

Strengthening the European Solar Industry

Position paper of Solar Industry Regions Europe (SIRE)

The European regions of Saxony (Germany), Andalusia (Spain), Carinthia (Austria), Liberec (Czech Republic), Saxony-Anhalt (Germany), and Grand Est (France) welcome the **EU Solar Energy Strategy**, which aims to expand photovoltaic solar energy in the EU to more than 320 gigawatt (GW) by 2025 and 600 gigawatt by 2030.

Photovoltaics (PV) is the cheapest way to produce electricity and one of the key technologies of the energy transition in Europe. Due to the goal of European energy sovereignty in response to Russia's ongoing war of aggression against Ukraine and the increasingly challenging environment on a global level, there is a **strategic need for a strong solar industry in Europe**.

In particular, the photovoltaic industry is currently facing **major challenges**, particularly in the following areas:

- **uneven competitive environment** due to financing conditions and high cost for setting-up and maintaining production;
- global **dependencies on few regions**, especially China, regarding raw materials, components and related technology to produces these components and
- **lack of skilled workers**.

Against this backdrop, we support the four initiatives contained in the *EU Strategy for Solar Energy* including the European Solar Roof Initiative, accelerating and simplifying approval procedures, securing skilled labour and the European Alliance for the Solar PV Industry (ESIA). We very much appreciate the **aim of the ESIA** to accelerate solar PV deployment by **scaling-up to 30 GW of annual solar PV manufacturing capacity in Europe by 2025**.

The **Solar Industry Regions Europe** aim to contribute to a **competitive, resilient and sustainable solar industry** by creating synergies between regions, bringing stakeholders together, identifying best practice examples and success criteria as well as implementing regional measures such as supporting the expansion of renewable electricity and sustainability criteria for public procurement.

As the renaissance of solar industry can only be successful with an **European mind-set and policy framework**, the following **challenges and solutions** need to be tackled on **EU-level**:

Level playing field for PV-industry

One of the biggest challenges for the European photovoltaic industry is the economic **competition with a heavily subsidised or dumped photovoltaic value chain**, including ingot, wafer, cell and module production, outside Europe.

Within the EU a subsidy race between Member States due to the lack of common European solutions should be avoided, as it would further distort the Common Market. We therefore ask the European Commission, the Parliament and the Council to examine and implement suitable **measures to establish a level playing field** for the European photovoltaic industry in relation to manufacturers from third countries.

In this regard, we **welcome the Green Deal Industry Plan** and related initiatives with the aim to enhance the competitiveness of Europe's net-zero industry and foster the transition to climate neutrality. The measures should apply quickly, provide adequate financial support (such as guarantees, loans, subsidies), be targeted, long-term and non-bureaucratic.

High **sustainability standards** can be a key competitive advantage for European solar industry. It seems to be useful to develop binding minimum criteria such as the EU Eco-design requirements as well as best-in-class or labelling approaches. One approach to start with could be the CO₂-Footprint. To achieve PV expansion targets and to use the available space within the EU as efficiently as possible, the "top runner" principle for the efficiency photovoltaic modules that are installed or put into operation in the EU, might be a suitable instrument. Last but not least, **appropriate industrial electricity prices** in the first stages of the value chain will be crucial to achieve a level playing field for the European PV-industry.

Supply chain of raw materials and components

Resilient supply chains, especially a secure and **competitive supply of raw materials, and components** form the basis for the development of European photovoltaic production. This is of strategic importance for Europe's energy sovereignty and for achieving the photovoltaic expansion targets of the EU Solar Strategy. We therefore ask the European Commission, the Parliament and the Council to work towards effectively counteracting the possible threat to photovoltaic expansion targets due to the lack of availability of raw materials and components.

Promotion of skilled workers in PV-Industry

The EU Solar Energy Strategy includes an **initiative to address the shortage of skilled workers** in the entire photovoltaic sector in Europe. Due to the enormous importance of the adequate availability of qualified skilled workers for the achievement of the photovoltaic expansion targets, we welcome this initiative and ask the European Commission, the Parliament and the Council to act appropriately to combat the shortage of skilled workers.