass, landfill gas and sewage treatment plant gas, osmotic energy technologies, and ambient energy technologies other than heat pumps do not fall under the scope of Article 26 since they are not listed in Article 4(1), points (a) to (j), of the NZIA.

**Multi-technology auctions** (i.e. auctions for the deployment of several technologies) are covered by Article 26 if at least one of the technologies falling under the scope of the auction is a renewable energy technology covered by that article. In the case of auctions for multiple technologies all falling under the scope of Article 26 (e.g. wind and solar PV), the provisions of Article 26 apply to all technologies. In auctions where only one or more of the eligible technologies fall within the scope of Article 26 (e.g. solar PV combined with storage), Article 26 applies only to the renewable energy component. Only the capacity of the auction dedicated to the renewable energy technology will therefore count when checking compliance with the obligations of Article 26. However, Member States may choose to extend the application of the non-price criteria to the storage component. Furthermore, although battery and storage technologies do not fall directly under the scope of Article 26, Member States can still support their deployment by applying the energy system integration criterion among the options given under the sustainability considerations.

- (2) *For at least 30 % of the volume auctioned per year per Member State or, alternatively, for at least 6 gigawatts per year per Member State for the deployment of energy from renewable sources*

The volume auctioned is measured on the basis of the capacity or generation of the renewable energy installations that the auctions aim to support. The 30 % threshold should be calculated using a similar metric for the whole volume auctioned, regardless of whether it is based on capacity or generation, and it is calculated from the total volume auctioned across all renewable energy technologies (i.e. not for each renewable energy technology separately).

‘Per year’ refers to calendar years, which means that Member States will have to ensure that at least 30 % of the volume auctioned per Member State in each calendar year starting from 2026 (or alternatively to at least 6 gigawatts auctioned per year) complies with the requirements of Article 26 of the NZIA. The relevant date for calculating the volume auctioned per year is the date of publication of the auction, not the date of award. For instance, if an auction is published in November 2026 and the results of the auction are announced in May 2027, the volume of the auction counts towards the year in which the auction has been published, in this case the 2026 calendar year.

Whether an auction falls within the scope of Article 26 depends on the purpose of the auction. Article 26 applies to auctions as defined in Article 3, point (27), of the NZIA, i.e. those designed as mechanisms for competitive tendering procedures to support the production or consumption of energy from renewable sources that do not fall under the scope of the Procurement Directives<sup>(12)</sup>. Auctions that do not fall under that definition, i.e. auctions limited to granting a licence or a concession right to use the seabed, without supporting the production or consumption of renewable energy, are excluded from the scope of Article 26 of the NZIA. This is also the case for Member States that first run an auction to grant lease and development rights and run a subsequent one to provide financial support.

<sup>(12)</sup> Directive 2009/81/EC of the European Parliament and of the Council or Directive 2014/23/EU, 2014/24/EU or 2014/25/EU.

When supporting net-zero technologies, the same costs cannot be supported twice. It is therefore not possible to have a situation where both Article 26 and Article 28 of the NZIA apply <sup>(13)</sup>.

## 2.2. Exemptions and special provisions

Article 26 of the NZIA provides Member States with the flexibility to exempt certain auctions from the obligation to include non-price criteria and to exclude those auctions from the calculation of the volumes auctioned, per year and Member State, in order to calculate the 30 % or 6 GW obligation of Article 26(7) under certain conditions. These conditions are described in Article 26(5), (10) and (11) of the NZIA and summarised in figure 1.

Figure 1

### Summary of exemptions

|              | Potential exemptions                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                    |                                                                                                                                                                          |                                                                                                                                                                               |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              | Disproportionate costs                                                                                                                                                                                                       | Small auctions                                                                                                                                                                                                                                                     | Undersubscribed auctions                                                                                                                                                 | Low volume of auctions                                                                                                                                                        |
| Definition   | Estimated cost differences > 15 %                                                                                                                                                                                            | Installations with a max. project size of 10 MW can be excluded from volumes auctioned per year                                                                                                                                                                    | Auction volume not awarded due to undersubscription resulting from non-price criteria (NPC) provision can be deducted from minimum threshold and re-auctioned            | Member States that have launched no more than two auctions per year during the previous two years can calculate the share of NPC volume over those two years                  |
| Requirements | <ul style="list-style-type: none"> <li>— Must be assessed by MS before publishing auction</li> <li>— Objective and verifiable data</li> <li>— Based on the combination of criteria with the lowest impact on cost</li> </ul> | <ul style="list-style-type: none"> <li>— Refers to the maximum capacity considered eligible for auction</li> <li>— Projects below 10 MW that participate in auctions without a maximum threshold or with a higher capacity threshold cannot be exempted</li> </ul> | <ul style="list-style-type: none"> <li>— Only applies if same specific technology is re-auctioned</li> <li>— Can take place in the same or the following year</li> </ul> | <ul style="list-style-type: none"> <li>— Min. 30 % criterion must still be applied to the total volume</li> <li>— Can take place in the same or the following year</li> </ul> |

<sup>(13)</sup> If a Member State grants investment or operating aid for PV installations through an auction, Article 26 NZIA allows NZIA criteria to be used as:

- eligibility criteria; or
- award criteria (i.e. to give more points for projects complying with NZIA criteria in the auction).

For instance, for PV granted support, the same eligible costs (the acquisition costs of the PV) cannot be supported through another support measure. PV therefore cannot be supported through a separate investment aid measure (for example, with additional financial compensation under Article 28 of the NZIA).

If a Member State grants investment aid for the acquisition of PV outside an auction (e.g. on the basis of the aid intensities), Article 28 of the NZIA allows:

- non-price criteria to be used as eligibility criteria; or
- additional financial compensation to be granted for the NZIA-compliant PV within the aid intensity limits of the relevant State aid rules. These aid intensity limits are determined by the applicable provisions of the General Block Exemption Regulation, the Clean Industrial Deal State Aid Framework or the Guidelines on State aid for climate, environmental protection and energy (CEEAG).

The same eligible costs cannot be supported under more than one support measure. This means that PV granted investment aid outside an auction (for example, with additional financial compensation under Article 28 of the NZIA) cannot receive support for the same eligible costs (the acquisition costs of the PV) under another support measure where, for example, aid would be granted via an auction (regardless of whether the auction falls under the scope of Article 26 of the NZIA).

When support is granted, it is therefore not possible to have a situation where both Article 26 and Article 28 of the NZIA apply.

### 2.2.1. *Disproportionate costs of the auction*

Article 26(5) of the NZIA states that Member States should not be obliged to include in their auctions the non-price criteria of paragraph 1 if, by applying those criteria, they would incur disproportionate costs.

According to that provision, estimated cost differences above 15 % per auction may be considered disproportionate.

It is important to clarify that the term 'estimated cost differences' refers not to the cost differences of specific technologies auctioned – such as final products or components – but rather to the costs of the auction, i.e. the cost incurred by the Member State as a consequence of applying the non-price criteria, in terms either of higher support given to the winners of the auction or of lower revenues deriving from the auction. The disproportionate cost must be assessed by the Member State before publishing the auction. It can be demonstrated only if the Member State provides objective and verifiable data showing that the application of those non-price criteria would lead to cost differences above 15 % between an auction carried out using those non-price criteria and an auction without non-price criteria for a given technology. 'Objective and verifiable data' means that, in order to apply this clause, Member States would have to provide data based on accurate market analysis showing that applying the criteria would increase the cost of bidding projects to a level leading to disproportionate costs if compared to a counterfactual analysis of costs if the non-price criteria of Article 26 were not applied. The cost of the most recent auctions could be used as a reference, taking into account other factors, such as inflation, cost of capital or supply chain constraints, that could also have an impact on the auction cost. Data have to be verifiable in the sense that stakeholders need to be informed about the analysis carried out by the Member State and the underlying data have to be made available to interested stakeholders.

Since Member States enjoy a certain degree of flexibility in applying the non-price criteria – including, for instance, the possibility of applying some of them as award criteria and of giving a low weighting to those award criteria – the estimate of the cost difference has to be based on the combination and setting of criteria that has the lowest possible impact on costs. If that lowest level of application of the criteria leads to estimated cost differences above 15 %, Member States may decide not to apply the non-price criteria of Article 26.

### 2.2.2. *Exemption for small auctions*

Article 26(10) of the NZIA allows auctions for installations with a maximum project size of 10 MW to be excluded from the calculation of the volumes auctioned per year and Member State in order to calculate the 30 % or 6 GW obligation of Article 26(7). Small Member States often receive bids only from small projects, due to limited land availability. This provision therefore aims to prevent small projects, which are often carried out by microenterprises or small or medium-sized enterprises, from being overburdened with the obligation of applying criteria with which they might not be able to comply.

The 10 MW threshold refers not to the maximum total volume of the auction, but rather to the maximum capacity of the projects considered eligible under the auction. This means that projects with a capacity of below 10 MW that participate in an auction without a maximum capacity threshold or with a higher capacity threshold cannot be exonerated from applying the non-price criteria of Article 26.

### 2.2.3. *Exemption for undersubscribed auctions*

Article 26(10) of the NZIA also provides for an exemption if auctions are undersubscribed. When an auction for a specific technology to which non-price criteria have been applied has been undersubscribed, the undersubscribed share of the auction volume may be excluded from the application of the non-price criteria provisions.

An auction is undersubscribed when the bids presented for that auction cover a volume that is below the total volume of the capacity auctioned. In practical terms, this means that the auction volume not awarded may be deducted from the calculations for the mandatory minimum threshold of 30 % of volume (or 6 GW) auctioned per year per Member State as laid down in Article 26(7) and be re-auctioned in the same year or in a subsequent year. This, however, applies only if the same specific technology is re-auctioned. For instance, the undersubscribed volume of an offshore wind auction may be excluded from the calculation of the 30 % threshold only by deducting it from another subsequent auction for offshore wind.

For instance, if a Member State auctions a total volume of 1 GW in 2026, at least 300 MW must comply with the NZIA provisions. If 100 MW remain unsubscribed in 2026, that volume may be re-auctioned at any time without contributing to the total auction volume. For example, if 1 GW is auctioned in 2027, a minimum of 270 MW must comply with NZIA (i.e. 30 % of 900 MW after having deducted the undersubscribed 100 MW from 2026).

#### 2.2.4. *Exemption for low volume of auctions*

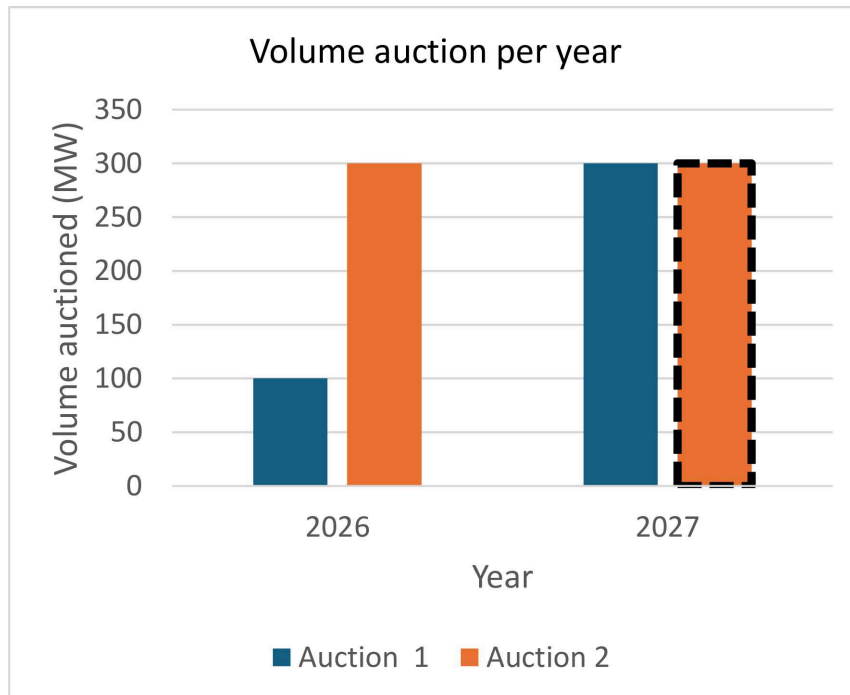
To make it easier for Member States with a low volume of auctions to implement the non-price criteria obligation, Article 26(11) of the NZIA provides flexibility regarding the temporal application of the mandatory 30 % threshold. Although the obligation to set non-price criteria normally applies to 30 % of the volumes auctioned per year, Member States that have launched no more than two auctions per year during the previous two years may calculate the share of auctions to which the non-price criteria provisions apply over that two-year period instead of on a yearly basis. This means, for instance, that Member States falling under this special rule may decide to apply the non-price criteria of Article 26 not to the auctions published in a given year, but only in the following year, or to apply the non-price criteria to a share lower than 30 % of the auction volume in a given year and to a higher share in the following one, provided that the criteria are applied to 30 % of the total volume auctioned in the two-year period. The table below provides a specific example:

| Auctions (2026 and 2027) | Year | Volume auctioned |
|--------------------------|------|------------------|
| Auction No 1             | 2026 | 100 MW           |
| Auction No 2             | 2026 | 300 MW           |
| Auction No 3             | 2027 | 300 MW           |
| Auction No 4             | 2027 | 300 MW           |
| Total                    |      | 1 000 MW/1 GW    |

The minimum volume auctioned that needs to comply with the NZIA provisions of Article 26 is therefore: 30 % of 1 000 MW = 300 MW. This means that if auction No 4 in 2027 complies with the NZIA requirements, the minimum threshold for NZIA-compliant auctions is met.

Figure 2

## Distribution of low-value auctions



Total volume over two-year period = 100 + 300 + 300 + 300 = 1 000 MW/1 GW

Minimum volume that needs to comply with NZIA provisions = 30 % of 1 000 MW = 300 MW

If the second auction in 2027 (outlined) complies with the NZIA requirements, the minimum threshold for NZIA-compliant auctions is therefore met.

## 3. DESIGN OF AUCTIONS INCLUDING NON-PRICE CRITERIA

Article 26 of the NZIA lays down rules on designing auctions for the deployment of renewable energy sources. It introduces the requirement to apply certain non-price criteria – as pre-qualification criteria, award criteria or a combination of both – in the design of national auctions.

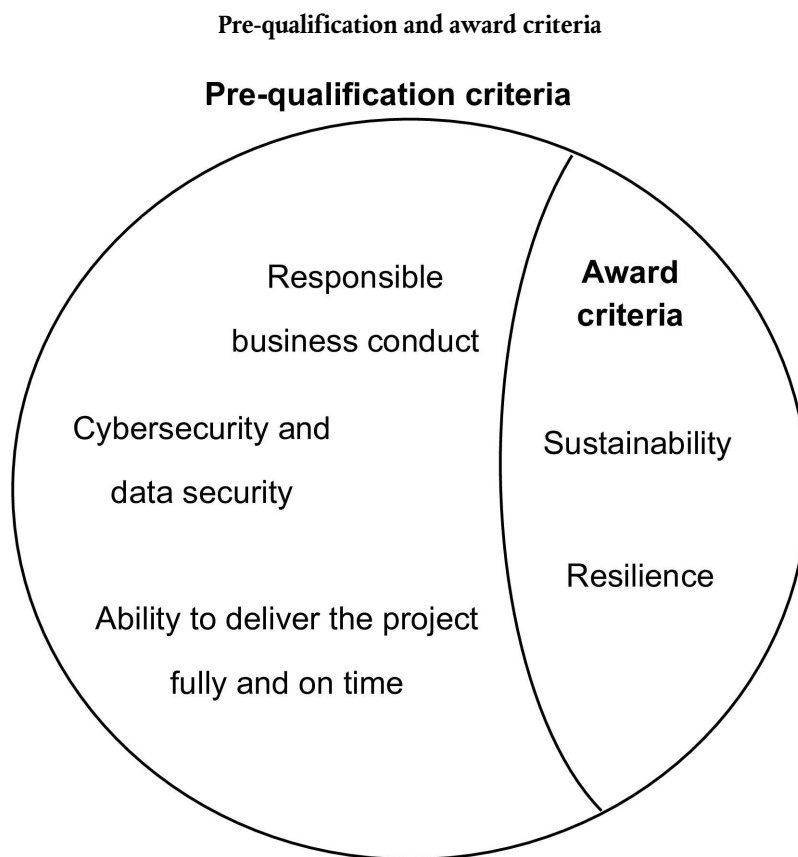
- **Pre-qualification criteria** are the minimum requirements that a potential bidder must meet to be eligible to participate in the auction or bidding process. Pre-qualification criteria are thus a pass/fail criterion and can, as such, serve as a strong selection instrument to ensure that only bidders fulfilling the pre-qualification criteria are further considered in the evaluation.
- **Award criteria** are criteria used to evaluate and compare bids submitted and serve as a basis for selecting the winning bid.
- A **combination of both pre-qualification and award criteria** may be used, e.g. applying some requirements of a specific criterion as pre-qualification criteria and others as award criteria.

Article 26(1) of the NZIA requires Member States to include the following criteria in the design of their auctions:

- (a) **pre-qualification criteria** related to: (i) responsible business conduct; (ii) cybersecurity and data security; and (iii) ability to deliver the project fully and on time;
- (b) **pre-qualification criteria or award criteria** to assess the auction's sustainability and resilience contribution ...'



Figure 3



The three non-price criteria listed in point (a) – responsible business conduct, cybersecurity and data security, and ability to deliver the project fully and on time – must therefore be included in the auction design as pre-qualification criteria. On the other hand, Member States have flexibility to set the mandatory non-price criteria related to resilience and sustainability as pre-qualification criteria, award criteria or a combination of both (see Section 4.4 for an example). This provides public authorities with the flexibility to adapt the auction design and the design of the non-price criteria to their specific requirements.

In accordance with the last subparagraph of Article 26(2), Member States may use additional non-price criteria beyond those listed in Article 26(2).

Member States, when applying the non-price criteria of Article 26 of the NZIA, shall comply with the provisions of that article and with the specifications for those criteria set out in the Implementing Regulation (EU) 2025/1176. Member States must not, unless explicitly allowed to do so, deviate from the application of the requirements set out in the Implementing Regulation, and the non-price criteria set in their auctions must abide by those requirements.

When applying resilience, for example, Member States should not impose stricter resilience requirements than those set out in the Implementing Regulation. As Article 7 of the Implementing Regulation requires that, for PV technologies to meet the resilience criterion, at least four main specific components at bidders' choice <sup>(14)</sup>, must not originate from a third country on which the EU is dependent, Member States cannot change that requirement to three or five main specific components. However, if resilience is applied as an award criterion, Member States have the option, in accordance with recital 9 of the Implementing Regulation, of awarding additional points (on top of the points to be awarded if the minimum requirements of Article 7(1), first subparagraph, points (a) to (f), are complied with) for exceeding the minimum resilience requirements. Nonetheless, this does not allow any modification of the resilience non-price criteria listed and specified in the Implementing Regulation.

<sup>(14)</sup> Within the list of final products and main specific components laid down in Implementing Regulation (EU) 2025/1178.

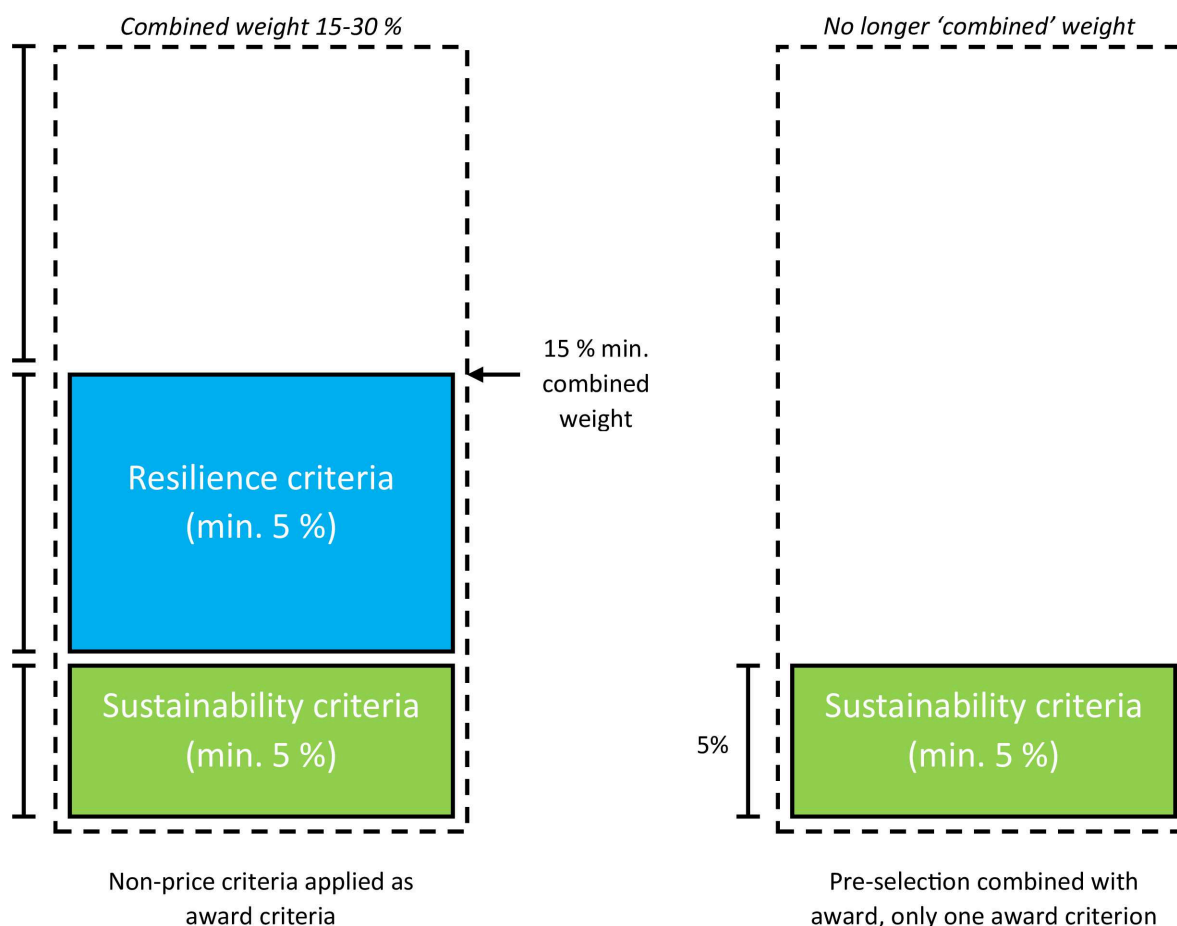
As explained in recital 9 of the Implementing Regulation, '[w]hen deciding whether to apply resilience as a pre-qualification or award criterion to net-zero technologies or their main specific components, the relevant authorities should take into account the Union's level of dependency on a third country for that net-zero technology or its main specific component, the availability of alternative sources of supply and the impact that applying resilience as a pre-qualification criterion instead of an award criterion could have on the supply of that main specific component'. To ensure that these considerations are appropriately reflected in the design of the auction, Member States should avoid negative impacts on the competitiveness of the bidding process and should define and evaluate the criteria in an objective, transparent, non-discriminatory manner, not leading to a disproportionate increase in costs. This could be the case, for instance, when a non-price criterion applied as pre-qualification limits the number of suppliers because the specifications of the non-price criterion exclude suppliers for which compliance with such criterion is particularly difficult or costly, due for instance to the technical characteristics of the net-zero technology final product at stake. In these cases, Member States should consider using an award criterion rather than a pre-qualification criterion or, where a pre-qualification criterion is used, formulate it in a way that ensures wide participation of suppliers.

### Weighting of non-price criteria as award criteria

Article 26(4) provides that 'Member States shall give to each of the criteria to assess the auction's sustainability and resilience contribution, when applied as award criteria, a minimum weight of 5 % and a combined weight of between 15 % and 30 % of the award criteria.' This means that, if non-price criteria are applied as award criteria, their minimum weight should be 15 % in total and 5 % for each criterion. For instance, a Member State applying resilience and environmental sustainability criteria as award criteria to an auction could give them a combined weight of 15 % (e.g. 5 % to environmental sustainability and 10 % to resilience). Should a Member State combine pre-qualification and award criteria and use only one non-price criterion as the award criterion (e.g. innovation as the pre-qualification criterion and resilience as the award criterion), the non-price award criterion should have a minimum weight of 5 %.

Figure 4

### Weighting of non-price criteria



This is without prejudice to the possibility of giving a higher weighting to the non-price award criteria if no State aid is involved <sup>(15)</sup>. The possibility of using non-price criteria when there is State aid is explicitly recognised in the State aid rules (Guidelines on State aid for climate, environmental protection and energy (CEEAG) and Framework for State Aid measures to support the Clean Industrial Deal (CISAF)) <sup>(16)</sup>. Further guidance is provided in the guidance on auction design for renewable energy <sup>(17)</sup>. If State aid is involved in the auction, the weighting of the non-price award criteria must be in accordance with any limit for non-price criteria set under State aid rules. The 30 % weighting for non-price criteria in Article 26(4) is aligned with the 2022 Guidelines on State aid for climate, environmental protection and energy (CEEAG) <sup>(18)</sup> and with the 2025 Framework for State aid measures to support the Clean Industrial Deal (CISAF) <sup>(19)</sup>, which set a maximum weighting of 30 % for non-price criteria in auctions involving State aid. An example of auctions where State aid is involved are two-sided contracts for difference (CfD).

#### 4. SPECIFICATION AND ASSESSMENT OF NON-PRICE CRITERIA

The Implementing Regulation further specifies the non-price criteria set out in the NZIA, with the aim of harmonising, as far as possible, their design and application in renewable energy auctions across the EU. This helps in reducing transaction costs, ensuring legal certainty and avoiding fragmentation of the internal market, while still allowing Member States the flexibility to adapt the criteria to their national auction systems and policy objectives. However, full harmonisation was not possible in all cases. The Implementing Regulation develops some of the environmental sustainability criteria, for example, that Member States may apply in auctions, without fully harmonising them. Furthermore, Member States are still able to apply environmental sustainability-related criteria other than those laid down in the Implementing Regulation.

The design and application of the non-price criteria may be aligned by means other than regulatory harmonisation, i.e. by coordination among Member States, including through the NZIA platform. This is important to ensure uniform application of the non-price criteria, avoid market fragmentation and provide clear signals to stakeholders.

Each non-price criterion should be assessed and scored independently, ensuring that the bids are evaluated objectively.

<sup>(15)</sup> This is possible only if the inclusion of this higher weighting for non-price criteria does not lead to a 'no aid' measure being reclassified as a State aid measure in line with the Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union (OJ C 262, 19.7.2016, p. 1).

<sup>(16)</sup> CEEAG, points 49 and 50, and CISAF point (15)(d):

For support schemes approved under the CEEAG: 'The selection criteria used for ranking bids [when State aid is provided] and, ultimately, for allocating the aid in the competitive bidding process should as a general rule put the contribution to the main objectives of the measure in direct or indirect relation with the aid amount requested by the applicant. This may be expressed, for example, in terms of aid per unit of environmental protection or aid per unit of energy. It may also be appropriate to include other selection criteria that are not directly or indirectly related to the main objectives of the measure. In such cases, these other criteria must account for not more than 30 % of the weighting of all the selection criteria. The Member State must provide reasons for the proposed approach and ensure it is appropriate to the objectives pursued.'

For support schemes approved under CISAF: "competitive bidding process" means a bidding process that complies with all of the following conditions: (i) open, clear, transparent and non-discriminatory, based on objective criteria, defined ex ante in accordance with the objective of the measure and minimising the risk of strategic bidding; (ii) with at least 70 % in the total selection criteria used for ranking bids defined in terms of aid per unit of environmental protection (such as aid per unit of reference energy output or capacity installed or flexibility service provided under section 4, or EUR per tonne of CO<sub>2</sub> reduced or unit of energy saved under section 5);...

<sup>(17)</sup> Commission staff working document, Guidance to Member States on auction design for renewable energy – Accompanying the document Commission Recommendation on auction design for renewable energy (C(2024) 2650).

<sup>(18)</sup> Communication from the Commission – Guidelines on State aid for climate, environmental protection and energy 2022 (OJ C 80, 18.2.2022, p. 1).

<sup>(19)</sup> Communication from the Commission Framework for State aid measures to support the Clean Industrial Deal (OJ C, C/2025/3602, 4.7.2025, ELI: <http://data.europa.eu/eli/C/2025/3602/oj>).

#### 4.1. Responsible business conduct

The responsible business conduct criterion is a mandatory pre-qualification criterion. It aims to ensure that activities carried out by the bidders are aligned with the needs of society and nature. It builds on the relevant international standards framework. Pursuant to recital 3 of the Implementing Regulation, the non-price criterion on responsible business conduct 'should go beyond the due diligence requirements in existing Union law by requiring to take action addressing the core elements of due diligence with regard to the general bidder's business activities related to the auction.' Article 4 of the Implementing Regulation has therefore a broader scope than the obligation set out in Article 5(1), points (a) to (g), of Directive (EU) 2024/1760 on corporate sustainability due diligence to a wider set of companies (i.e. companies within the scope of Directive 2013/34/EU on corporate sustainability reporting<sup>(20)</sup> as defined in its Articles 19a and 29a and their subsequent amendments) and, for those that are already within its scope, it anticipates its application (foreseen in July 2029). Article 4 of the Implementing Regulation sets different obligations, depending on the profile of the bidders. The general obligation for bidders (with the exception of natural persons, bidders that do not fall under Articles 19a and 29a of Directive 2013/34/EU and energy communities) is to take action to address, in their business activities related to the auction, the core elements of due diligence set out in Article 5(1), points (a) to (g), of Directive (EU) 2024/1760 on corporate sustainability due diligence and to publicly communicate on their responsible business conduct by means of a public statement that covers at least the core elements listed under paragraph 61(a) to (e) of Annex I to Delegated Regulation (EU) 2023/2772.

Directive (EU) 2024/1760 determines the applicable criteria for the purpose of the NZIA. Since Article 4 of the Implementing Regulation cross-refers to Directive 2013/34/EU and Directive (EU) 2024/1760 in a dynamic manner, the applicable criteria will automatically align with the content of those two Directives as it evolves. Directive (EU) 2024/1760, as amended by the Omnibus I package, determines the performance criteria applicable for the purpose of the NZIA, and with respect to all companies falling under the NZIA, ensuring that there is no discrimination.

Natural persons, bidders that do not fall under Articles 19a and 29a of Directive 2013/34/EU and energy communities that present a bid concerning projects with a capacity below 10 MW are not bound by these obligations. Nevertheless, if they present a bid concerning projects with a capacity above 10 MW, they have to report, in their business activities related to the auction, on the core elements of due diligence set out in paragraph 61(c) and (d) of Annex I to Delegated Regulation (EU) 2023/2772 or using sustainability reporting standards for voluntary use recommended at Union level, where available. However, the relevant authorities may decide to apply the general obligations to these bidders too (in which case the reporting obligation will not apply). This may be the case, for instance, where a Member State is concerned that bidders may ultimately be owned or controlled by larger developers or another third party.

Where a bidding entity is a project venture, it may satisfy the reporting requirements under Article 4(2) of the Implementing Regulation through the consolidated sustainability report of its mother company, provided that the relevant information relating to the project venture's business activities is clearly identifiable within that report so that the competent authority can verify compliance with the applicable due diligence requirements. It should be noted, however, that the obligation to comply with the due diligence requirements set out in Article 4(1) of the Implementing Regulation remains with the project venture itself. While the mother company may report on the activities of the project venture, it cannot substitute for the project venture in fulfilling all elements of due diligence as referred to in Article 5(1) of Directive (EU) 2024/1760. For instance, the mother company cannot suspend the performance of the project venture's contracts where adverse impacts cannot be prevented or adequately mitigated, as provided for under Articles 10 and 11 of Directive (EU) 2024/1760.

<sup>(20)</sup> Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19, ELI: <http://data.europa.eu/eli/dir/2013/34/oj>).

## 4.2. Cybersecurity and data security

Due to the rising cybersecurity risks for the electricity system, cybersecurity and data security are included as mandatory pre-qualification criteria in Article 26 of the NZIA. This non-price criterion should ensure that bidders implement measures to manage identified cybersecurity risks including supply chain security risks. The rationale behind Article 5 of the Implementing Regulation is to ensure that a risk management approach is adopted, promoting effective implementation while reducing the administrative burden on Member States and bidders.

Under Article 5(a) of the Implementing Regulation, all bidders are required to take appropriate and proportionate technical, operational and organisational measures that reflect the principles of security by design and by default to ensure the security of the installation's network and information system. This means that Member States may, where relevant, require bidders to implement the cybersecurity risk management measures set out in Article 21(2) of Directive (EU) 2022/2555 ('the NIS 2 Directive') <sup>(21)</sup>. The application of the requirement regarding cybersecurity and data security concerns all bidders, regardless of whether or not they are within the scope of the NIS 2 Directive. Bidders participating in the auction who do not fall within the scope of the NIS 2 Directive would therefore be required by the Member States to implement cybersecurity risk management measures on the basis of principles derived from the Directive. On the basis of principles from the NIS 2 Directive, Member States should ensure that the measures referred to in Article 21(2) of that Directive take into account the state of the art and, where applicable, relevant European and international standards, as well as the cost of implementation. When assessing the proportionality of those measures, due account must be taken of the degree of the bidder's exposure to risks, the bidder's size and the likelihood of incidents and their severity, including their societal and economic impact.

Concerning the requirement that the technical, operational and organisational measures to ensure the security of the renewable energy installation's network and information systems should reflect the principle of security by design, the bidder should (before developing the network and information system used in the installation, including software) lay down rules for the secure development of network and information systems and apply them when developing such systems in-house, or when outsourcing the development of the systems. The rules should cover all life-cycle phases, including specification, design, development, implementation, maintenance and testing.

For products with digital elements, including both hardware and software, the Cyber Resilience Act (Regulation (EU) 2024/2847) ('the CRA') sets out **cybersecurity requirements that define a security-by-design approach**. Manufacturers, Member States and other stakeholders can find relevant information on the implementation of the CRA on the Commission website <sup>(22)</sup>, including frequently asked questions <sup>(23)</sup>. At European level, harmonised standards being developed by the European standardisation organisations (see CRA European standards | STAN4CR) and upcoming guidance by the Commission and technical guidelines by ENISA <sup>(24)</sup> will further help implement a security-by-design approach. Other resources include national guidelines published by Member States <sup>(25)</sup>. Furthermore, a mapping of existing European and international standards has been carried out by the EU Agency for Cybersecurity (ENISA) and the Joint Research Centre of the European Commission in the Cyber Resilience Act Requirements Mapping study <sup>(26)</sup>.

<sup>(21)</sup> Directive (EU) 2022/2555 of the European Parliament and of the Council of 14 December 2022 on measures for a high common level of cybersecurity across the Union, amending Regulation (EU) No 910/2014 and Directive (EU) 2018/1972, and repealing Directive (EU) 2016/1148 (NIS 2 Directive) (OJ L 333, 27.12.2022, p. 80, ELI: <http://data.europa.eu/eli/dir/2022/2555/oj>).

<sup>(22)</sup> <https://digital-strategy.ec.europa.eu/en/factpages/cyber-resilience-act-implementation>.

<sup>(23)</sup> <https://digital-strategy.ec.europa.eu/en/library/cyber-resilience-act-implementation-frequently-asked-questions>.

<sup>(24)</sup> <https://www.enisa.europa.eu/>.

<sup>(25)</sup> <https://digital-strategy.ec.europa.eu/en/policies/cra-manufacturers>.

<sup>(26)</sup> Hernandez Ramos, J.L., Karopoulos, G., Nai Fovino, I., Spigolon, R., Sportiello, L., Steri, G., Gorniak, S., Magnabosco, P., Atoui, R., Crippa Martinez, C., Cyber Resilience Act Requirements Standards Mapping, Publication Office of the European Union, 2024, [https://data.europa.eu/doi/10.2760/905934\\_JRC137340](https://data.europa.eu/doi/10.2760/905934_JRC137340).

Storing and processing data related to renewable energy installations outside the European Economic Area (EEA) may, under certain conditions, pose potential threats to the security of the installation and the overall system and be contrary to the risk management approach outlined in Article 5 of the Implementing Regulation. The Implementing Regulation therefore outlines two cases in which bidders must ensure that data are not stored or processed outside the EEA:

- (1) If the bidder is subject to a third-country jurisdiction requiring the bidder to report information on the software or hardware vulnerabilities to authorities, even before those vulnerabilities are known to have been exploited.
- (2) If the bidder is subject to a third-country jurisdiction from whose territory, according to a public statement on behalf of the Union or the Member State carrying out the auction, threat actors have carried out malicious cyber activities or campaigns.

Member States must identify the third-country jurisdictions referred to above using the criteria set out in the Implementing Regulation. Regarding the criterion that there is a public statement on behalf of the Union that threat actors operating out of the territory of a third country have carried out malicious cyber activities or campaigns, Recital 5 contains a reference to the Cyber Diplomacy Toolbox <sup>(27)</sup>, a 'Framework for a Joint EU Diplomatic Response to Malicious Cyber Activities' created through Council conclusions in June 2017 (<https://www.cyber-diplomacy-toolbox.com/>). The recital further clarifies that Member States should take into account any restrictive measures imposed by the Union to respond to external cyberattacks, based on Council Regulation (EU) 2019/796 of 17 May 2019 <sup>(28)</sup>. The Annex to this Council Regulation provides the list of third countries for which this type of statement was made. As regards public statements on behalf of the Member State carrying out the auction, Member States are advised to consult their national authorities in charge of cyber diplomacy in order to identify whether – and, if so, for which aspects – relevant public statements have been adopted.

If either of those two conditions is met, bidders must provide a detailed cybersecurity plan outlining the technical, operational and organisational measures implemented to ensure that data used or generated in their auction-related business activities are stored and processed within the EEA and are not transferred outside the EEA. This requirement applies to data related to ICT products and services used in the bidder's project, not to all data generated and stored by the bidder or their suppliers' broader operations. The data are considered to be stored and processed within the EEA when they are stored and processed on the bidder's premises in the EEA, or on its servers within the EEA. Furthermore, data stored and processed in the cloud are considered to be stored and processed within the EEA when they are stored and processed exclusively in data centres serving that cloud which are located within the EEA. This is also true of backups and server redundancies, which must be in the EEA too.

As set out in Recital 4 of the Implementing Regulation, renewable energy installations face a large set of potential cybersecurity risks linked to the supply chain such as severe and unexpected corruption of the supply chain, the unavailability of ICT products, services or processes in the **supply chain** or cyberattacks initiated by actors in the supply chain, including by highly sophisticated and persistent malicious state and criminal actors. Article 5(c) of the Implementing Regulation therefore requires bidders to ensure and demonstrate, where the bidder relies on suppliers for the supply of ICT products used in the renewable energy installation or ICT services related to its operation, that the suppliers take the measures referred to in point (a). As a consequence, suppliers must also take appropriate and proportionate technical, operational and organisational measures that reflect the principles of security by design and by default to ensure the security of the renewable energy installation's network and information systems including, where relevant, measures listed in Article 21(2) of Directive (EU) 2022/2555. Furthermore, the provisions of Article 5(b) of the Implementing Regulation also apply to suppliers of ICT products and services that fulfil either of the above conditions, in which case they must also adopt measures to ensure that data used or generated in their auction-related business activities are stored and processed within the EEA and are not transferred outside the EEA. Since ICT suppliers do not bid directly in the auction and are selected by the bidder, it will be the bidder's responsibility to ensure that any ICT supplier that fulfils either of the conditions also complies with that obligation.

<sup>(27)</sup> Council Conclusions on a Framework for a Joint EU Diplomatic Response to Malicious Cyber Activities ('Cyber Diplomacy Toolbox'), 19 June 2017.

<sup>(28)</sup> Council Regulation (EU) 2019/796 of 17 May 2019 concerning restrictive measures against cyber-attacks threatening the Union or its Member States (OJ L 129 I, 17.5.2019, p. 1, ELI: <http://data.europa.eu/eli/reg/2019/796/oj>).

This applies to all ICT products used in the renewable energy installation or ICT services related to its operation. In Regulation (EU) 2019/881 (Cybersecurity Act), ICT products are defined as ‘an element or a group of elements of a network or information system’, while ICT services are defined as ‘a service consisting fully or mainly in the transmission, storing, retrieving or processing of information by means of network and information systems’<sup>(29)</sup>. There is no exhaustive, closed list of ICT products and ICT services, as these continue to evolve.

Article 16(4) of the Implementing Regulation specifies that: ‘Compliance with the criteria referred to in Article 5 shall be assessed by requiring bidders to present a cybersecurity plan of the bidding project and update it on a regular basis during the implementation of the project.’ The specific requirements for the cybersecurity plan, to be submitted as evidence of compliance in the auction process, should be laid down by the Member State organising the auction. The cybersecurity plan should document how the bidder identifies cybersecurity risks and addresses them, including how the bidder and, where applicable, its suppliers implement the required technical, operational and organisational measures. Similarly, the level of assurance may range from self-declarations, independent third-party audit reports or certificates (for instance from appropriate ISO/IEC 27.001 certification) or inspection reports from authorities competent for cybersecurity, among others.

Concerning the criterion on operational control in Article 5(d) of the Implementing Regulation, Article 2, point (5), thereof defines ‘operational control’ as ‘the authority to introduce and implement operating policies that govern day-to-day activities, processes and resources to ensure the smooth functioning of an installation, and in particular of its network and information systems’. Therefore, the decisive requirements for the criterion on operational control are that (i) the operator has the authority to introduce and implement operating policies relating to continuation of the installation operation, especially in case of a cyberattack impacting the smooth functioning of an installation and the network and information systems supporting the installation, and that (ii) this operator is established in the EEA. The following examples of ‘operational control’ are possible approaches to implementation, but they do not form an exhaustive list. The approach selected will depend on each situation, the resources available, the complexity of the operations in question and other factors.

- (1) To exercise the highest degree of control, the operator established in the EEA may maintain fully redundant control centres, capable of sustaining normal operations even in the event of a complete service disruption. Although this approach maximises resilience, it typically incurs higher operational costs.
- (2) An alternative would be to adopt policies and procedures ensuring appropriate documentation, handover procedures, spare equipment, regular training of skilled staff and regular exercises to ensure a smooth takeover of the environment and the capability to operate those policies and procedures.
- (3) Another option is to enter into contractual arrangements with alternative providers, ensuring that they possess the expertise and capacity to take over operations in the event of a disruption. Such agreements should facilitate a smooth transition and minimise service interruptions.
- (4) In all cases, bidders must be able to show that they have mechanisms in place for maintaining operational control, especially in case of a cyberattack.

#### 4.3. Ability to deliver fully and on time

Pre-qualification criteria related to the ability to deliver fully and on time are standard requirements in renewable auctions. Article 6 of the Implementing Regulation lays down the best practices established across Europe. It sets out a list of documents related to bidders and projects and imposes an obligation on bidders to provide two or more of the documents from that list. It is for the Member States to decide which two (or more) documents from the list bidders must provide. Member States should adapt the documentation required for the auction to the auction’s characteristics, such as the project costs, project risks, project capacity, the maturity of the technology, the degree of innovation required by the auction and other relevant market conditions.

<sup>(29)</sup> Regulation (EU) 2019/881 of the European Parliament and of the Council of 17 April 2019 on ENISA (the European Union Agency for Cybersecurity) and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013 (Cybersecurity Act) (OJ L 151, 7.6.2019, p. 15, ELI: <http://data.europa.eu/eli/reg/2019/881/oj>).

#### 4.4. Resilience contribution

In accordance with Article 26(2) of the NZIA, ‘Auctions shall contribute to resilience, taking into account the proportion of the net-zero technology or its main specific components that originates from a third country accounting for more than 50 % of the supply of that specific net-zero technology or its main specific components within the Union.’

According to recital 9 of the Implementing Regulation, the resilience criterion aims to ensure access to a secure and sustainable energy supply for the European Union by: (i) reducing current dependencies and avoiding new strategic dependencies on single third countries for the supply of net-zero renewable energy technologies and their main specific components; and (ii) enhancing the Union’s manufacturing capacity for those technologies and components. This should be done without jeopardising the achievement of the binding Union target on renewable energy for 2030 laid down in Article 3(1) of Directive (EU) 2018/2001.

To achieve that objective, Article 7 of the Implementing Regulation relies on the list of final products and main specific components laid down in Implementing Regulation (EU) 2025/1178 <sup>(30)</sup> and provides for three sets of rules applying to three different scenarios <sup>(31)</sup>:

- (1) **The Commission has identified a dependency for the supply of the final products of the renewable energy technologies falling under the scope of Article 26 of the NZIA** <sup>(32)</sup>: Member States have to limit participation to relevant auctions or award points on the basis of the requirements linked to the origin of the final product and a certain number of main specific components that originate in a third country on which the Union is excessively dependent, as laid down in Article 7(1), points (a) to (f), of the Implementing Regulation. Furthermore, Article 7(1) of the Implementing Regulation sets limits on the origin of certain key strategic components identified on the basis of their technology value and central role in security of energy supply and in the supply chain of specific net-zero technologies. These requirements were set taking into account the specific circumstances and characteristics of the different renewable energy technologies falling under the scope of Article 26 of the NZIA, such as the availability of alternative sources of supply, sufficient manufacturing capacity globally, the level of maturity and deployment rate of the technology, the impact of diversification on supply chains and overall costs.

The second subparagraph of Article 7(1) of the Implementing Regulation provides that if ‘in addition to the conditions mentioned in the first subparagraph, more than 85 % of the supply within the Union of one or more main specific components originate in a single third country, Member States shall allow participation in the auction or award points only to bids in which, for at least one of those main specific components, the quantity of that component originating in that third country does not exceed 85 %’. This requirement is meant to prevent bidders, when choosing which component they source outside the country of dependency, from systematically choosing components for which there is a very high dependency (above 85 %) and focusing only on the diversification of components with a low level of dependency. Bidders are not required to comply with this requirement for all components for which there is a dependency above 85 %, but only for at least one of them (i.e. if there are two or more components with such high dependency, bidders can choose to comply with this requirement for only one of them). If, by complying with the requirements set out in the first subparagraph of Article 7(1), the bidder already diversifies the supply of at least one component for which the European Union has a dependency above 85 %, the second subparagraph is considered also to have been complied with. For instance, if a bidder with a solar PV project

<sup>(30)</sup> Commission Implementing Regulation (EU) 2025/1178 of 23 May 2025 on laying down rules for the application of Regulation (EU) 2024/1735 of the European Parliament and of the Council as regards the list of net-zero technology final products and their main specific components for the purposes of assessing the contribution to resilience (OJ L, 2025/1178, 18.6.2025, ELI: [http://data.europa.eu/eli/reg\\_impl/2025/1178/oj](http://data.europa.eu/eli/reg_impl/2025/1178/oj)).

<sup>(31)</sup> A flowchart for the application of these rules is provided in Annex to this Communication.

<sup>(32)</sup> More than 50 % of the supply within the European Union from a single third country or at least 40 % of the supply within the European Union from a single third country with an increase of at least 10 percentage points on average for two consecutive years. Latest communication: Commission Communication (EU) 2025/9034 of 18 June 2025 (OJ C, C/2025/3236, 18.6.2025, ELI: <http://data.europa.eu/eli/C/2025/3236/oj>).



uses a PV system with cells not originating in a third country on which the European Union is dependent and the Commission has found in its communication on the shares of supply originating in different third countries <sup>(33)</sup> that the share of PV cell supply from a single third country is above 85 %, the bid complies also with the second subparagraph of Article 7(1) <sup>(34)</sup>.

- (2) **The Commission has not identified a dependency for the supply of the final products of the renewable energy technologies falling under the scope of Article 26 of the NZIA, but it has identified a dependency for one or more of their main specific components:** Member States have to limit participation in the auction or award points only to bids in which the quantity of each of those main specific components originating in that third country does not exceed 50 %. That limit should be measured at project level, and not at the level of the single final product. For instance, if, in application of Article 7(2), bidders are required to have no more than 50 % of a certain wind component originating in the country on which there is a dependency, the bidder will comply with that requirement if half its wind turbines do not use that component originating in the third country of dependence but the other half do. Alternatively, if each final product has more than one such component and those components are identical, the bidder can decide for each wind turbine to consist of some components originating in the third country of dependence and others not. The important factor for compliance with Article 7(2) is that no more than 50 % of all relevant components used in the project must originate in the country of dependency.

The second subparagraph of Article 7(2) gives Member States the flexibility to adopt softer requirements when the share of supply of specific components originating in a single third country is above 85 % of the total supply to the European Union. In this case, it is considered that the level of dependency on a single third country is so high that strict application of the resilience criterion could endanger the security of supply of that component. Member States may therefore decide to set a higher maximum limit, up to 85 %, for components originating from the third country of dependency. This maximum limit was chosen to prevent a higher limit – closer to 100 % – from rendering the provision ineffective and also to enable stepwise diversification. In this respect, it is worth recalling recital 9 of the Implementing Regulation, which calls on auctioning authorities, when deciding whether to apply resilience as a pre-qualification or award criterion, to ‘take into account the Union’s level of dependency on a third country for that net-zero technology or its main specific component, the availability of alternative sources of supply and the impact that applying resilience as a pre-qualification criterion instead of an award criterion could have on the supply of that main specific component’.

- (3) **The Commission has not determined, in the case of onshore wind, offshore wind and electrolyzers, that more than 50 % of the supply within the Union of the relevant net-zero technology final product, or more than 40 % with two consecutive years of increase by at least 10 percentage points on average, originates in a single third country:** The requirements of Article 7(1) apply to auctions for those technologies with respect to final products and their main specific components originating in China. Compliance with Article 7(3) will be ensured if at least 75 % of the final products that are part of the bid fulfil the requirements set out in Article 7(1) with respect to final products and their main specific components originating in China. For instance, an onshore wind project participating in an auction subject to the application of Article 26 of the NZIA that plans to install 100 wind turbines would have to commit to at least 75 turbines complying with the requirements of Article 7(1),

<sup>(33)</sup> Communication from the Commission providing updated information to determine the shares of the European Union supply of final products and their main specific components originating in different third countries under Regulation (EU) 2024/1735 on establishing a framework of measures for strengthening Europe’s net-zero technology manufacturing ecosystem (Net-Zero Industry Act) (OJ C, C/2025/3236, 18.6.2025, ELI: <http://data.europa.eu/eli/C/2025/3236/oj>).

<sup>(34)</sup> An example of a resilience eligibility criterion for PV technology for year 2026:

‘In particular, final products and main specific installation components listed in Implementing Regulation (EU) 2025/1178 shall not, by type, be assembled or produced in a third country for which the Commission has determined pursuant to Article 29(2) of the Net-Zero Industry Act that more than 50 % of the supply within the Union of the final products originates in a single third country, or that the supply within the Union of final products originating in a single third country has increased on average by at least 10 percentage points for two consecutive years and reaches at least 40 % of the supply within the Union, and in particular:

- (a) the photovoltaic module is not assembled in that third country;
- (b) the photovoltaic cells do not originate in that third country;
- (c) the inverters do not originate in that third country;
- (d) at least one other of the main specific components contained in the list set out in the Annex to Regulation (EU) 2025/1178 does not originate in that third country.’

point (b), by not including the final product and more than three main specific components originating in China. Direct-drive drivetrains (including generator) and/or gearbox drivetrains (including generator) cannot be included in the main specific components originating in China <sup>(35)</sup>.

The rationale for this rule is that for these technologies there is a significant risk of increased dependency on imports from China, which may threaten the European Union's security of supply. This conclusion is based on the current and projected supply and demand trends for these technologies globally and at EU level, and the fact that China's production capacity exceeds 50 % of global production and its projected production significantly exceeds its domestic targets and foreseeable demand. Measures had to be taken to pursue the public policy objective of de-risking from high dependencies through diversification of supply sources in a sector of strategic importance.

Article 7(3) is without prejudice to the application of Article 7(2) to onshore wind, offshore wind and electrolyzers when the share of supply of one of their main specific components originating in a single third country is above the thresholds set in the first subparagraph of Article 7(2).

It is important to clarify that Article 7 provides for full harmonisation of: (i) the requirements concerning the maximum number of components that can originate in a third country on which the European Union is excessively dependent or there is a significant risk of increased dependency; and (ii) the key strategic components. This means that, for the net-zero technology final products and main specific components covered by Article 26 of the NZIA, Member States cannot set different numbers or identify different key strategic components to fulfil the minimum requirements set out in Article 7. Within the limits under Article 7, bidders should retain flexibility in choosing which components <sup>(36)</sup> they intend to source from the third country on which the European Union is excessively dependent or on which there is a significant risk of increased dependency, and Member States cannot limit this flexibility.

However, in cases where resilience is used as an award criterion in auctions, Member States retain the possibility and are encouraged to promote further diversification away from a country on which the European Union is excessively dependent and go beyond the minimum requirements of Article 7 by awarding higher points to bidders that go beyond those minimum requirements by means of additional award criteria. In practice, Member States that have set minimum requirements in the form of award criteria aligned with Article 7 of the Implementing Regulation have the possibility of making those requirements more ambitious by adding further award criteria, in terms of a number of additional main specific components, to the minimum requirements. For instance, in an auction for the deployment of onshore wind, a Member State could decide to award a certain number of points to bidders complying with the minimum requirements of Article 7(1), point (b), (no more than three main specific components originate in the third country of dependency), and award additional points to bidders complying with stricter requirements (e.g. no more than two components originate in the third country of dependency). In doing so, as for the minimum requirement, Member States cannot set different numbers nor identify different key strategic components to fulfil this more ambitious requirements.

As for all non-price criteria under Article 26(2) of the NZIA, Member States can combine the application of pre-qualification and award criteria, including those for resilience, to fulfil the minimum requirements set under Article 7. For instance, a Member State could decide that the requirements on the maximum number of components originating in the third country on which the European Union is excessively dependent are applied as pre-qualification criteria, while the

<sup>(35)</sup> An example of a resilience eligibility criterion for offshore wind technology for 2026:

'In its application, the applicant must commit to diversify its supply by prohibiting, for at least 75 % of the wind turbines in the project, the procurement of supplies from the People's Republic of China for:

- the offshore wind turbine (= final product) and
- the generator (= mandatory main specific component) and
- three other main specific components, at the choice of the applicant from among the nine main specific components of the wind turbine. The list of the nine main specific components for wind turbine is set out in Commission Implementing Regulation (EU) 2025/1178 of 23 May 2025.

In addition, in its application, the applicant must commit that a maximum of 85 % of the permanent magnets of the project will come from the People's Republic of China.'

<sup>(36)</sup> Within the list of final products and main specific components laid down in Implementing Regulation (EU) 2025/1178.

requirements on the origin of key strategic components are applied as award criteria (e.g. no more than three main specific components of onshore wind can originate in the third country of dependency and award points are given if the direct-drive drivetrain (including generator) and/or the gearbox drivetrain (including generator) do not originate in that third country). According to the same logic, when Article 7(2) applies, Member States can decide to apply resilience as a pre-qualification criterion to one or more components and as an award criterion to one or more other components, for instance to take into account the availability of supply of some components and the possible impact on cost of applying resilience as a pre-qualification criterion and not as an award criterion. It should, however, be noted that Member States cannot divide the application of a single minimum requirement into more than one criterion combining pre-qualification and award criteria, e.g. by setting for an offshore wind auction a pre-qualification criterion according to which no more than two main specific components may originate in the third country on which the European Union is excessively dependent and a similar award criterion for two other main specific components, because Article 7(1), point (c), provides that 'no more than four main specific components originate in that third country'.

As for all other non-price criteria, and as stated in Article 16(2) of the Implementing Regulation, bidders have to commit to complying with the resilience requirements at the moment of the bid or earlier, while actual compliance can be demonstrated at a later point in time. The relevant authorities have the discretion to decide when they will check the actual compliance with the requirements, which may be at different points in time throughout the lifetime of the project. In setting the requirements to demonstrate compliance with resilience, it would be important for Member States to take into account the long lead time for most renewable energy projects and how difficult it is for bidders and manufacturers to know well in advance from which supplier they will source their final products and main specific components, partly due to the variability of the global supply chain and of the demand for certain products and components. It would therefore be difficult for bidders to demonstrate compliance with the resilience requirements at the moment of the bid, which, especially for big and complex projects, often precedes the actual commissioning of the project by several years.

As far as demonstrating compliance with the resilience criterion is concerned, Article 16(5) of the Implementing Regulation provides that 'Compliance with the criteria referred to in Article 7 should be assessed by requiring bidders to provide customs documentation in accordance with Regulation (EU) No 952/2013 of the European Parliament and of the Council, where available, and other relevant documents demonstrating the origin or place of assembly of the net-zero technology or its main specific components, including invoices or any other means'. Regulation (EU) No 952/2013 establishes the rules and procedures for customs operations within the EU, which include the concept of rules of origin to identify the place of origin of a product. The non-preferential rules of origin are indicated in the European Commission's 'Table of list rules conferring non-preferential origin on products (following the classification in the CN)'. Annex I of the guidance for Article 28 <sup>(37)</sup> illustrates the Harmonised System headings associated with the net-zero technologies that are most relevant to Article 26, as well as Article 28, of the NZIA. These headings can be checked against the European Commission's table to determine the applicable non-preferential rules of origin under the Union Customs Code. Bidders should provide customs declarations as the main documentation to demonstrate compliance with the resilience criterion.

For non-preferential origin, the principle of free evidence applies, which entails that a wide range of documents and reliable evidence can be used to prove the place of manufacture or assembly of a product as declared in the customs declarations. These documents could include invoices, product ID numbers, serial numbers or codes, nameplates, certificates of origin, bills of lading and other transport documents, bills of material, suppliers' declarations, delivery notes, contracts with suppliers, factory inspection certificates or manufacturing execution systems. Although the resilience contribution may need to be verified for each main specific component of a net-zero technology final product (across various tiers of its value chain), customs declarations provide information only on the origin of the main specific components imported into the EU, and not on other main specific components, for example those at a subsequent level of the value chain, or those produced in the EU.

<sup>(37)</sup> Communication from the Commission – Guidance on the implementation of Article 28 of Regulation (EU) 2024/1735 establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724 (NZIA) (OJ C, C/2026/123, 7.1.2026, ELI: <http://data.europa.eu/eli/C/2026/123/oj>).

For this reason, Article 16(5) of the Implementing Regulation states that customs documentation should be provided where available and may be supplemented by other relevant documents demonstrating the origin or place of assembly of net-zero technology final products and main specific components in accordance with their non-preferential rules of origin. For instance, in the case of a PV module, the customs declaration provides information only on the origin of the module itself. To determine the origin of the underlying main specific components (i.e. solar glass, PV cells, PV wafers, PV-grade silicon ingots and PV-grade polysilicon), other documents among those listed above are necessary. Article 16(5) mentions invoices as a possible supporting document that could be used for this purpose. However, Member States may require other documents if they provide reliable information linking the products with their place of manufacture or assembly. These documents could include product ID numbers, serial numbers or codes, nameplates, certificates of origin, bills of lading and other transport documents, bills of material, suppliers' declarations, delivery notes, contracts with suppliers, factory inspection certificates or manufacturing execution systems. If a bidder fails to produce a relevant document demonstrating the origin or place of assembly of a final product or main specific component, Member States should automatically consider those final products or main specific components to originate or be assembled in a country on which the EU has a high dependency.

If changes to suppliers are required during implementation of the project, they should comply with the criteria set in the original auction in which the bid was selected. For instance, where the resilience criteria were applied, substitutions of components in a project should be permitted only if they comply with the resilience contribution as initially addressed. Exceptions to this should apply only if compliance with auction criteria would result in technical incompatibilities.

#### 4.5. Sustainability contribution

In accordance with Article 26(2) of the NZIA, Member States should assess the auctions' contribution to sustainability by examining the environmental sustainability of bids or their contribution to innovation or energy system integration.

##### 4.5.1. Environmental sustainability

An auction's contribution to sustainability can be assessed by setting non-price environmental sustainability criteria assessing impact on the climate and environment. These criteria must go beyond the minimum requirements set by applicable law, including national and EU law. As clarified in recital 16 of the Implementing Regulation, Member States may, when designing environmental sustainability criteria, apply one or more of the environmental sustainability criteria set in the Implementing Regulation or other criteria that they consider relevant. If Member States choose to apply criteria developed in the Implementing Regulation, they must follow the methodology set out in the Regulation.

For carbon footprint, there are currently no harmonised binding Union methodologies in place for the technologies within the scope of the Implementing Regulation. The Commission has announced that it would work to simplify and harmonise carbon accounting methodologies<sup>(38)</sup>. As part of the Regulation establishing a framework for the setting of ecodesign requirements for sustainable products<sup>(39)</sup>, the Commission could work on information related to environmental life cycle indicators, such as the carbon footprint. This would be different to energy labelling requirements and other indicators of environmental sustainability, such as recyclability.

In the meantime, the Implementing Regulation provides information on which principles such carbon footprint assessment should follow (based on life-cycle assessment – LCA) – in terms of transparency and data quality requirements. It should also ensure that the carbon footprint covers a number of life-cycle phases. As the availability and reliability of data to cover all LCA phases can vary, this should be taken into account when setting the system boundaries and assumptions for the carbon footprint<sup>(40)</sup>.

<sup>(38)</sup> Communication 'The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation' (COM(2025) 85).

<sup>(39)</sup> Regulation (EU) 2024/1781 of the European Parliament and of the Council of 13 June 2024 establishing a framework for the setting of ecodesign requirements for sustainable products, amending Directive (EU) 2020/1828 and Regulation (EU) 2023/1542 and repealing Directive 2009/125/EC (OJ L, 2024/1781, 28.6.2024, ELI: <http://data.europa.eu/eli/reg/2024/1781/oj>).

<sup>(40)</sup> Commission Recommendation (EU) 2021/2279 can be considered as a relevant reference for the development specific data and guidance.

#### 4.5.2. *Innovation*

The innovation criterion aims to ensure that when innovation is integrated into an auction, the winning projects demonstrate tangible improvement over the current state of the art. Recognising that innovation can have a variety of effects, the Implementing Regulation does not impose restrictions on the areas in which this innovation should occur. Instead, those areas will be marked out during the auction design process, on the basis of the specific innovation objectives set by the Member States organising the auction. The Implementing Regulation distinguishes between pure innovation auctions and auctions that include some innovative aspects but focus primarily on deployment. The Implementing Regulation thus imposes different obligations, depending on the nature of the innovation pursued.

#### 4.5.3. *Energy system integration*

'Energy system integration', as defined in the NZIA, refers to increasing the integration of renewable energy into the electricity system and achieving system-level efficiency, including across energy carriers, infrastructures and demand sectors. The overall objective of energy system integration is to deliver fossil-free, flexible, reliable and resource-efficient energy services, at the lowest possible cost.

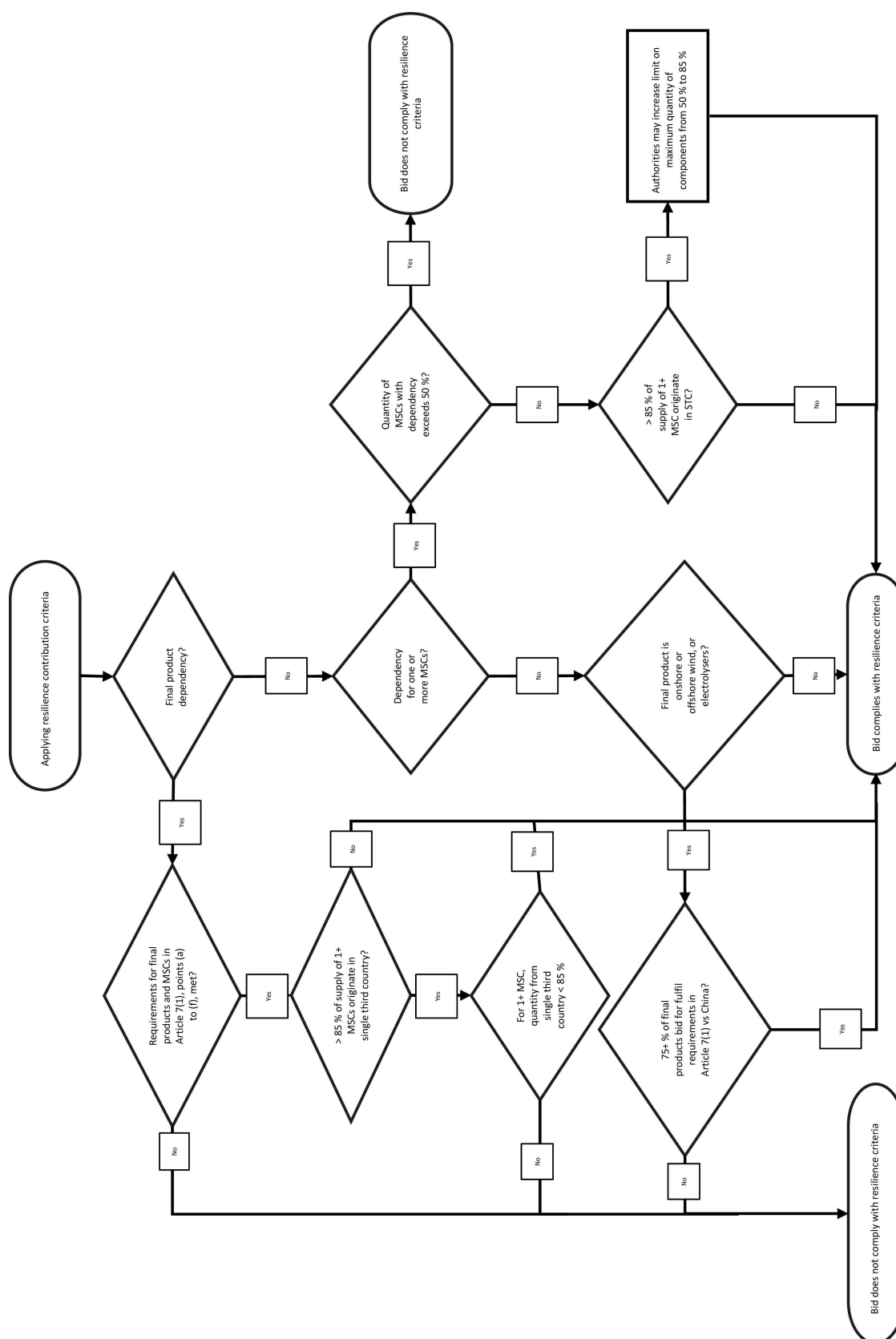
The Implementing Regulation sets non-price criteria for energy system integration in renewable energy auctions to help reduce energy system costs by addressing the impact of the operation of renewable energy projects on the system. The contribution of the bids to energy system integration should be assessed on their ability to help reduce system needs, on the basis of three dimensions: (1) temporal flexibility, (2) locational impact and (3) connections across energy carriers.

Article 15 aims to ensure that all three dimensions, and not only e.g. temporal flexibility, are considered. The reason is that, from an energy system integration perspective, all dimensions are interdependent, making it difficult to separate them. Although the Implementing Regulation requires all three dimensions to be taken into consideration in the design of an auction, it does not require all of them to be implemented as part of the energy system integration non-price criterion.

---

## ANNEX 1

## Resilience criterion flow chart



## ANNEX 2

**Example of NZIA-compliant PV installations under Article 7(1) of the Implementing Regulation**

Since a dependency on supply from a single third country has been identified, compliance with Article 7(1) of the Implementing Regulation is ensured if:

- ✓ the solar PV system is not assembled in this third country;
- ✓ the PV inverters and the PV cells do not originate in this third country;
- ✓ the PV modules are not assembled in this third country;
- ✓ at least one other main specific component (MSC) does not originate in this third country.

ANNEX 3

Example of NZIA-compliant onshore turbine under Article 7(3) of the Implementing Regulation



≥ 75 % of turbines must comply with Article 7(1) relative to China:

- ✓ Turbines (final product) do not originate from China
- ✓ No more than three MSCs originate from China, not including drivetrains/generator

For **ALL** turbines: no more than 85 % of the permanent magnets of the project will come from China (Article 7(2)).