PRESS NOTE

# Net Zero Industry Act, non-pricing criteria approved for renewable energy auctions.

## Tinazzi, CEO of Energy Group: " Immediate implementation is essential to protect European manufacturers"

*Sant'Angelo di Piove di Sacco (Padua), 21 July 2025 –* The European Commission has published the first implementing rules of **the Net Zero Industry Act**, the regulation that aims to strengthen the European Union's industrial autonomy in the energy transition. Among the main elements introduced are **new award criteria not based solely on price**, which include parameters such as local content, environmental sustainability, safety and resilience of production chains. Non-price criteria are a key tool to **counter dependence on non-EU suppliers** – in particular China – and to build a competitive and sustainable energy system on a continental scale.

According to **Davide Tinazzi, CEO of the Energy Group**, the publication of the application criteria of EU policies for Net Zero represents an important step forward. However, their effectiveness will depend on the speed with which they are implemented at national level: *"These criteria will only become binding from 2026, but Italy, in the meantime, is facing a decisive test: MACSE, the new national mechanism to support the spread of large utility-scale storage systems, the first auction of which is scheduled for September 2025, for a turnover of 1.5 billion for the next two years. If this tender is entirely downwards, without immediately introducing non-price criteria (as will be mandatory to do from 1 January 2026), there is a risk of favoring Chinese suppliers of poorer quality, penalizing European industry for the following two years".*

Tinazzi also draws attention to the fact that many European countries already apply industrial and strategic criteria in public tenders, recognizing the critical nature of the technologies involved: infrastructure assets intended to operate for at least 15 years and which, **for reasons of cybersecurity and spare parts over time**, cannot depend entirely on external suppliers. "*In addition, in a context of growing geopolitical instability – he adds – there is also a real risk that the introduction of new duties between Europe and China could make supply by Chinese operators uneconomical, with the risk of unilateral renunciation of orders already awarded. Finally, since these are auctions made with public money, it is also necessary to ask ourselves how fair it is to exclude companies that create value and jobs in the area, respecting all the ethical, environmental and worker safety rules".*

Over the last two years, **Energy has started a reshoring process from China**, anticipating the requests for relocation of production made at the European level. "*Now, Europe cannot afford for a public auction of this magnitude to take place at a discount and without safeguards for European manufacturers, just three months after the entry into force of the EU obligation. It would contrast with other European countries, which already enhance their industrial supply chains, having manufacturers operating for many years in the area".*

Another critical element is the cost differential between European and Asian producers, which is often perceived in a distorted way. Tinazzi emphasizes that "*it is not a question of spending twice as much, but only something more, considering that the surcharge of European manufacturers is generally lower than the hidden costs associated with Chinese suppliers, a fact already highlighted by experience gained in markets such as the United States and Australia*".

*"If the award criterion remains linked exclusively to price, this first round risks turning into a missed opportunity,"* comments Tinazzi*. "European companies, which the Union declares it wants to support, would not derive any concrete benefit, while non-European suppliers would prevail, not subject to the same production, environmental and tax standards as European companies. The criteria will be mandatory in subsequent auctions, but the September auction could be by far the most significant auction in terms of volumes and impact on the sector".*

Tinazzi also underlines that the energy transition cannot be separated from a **solid industrial vision**, capable of transforming investments in infrastructure into opportunities for the European production fabric: *"The path towards net zero is, in addition to an environmental challenge, a strategic opportunity to strengthen Europe's technological sovereignty and build local, resilient and transparent supply chains. Producing in Europe involves more stringent quality and regulatory standards than importing from third countries: it is a necessary commitment, which deserves adequate support. For this reason, non-price criteria must be applied immediately, to protect the European industrial fabric and consolidate a competitive and safe supply chain".*

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***Energy Group** is a leading full system technology manufacturer in BESS (Battery Energy Storage System) systems for both residential and large-scale applications and a provider of cloud and engineering services in the Italian and European markets. The group is an evolution of Energy S.p.A., founded in 2013 by Davide Tinazzi, Andrea Taffurelli and Massimiliano Ghirlanda, listed since 1 August 2022 on the Euronext Growth Milan market of the Italian Stock Exchange (ISIN Code IT0005500712, Ticker ENY), which was joined in 2023 and 2024 respectively by the companies EnergyInCloud Srl and Enermore Srl. To date, more than 65,000 systems have been sold by Energy and have already been installed throughout the country, dedicated to the residential, commercial, industrial, utilities and electric mobility markets. As of 31 December 2024, revenues amounted to €37.2 million and operating profit amounted to €-17.6 million. www.energyspa.com*

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