SolarPower Europe

EU policies for green power

Energy transition congress

8th December 2023

Naomi Chevillard

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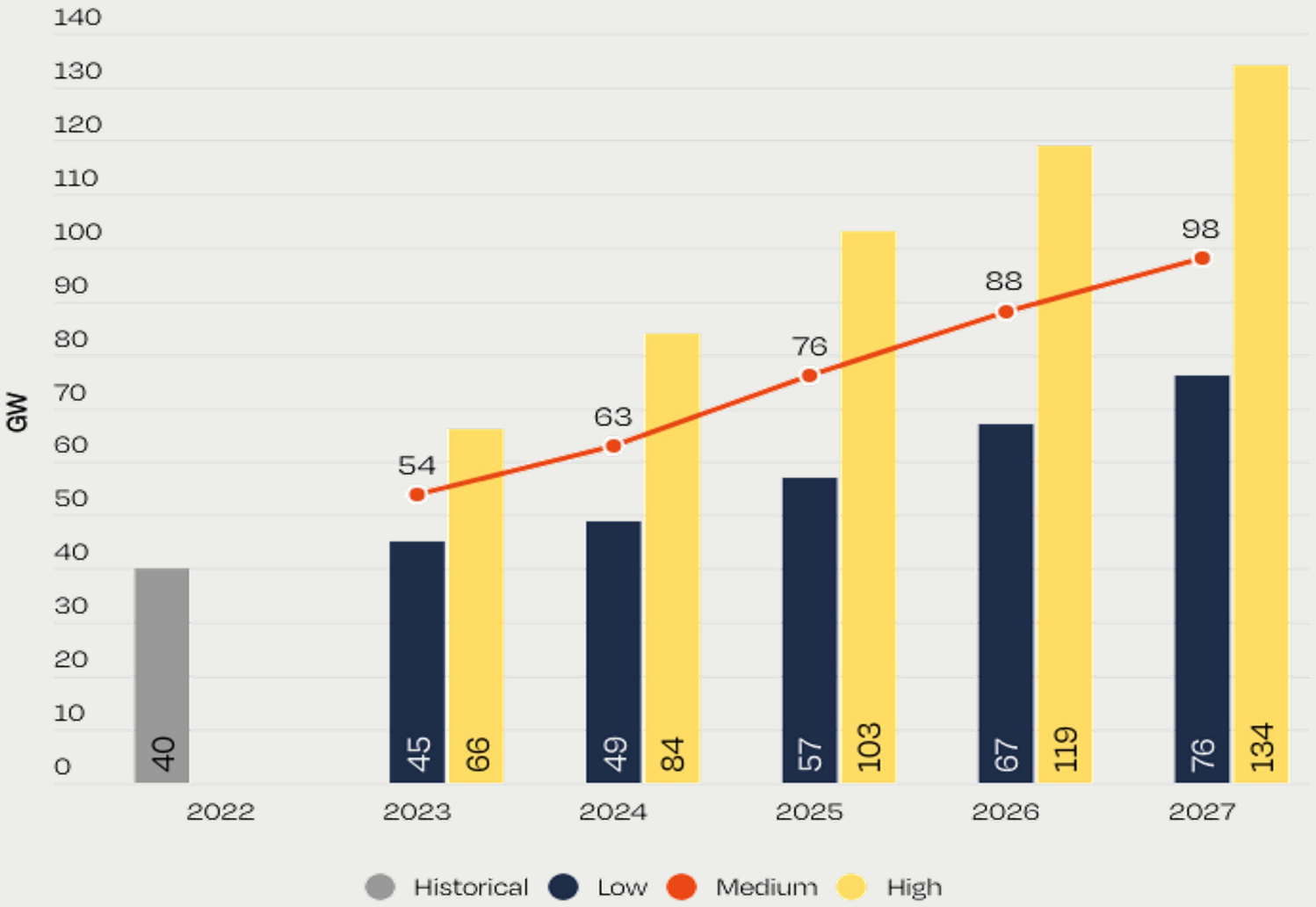
SolarPower Europe

- **Representing the whole solar value chain** 320+ organisations
- **Working closely with 30+ national associations**
- Based in Brussels

The Solar Market is growing exponentially…



Source: Global Market Outlook 2023, SolarPower Europe

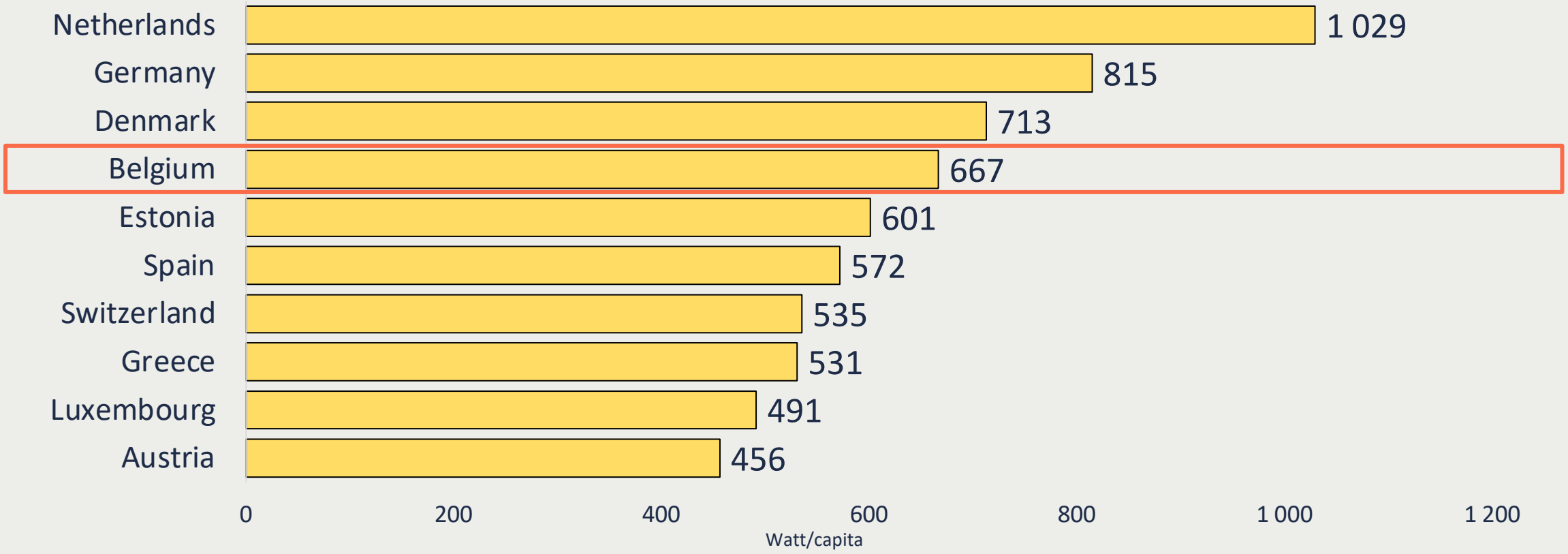
Record installations in last years

more than 40 GW installed in the EU in 2022, record solar year in EU history so far, 100% higher than in 2020

Further strong growth expected

The next 4 years until 2026 will see further strong growth, reaching close to 100 GW in 2026.

(and Belgium is playing its part!)



When looking at installed capacity per capita, several of the largest markets are still present, but smaller countries also coming into the picture such as Estonia, Switzerland or Luxembourg

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But Europe wants our sector to do more

Mission Climate Neutrality

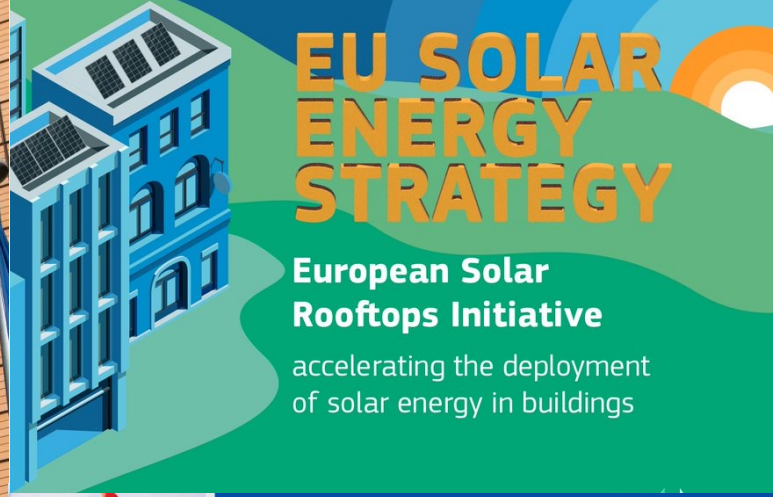
- New EU renewable energy target at 42.5% (+2.5%) by 2030
- Upcoming new 2040 targets in 2024

REPowering the EU – new targets of 400 GWdc and 750 GWdc

New **National Energy and Climate Plans** by the end of the year… not yet at the level needed

European Commission
July 202
DELIVERING THE
EUROPEAN GREEN DEAL
THE DECISIVE DECADE
The EU will reduce its net greenhous gas emissions by at least 55% by 2030, compared to 1990 levels, as agr in the EU Climate Law. On 14 July 2021 the Commission presented proposals to deliver these targets and make the European Green Deal a reality.
Climate Social Fund
Emissions trading for road transport and buildings
Carbon Border Adjustment Mechanism
EU Emissions Trading System - for power, industry, maritime & aviation
Land Use, Land Use Change, and Forestry Regulation
Energy Taxation Directive
EU Forest Strategy
2030 CLIMATE TARGETS
Energy Efficiency Directive
Effort Sharing Regulation
Renewable Energy Directive
Alternative Fuels Infrastructure Regulation
CO_2 emissions standards for cars and vans
FuelEU Maritime Initiative
ReFuelEU Aviation Initiative

REPowerEU


EU SOLAR ENERGY STRATEGY
European Solar Rooftops Initiative
accelerating the deployment of solar energy in buildings

#WindPowerPackage
EU Wind Power Package

EU Action Plan for Grids
November 2023
#EnergyUnion

Reforming the design of EU markets

- EU emergency measure allows for inframarginal revenue caps until June 2023, de facto prolonged until June 2024

→ Patchwork of measures in level, application, time validity

- Proposal for a revision of the Electricity Market Design in March 2023 – approval on the 13th December 2023

Maintain short-term market functionning, but reinforce market surveillance

- Reinforced powers of ACER / ESMA
- New monitoring of power purchase agreements through the REMIT

Create a framework to tackle future crises and claw back the extra ordinary revenue

- Creation of conditions to trigger an **electricity price crisis**
- Prolong (or not?) the **cap on wholesale market revenues**
- Promote but not mandate **two-sided Contracts for Difference** as the standard for new investments & require the redistribution of revenues to consumers

Reinforce long-term markets

- Requirement on suppliers to **hedge**, including through a share of PPAs
- Promote **Power Purchase Agreements**, through bank guarantees, better regulatory frameworks (including no retroactive changes), and promotion of bonuses for hybrid / PPA contracts

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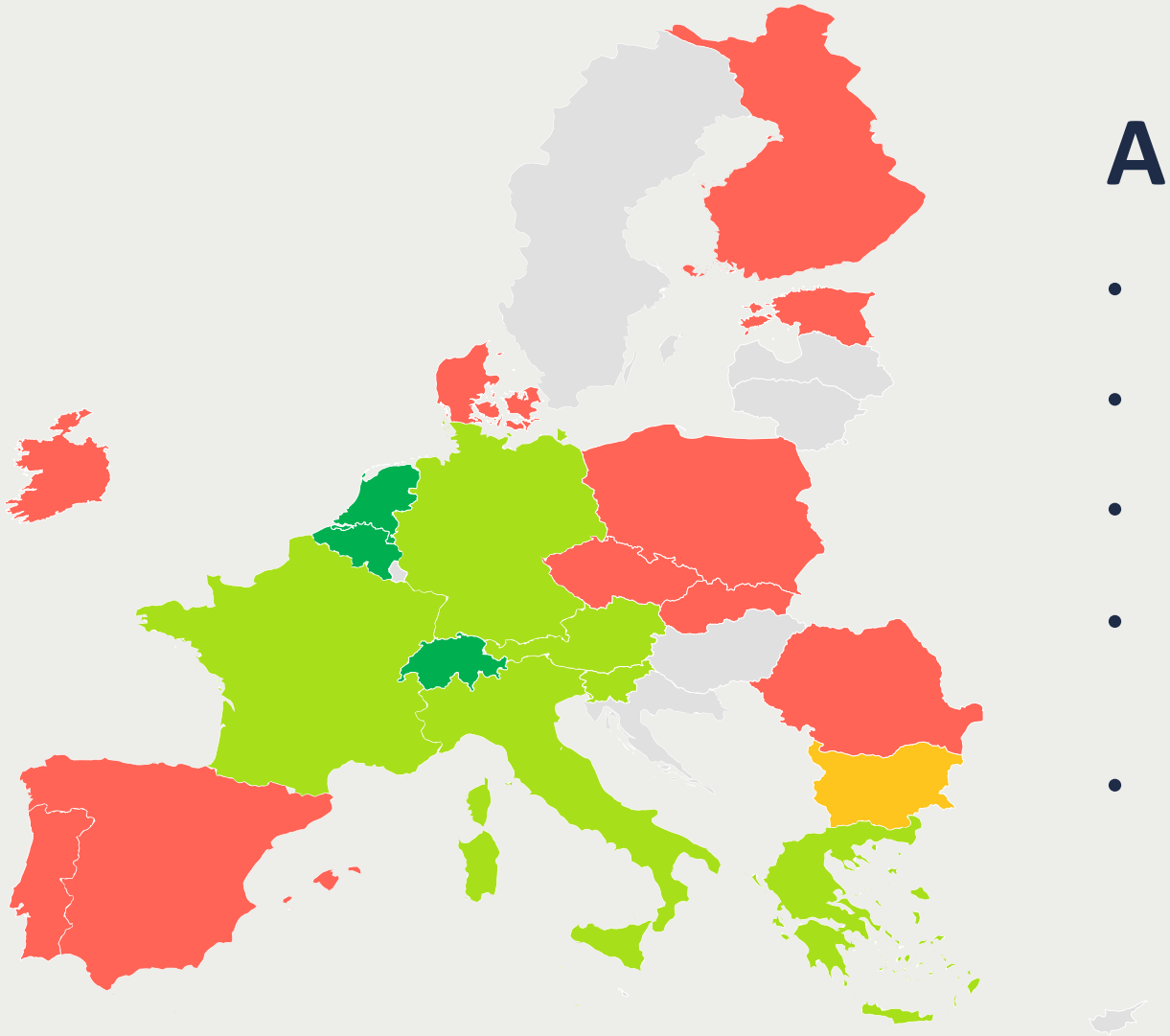
Promoting RES on EU buildings (1/2)



A new solar standard

- All new buildings have to be optimised for solar generation
- All new public & non-residential buildings >250 sqm from 2027
- All public buildings to be equipped with solar PV gradually
- All non-residential buildings undergoing major renovation or requiring an administrative permit from 2028
- All new residential buildings or new roofed carpark from 2030

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Promoting RES on EU buildings (2/2)

A new framework for « energy sharing » → collective self-consumption

- Right to share energy among consumers within the same bidding zone or smaller local area – with uncertainty around the conditions for large entreprises
- Right to delegate the operation to a third party, with proportionate suppliers obligations
- Set of rules & obligation for the grid operator (data sharing)

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Solving the permitting challenge

Emergency measures for permitting (2023 to mid 2024), complemented by a revised Renewable Energy Directive

- Overriding public interest
- New planning rules
- Mapping of renewable energy potential on the territory – May 2025
- Definition of renewable acceleration areas with a Strategic Environmental Assessment & a one-year permitting time
- Positive silence for the grid connection of solar below 50 kW
- 6 months repowering process

Table 1: Overview of Member State implementation of EU permitting rules

	AT	BE (FL)	BG	CZ	FR	DE	EL	IE	IT	NL	PL	PT	RO	SK	ES	SE	implementa-tion rate per dimension	Indicative plant scale concerned by the measure
Single contact point and digitalisation																	50%	small-scale + large scale
Deadlines for permit granting																	25%	mostly large scale
Acceleration areas																	38%	small-scale + large scale
Overriding public interest																	31%	large scale
Simpler rules for Repowering																	38%	large scale
Acceleration on artificial structures																	25%	mostly small-scale
Positive silence																	44%	small-scale
Simple notification for small-scale PV																	75%	small scale
Implementation rate per Member State	38%	75%	13%	13%	63%	63%	75%	25%	50%	13%	13%	75%	25%	38%	38%	38%		

Implemented | mostly implemented or to be implemented | mostly not implemented | not implemented

…but most importantly a change of mindset

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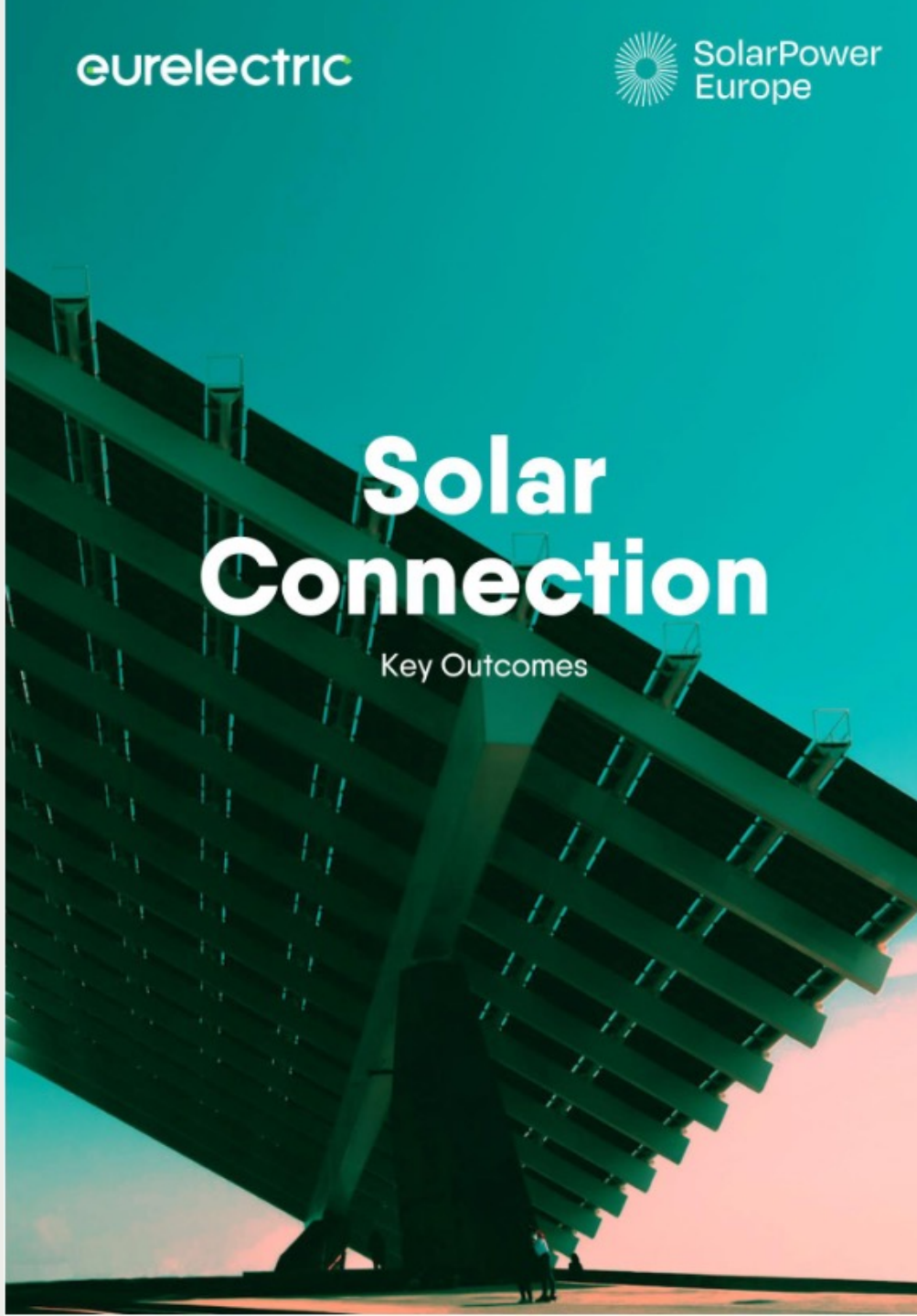
Tackling the grid challenge

A new Grid Action Plan to complete the electricity market design

- Network development & anticipatory investments
- Flexibility needs assessments
- Public map on grid hosting capacity
- Permitting & financing of grid infrastructure at EU and national level
- Better standards
- New right to a non-firm grid connection agreement



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But more can be done for flexibility growth

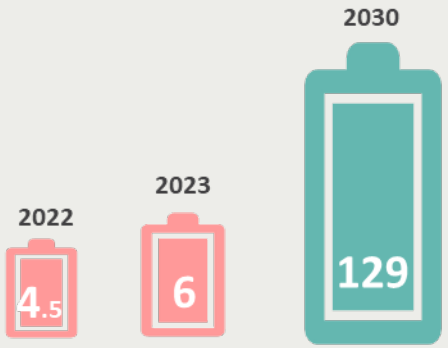
Massive flexibility needs

X 2 for flexibility resources by 2030 (JCR)

X 7 for flexibility resources by 2050 (JCR)

>200GW for electrical storage by 2030 (SolarPower Europe)

But slow Development
(EU+UK in GW)
Eurelectric



- **Economic signals for hybrid projects** – storage auctions, capacity markets, exposure to market price beside the CfD
- **Clarifying the status of storage** – taxed as a consumer or as a generator?
- **Facilitating the grid connection of hybrid projects**

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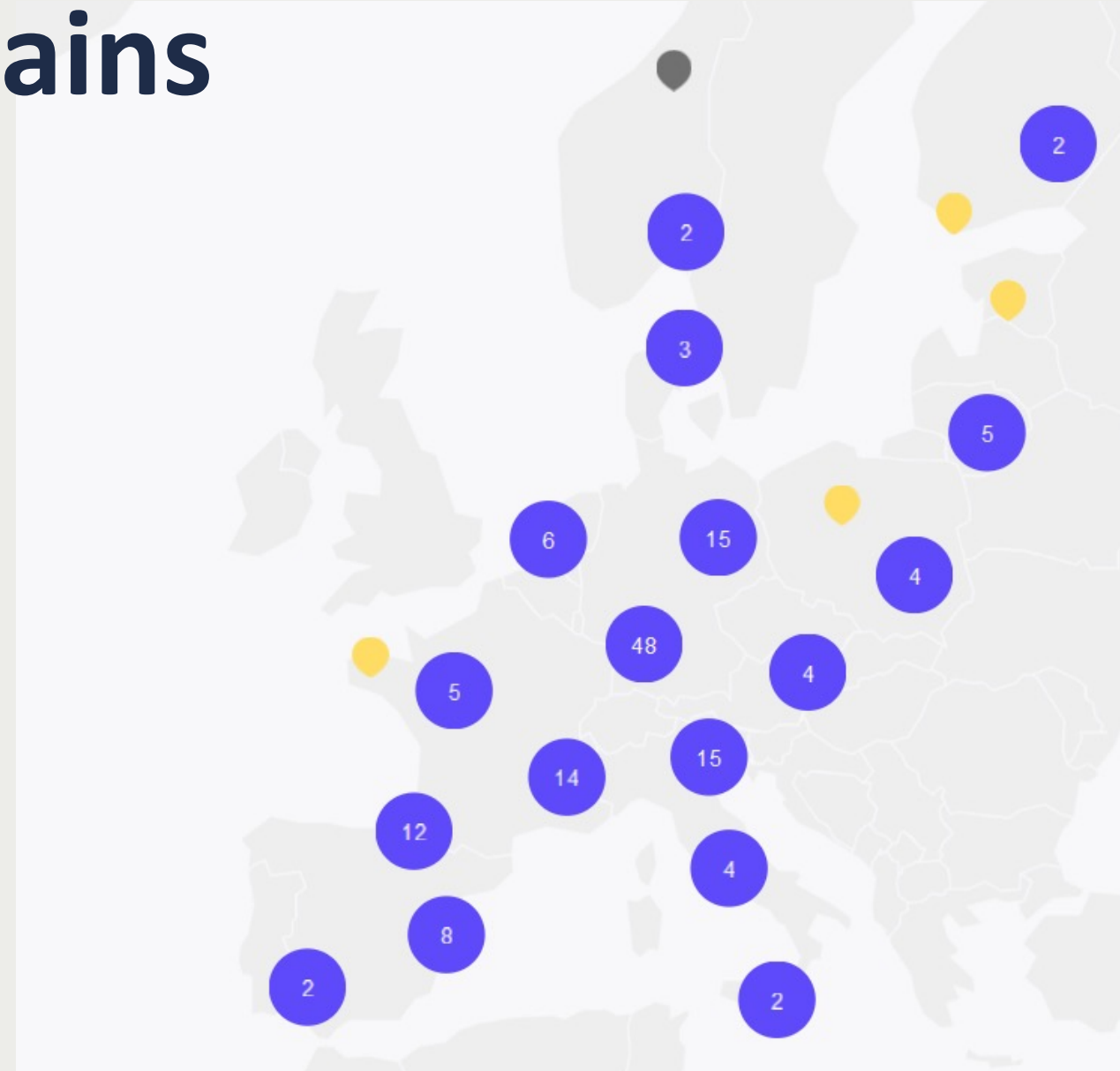
Rebuilding supply chains

Creation of a European Solar Industrial Alliance to support reinvest into EU projects

A Net Zero Industry Act to reinforce EU Supply Chains

- List of strategic net-zero technologies
- Right to introduce prequalification criteria and non-price criteria, to be defined by the European Commission on auctions (and public procurements)
- Facilitates permitting rules)

Use of the **European Innovation Fund** to finance manufacturing projects



SolarPower Europe manufacturing map

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Thank you !

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