



Environmental newsletter

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The Clean Industrial Deal – the new EU industrial strategy

What is CID?

On 26 February 2025, the European Commission published a new industrial strategy, the Clean Industrial Deal ("CID"). CID is a comprehensive EU strategic document designed to enhance European industry competitiveness—not by forgoing decarbonization efforts but by leveraging them to achieve this goal. It envisions a transformation of the EU industry through accelerating decarbonization, developing clean technology sectors, and supporting innovation, including efforts aimed at achieving technological neutrality.

What are the objectives of CID?

The European Commission and other EU institutions will focus on the following areas:

- **Support for energy-intensive industries:** CID aims to address the challenges facing energy-intensive industries related to rising energy and gas prices as well as complex regulations.
- **Reduction of energy costs:** The European Commission has announced plans to introduce an Action Plan for Affordable Energy along with other measures, including promoting PPAs in collaboration with the European Investment Bank and reducing energy taxes.
- **Development of the clean tech industry:** Expanding the clean technology sector is a key EU priority. Support for this industry segment will be provided, among other tools, through the Competitiveness Fund.
- **Increase in public and private investments:** Through financial institutions such as the Industrial Decarbonization Bank and investment instruments like the revised InvestEU program, the EU plans to boost investments in energy, industry, and transportation systems by approximately 480 billion euros compared to the previous decade.
- **Support for the circular economy:** New regulations—such as the planned Circular Economy Act—are expected to enhance recycling and the recovery of critical raw materials thereby reducing dependency on external suppliers.

CID – legislative framework

One of CID's elements is to create a legal environment that will enable businesses to invest in low-emission technologies and innovative solutions. The European Commission plans to adopt new legal instruments and to amend existing systems, e.g. CBAM. Key elements include:

- **Industrial Decarbonization Accelerator Act:** This will introduce legal measures that accelerate procedures connected with decarbonization and enhance industrial access to green energy. The proposal includes digitalizing procedures and incorporating AI in data analysis.
- **Critical Raw Materials Act:** This aims to ensure access to critical raw materials needed for energy and industrial transformation while reducing the EU's reliance on critical raw materials imported from third countries. It also provides for the establishment of an EU Critical Raw Material Centre to coordinate the procurement of raw materials, monitor supply chains, manage strategic reserves, and develop financial instruments to support investments.
- **Delegated Act on Low-Emission Hydrogen:** This will help to facilitate the production of low-emission hydrogen and provide investment support within this sector.
- **Circular Economy Act:** This will introduce new regulations in the circular economy sector, targeting the enhanced recovery and recycling of critical raw materials and reducing dependence on imports. The new law aims to develop a unified market with the free movement of critical raw materials and recycled materials.
- **Energy Taxation Directive (ETD):** CID underlines the necessity to finalize the legislative process to amend the Energy Taxation Directive. The amendment is expected to enable a reduction in electricity taxation for energy-intensive industries. Additionally, the European Commission plans to issue recommendations regarding network charges, including harmonizing tariff methodologies.
- **CBAM Regulations:** This involves simplifying and expanding the Carbon Border Adjustment Mechanism, as outlined in a upcoming report by the European Commission.

Timeline of key initiatives

Date	Action / Legal Act	Scope
Q1 2025	Action Plan on Affordable Energy	Presenting a plan to reduce energy costs for industry
Q1 2025	Delegated Act on Low Emission Hydrogen	Establishing rules to produce low-emission hydrogen
Q2 2025	Recommendations on Network Charge	Proposing changes to the methodology for setting energy transmission tariffs
Q4 2025	Industrial Decarbonization Accelerator Act	Introducing a new legal act for industrial decarbonization
Q4 2025	Recommendations on Energy Taxation	Tax reduction guidelines linked to the amendment of the ETD
Q4 2026	Circular Economy Act	Implementing a new legal framework for the circular economy
Q4 2026	EU Critical Raw Materials Center	Establishing the EU Critical Raw Material Center

How can we assist you?

- We assess the impact of new regulations on your business operations.
- We provide recommendations to help you align with upcoming requirements.
- We advise on energy transition processes and renewable energy projects.

Contact us!



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