No Net Zero Industry Act without offshore wind foundations:

The position of the Offshore Wind Foundations Alliance (OWFA) on the NZIA Implementing Acts on Renewable Energy Auctions and Sustainability and Resilience

Executive summary

- OWFA calls for **offshore wind foundations to be included as a main component** of offshore wind renewable technologies, on par with turbines, blades in the upcoming NZIA delegated act, as there is no offshore wind without foundations. A new CN code should also be created, highlighting the unique properties of this indispensable product.
- Resilience should be achieved on **component level**, ensuring a resilient supply chain for each of the main components (including foundations); otherwise, there is the risk of losing resilience for some components if they are repeatedly not considered in the resiliency criteria.
- **Resilience and sustainability criteria should be considered as pre-qualification criteria** both for renewable auctions and public procurement procedures.
- The **environmental sustainability criterion should prioritise products with the lowest CO2 footprint possible**, making scope 3 emissions count in the calculation of the footprint, and favouring European-made products with associated low transport emissions.

We commend the NZIA's sustained commitment to strategic renewable energies and appreciate the mandatory inclusion of sustainability and resilience criteria in renewables auctions. The Offshore Wind Foundations Alliance (OWFA) is particularly encouraged by the potential enhancements this could bring to the foundations industry, a sector currently grappling with increasing challenges. Foundations, indispensable yet often neglected components of offshore wind turbine installations, are increasingly being imported from third countries to meet the exceptional demand for offshore wind following the EU's goals to have 35% of wind energy in the electricity mix in 2030 and over 50% by 2050.

The importance of foundations to the wind supply chain

We strongly advocate for the recognition of **foundations as main specific components of wind turbines** in the upcoming delegated act, on par with wind towers. Towers and foundations are two separate but equally important industries, with different fabricators and expertise. Without foundations, there is no offshore wind.

Ensuring the stable and resilient supply of foundations requires a strong European industry, which needs investment certainty in order to scale up. The designation as main specific component will enable our sector to bolster the green transition by ensuring the continued expansion of its EU industry while protecting it from unfair competition from third countries.

In parallel, we propose to amend Communication 2000/C150/03 to establish **CN codes specifically for offshore wind foundations**. This amendment would offer additional targeted support within the NZIA and from a trade defence perspective. It would therefore help safeguard this crucial component of offshore wind installations.

Non-price and pre-qualification criteria (articles 25 & 26)

OWFA proposes implementing **environmental sustainability and resilience as pre-qualification, rather than award criteria**. We contend that these criteria are more likely to be effectively applied if established as prerequisites for auction and procurement participation. This approach would prevent them from being weighed against economic interests at a later stage, which could undermine the NZIA objectives.

Regarding sustainability criteria for renewable energy auctions and public procurement, we propose that **carbon footprint should be a significant consideration**.

Estimates suggest that EU-produced monopiles emit 90% less CO2 during transport compared to those typically imported from outside the EU. Even with blast furnace coal-fired steel, the most CO2 intensive production method, transport across oceans still make up more than 25% of total emissions of the finished product. With green steel, that number rises to more than 60%.[1] We therefore recommend non-price criteria to establish a **threshold of overall emissions as well as to disqualify products if transportation contributes more than 20% to the overall carbon footprint of the product**. A specific percentage of the auction's award criteria could also be allocated to producers based in Europe.

This should incorporate scope 3 emissions into the carbon footprint assessment of the products to genuinely ensure that products with lower emissions are favoured.

All components individually need resilience and sustainability criteria

OWFA is pleased to note that resilience is considered as a key element under the NZIA, and insists that offshore wind foundations be considered in that context, as they are an absolutely vital and technically advanced component. If non-price and resilience criteria are consistently awarded for most wind turbine components except foundations, over time, the EU production capacity could gradually diminish and eventually cease to exist.

OWFA stresses the need to avoid major components (such as foundations) disappearing from European production capabilities because criteria were based on an overall value. Resilience and sustainability criteria should be **calculated for each major component individually, and not at a project level**. This would ensure that the criteria do not only benefit certain components to the detriment of the others for the sake of simplification – endangering the continuity of entire critical industries.

About the Offshore Wind Foundations Alliance

OWFA is a coalition of five European companies producing offshore wind foundations: CS Wind Offshore, EEW Special Pipe Constructions GmbH, SIF Netherlands BV, Smulders Projects, and Steelwind Nordenham GmbH. OWFA members have already produced more than 9,000 monopiles, jackets and transition pieces and is a critical part of the European offshore wind sector.

[1] Based on an estimation of 48 monopiles manufactured in China shipped through the Suez canal to Scotland on three different modern vessel types with a deadweight tonnage (DWT) of 50,000-75,000. If not shipped via the Suez canal, emissions would be even higher.