SolarPower Europe

Fit for 55 & the European strategy for decarbonisation

Claire Couet, Policy Director – SolarPower Europe

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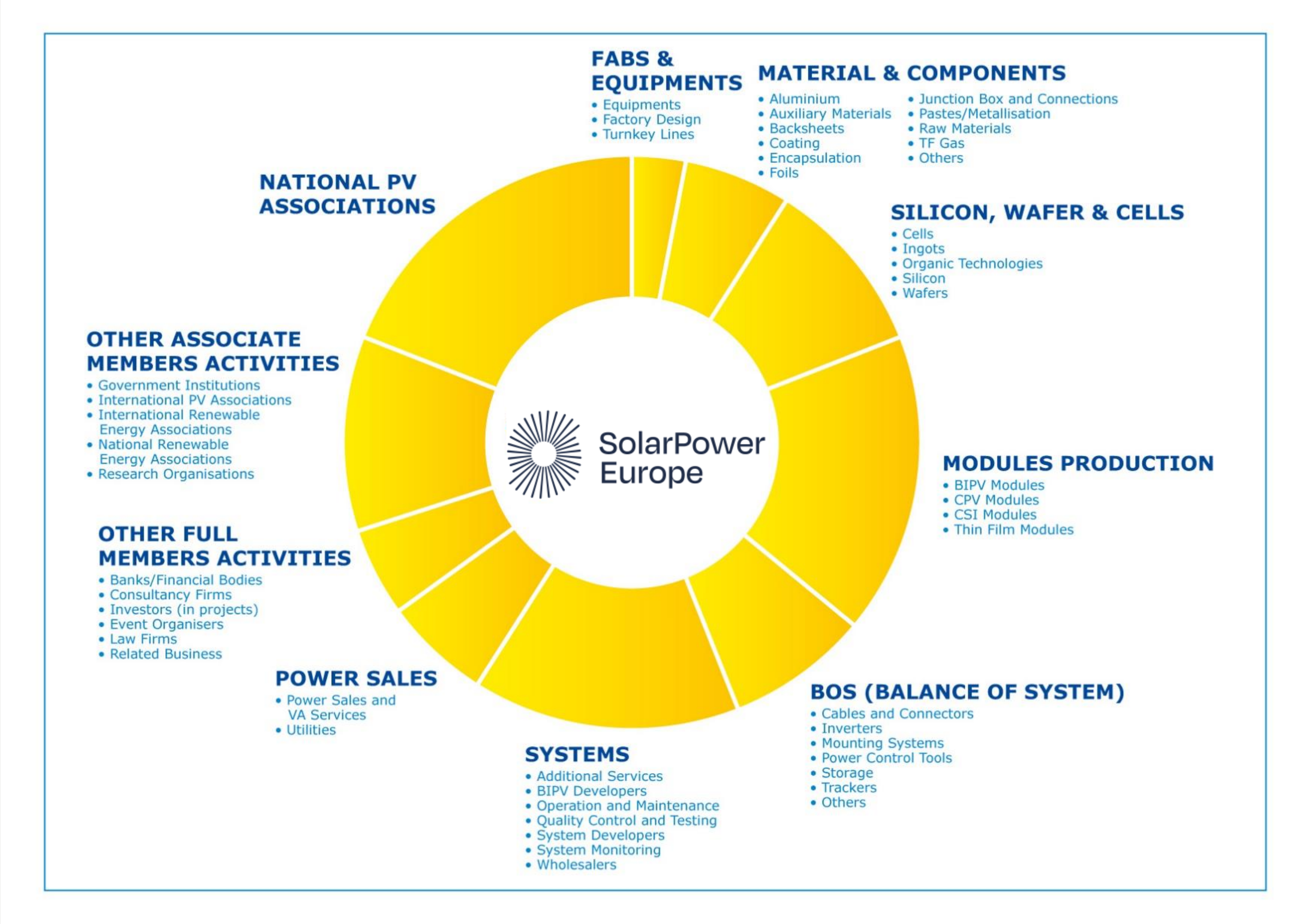
KEY ENERGY
THE RENEWABLE ENERGY EXPO

About SolarPower Europe

We are a trade association representing over **250 organisations** from the whole solar value chain.

We help shape the policy environment and make business happen in the solar industry.



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Covering the whole value chain

- Raw materials
- Modules, wafers & cells
- Building integrated PV
- Inverters
- BOS
- Developers & EPCs
- Storage
- IPP
- Utilities
- O&M, Asset Management
- Digitalisation
- Research organisations
- National associations
- Advisory

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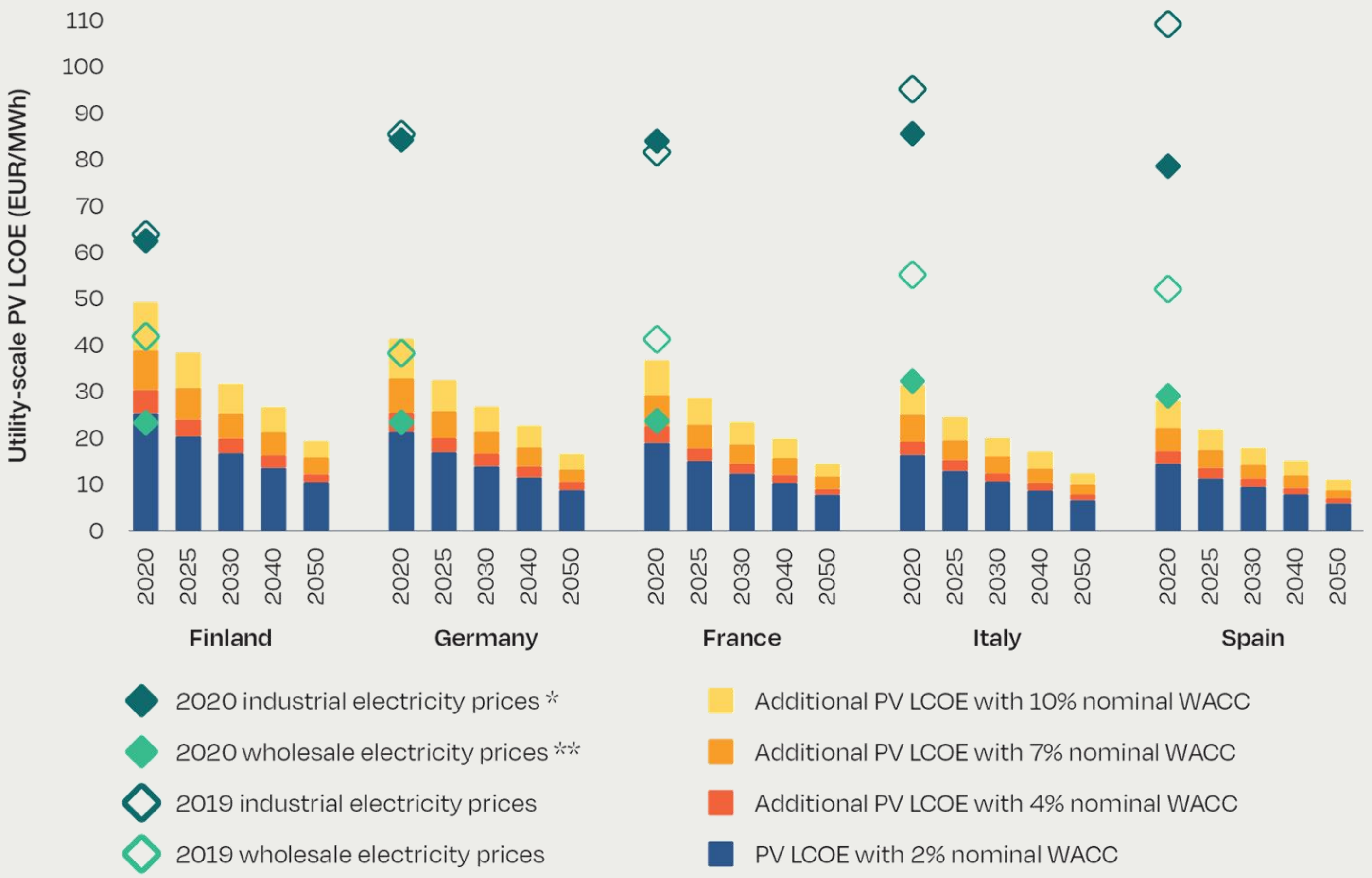
Our vision is to lead our members to make solar the core of a smart, sustainable, secure and inclusive energy system in order to reach climate neutrality before 2050

Solar is the most cost-competitive energy source in history, well below commercial and industrial energy prices.

PV LEVELISED COST OF ELECTRICITY (LCOE) IN FIVE EU LOCATIONS, 2020-2050



*: H1 2020 average national price for medium-size industrial consumers (without taxes).
**: H1 2020 average national price for wholesale baseload electricity.
SOURCE: European Commission (2020); Eurostat (2020); ETIP PV (2020).

Source: SolarPower Europe (2021) Global Market Outlook for Solar Power 2021-2025.

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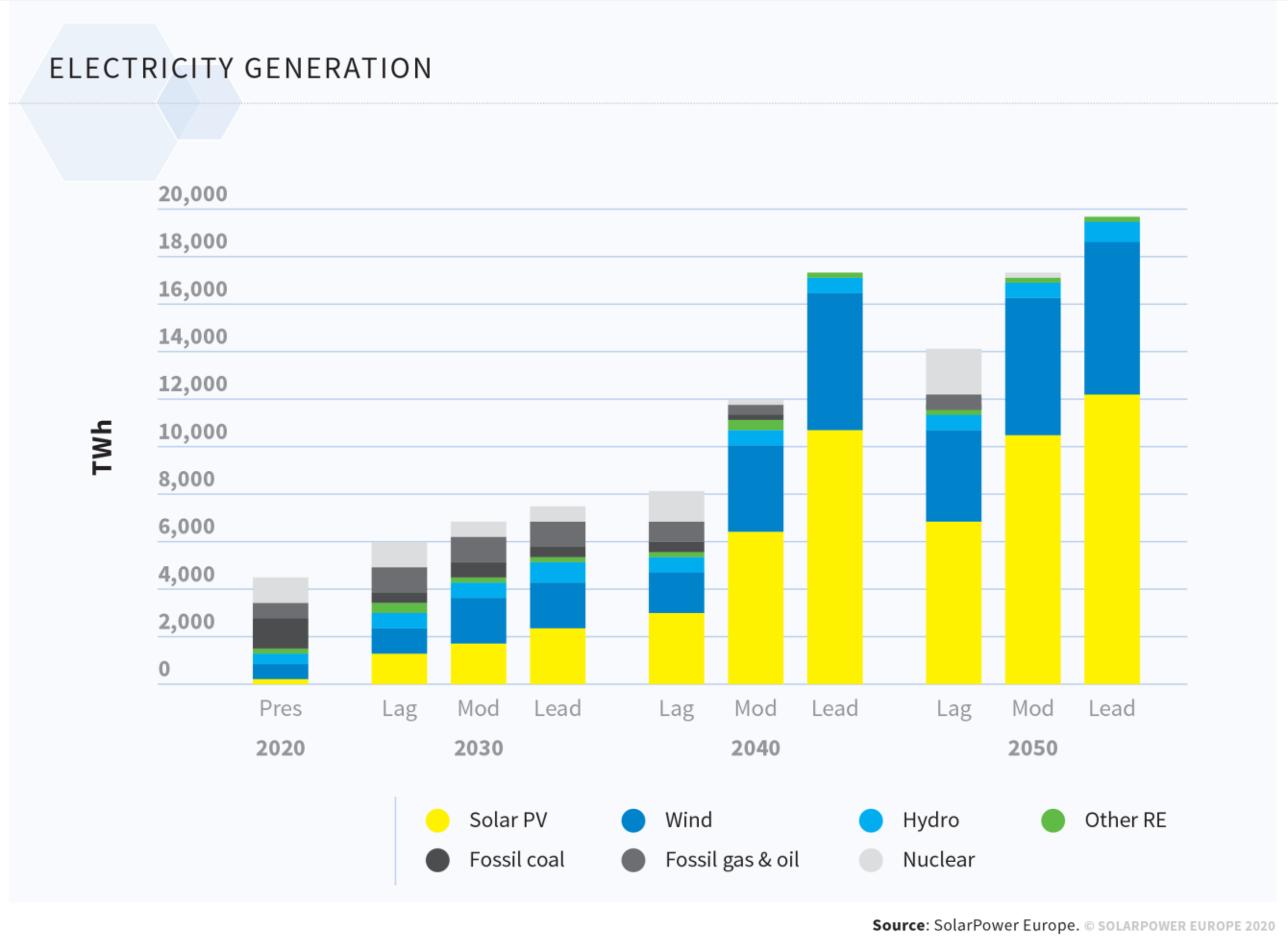
A 100% renewable energy system is primarily a solar story. As of 2040, solar PV becomes the dominant source of electricity generation across all three scenarios in Europe.



Source: [SolarPower Europe and LUT University (2020) 100% Renewable Europe]

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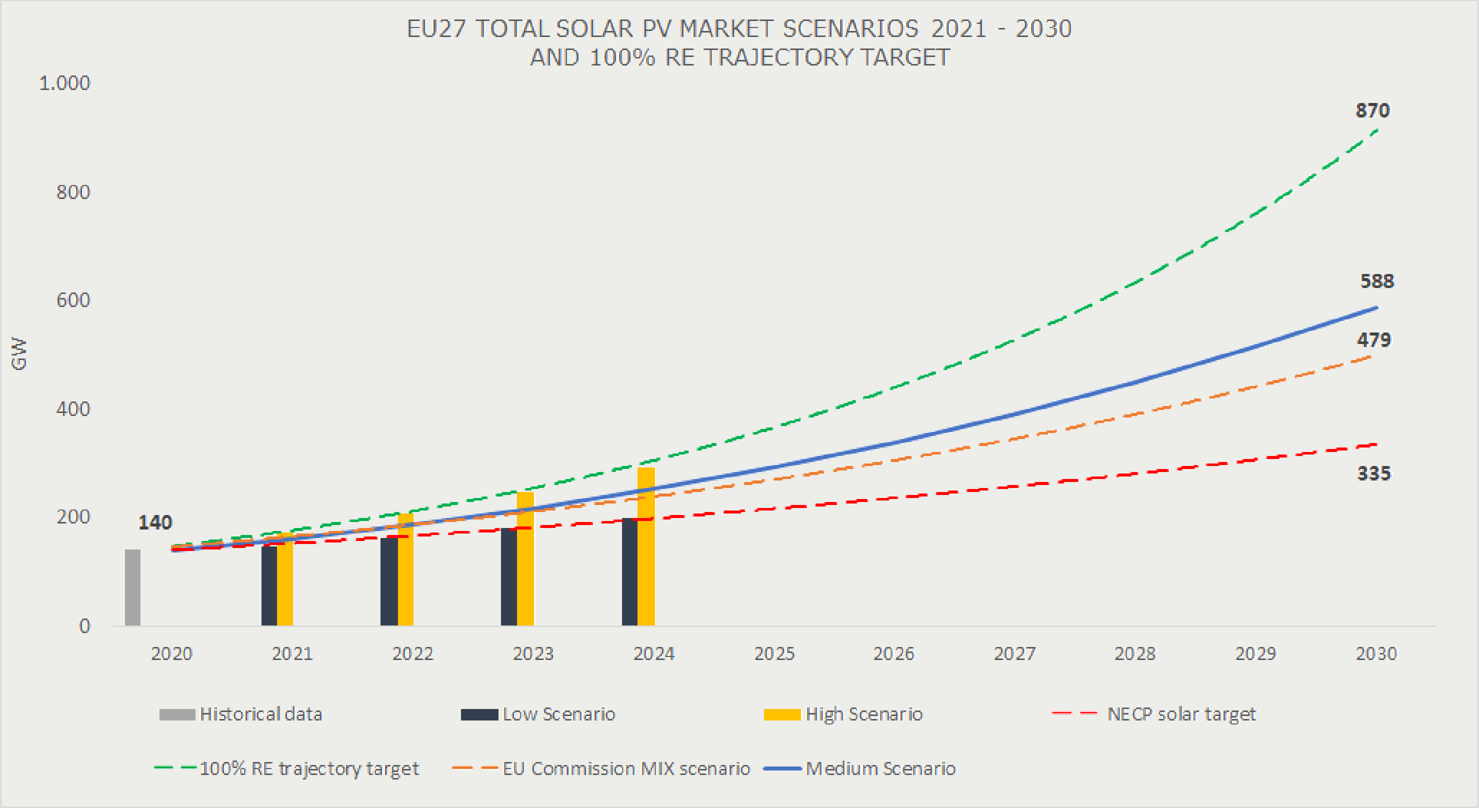
Business as usual will not deliver climate neutrality by 2050 in a cost-efficient way.

→ Increase the RES target to **at least 45% renewable energy target**

→ Revise the methodology and cost assumptions of **the PRIMES modelling tool**



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Fit for 55 Package

- Ambitious revision and strengthening of Clean Energy Package Framework
- Sets the path towards 55% GHG reduction by 2030 and implements the EU climate neutrality law: notably through an updated 40% renewable energy target
- European Parliament and European Council positions expected to be finalised by mid 2022

The revamped Renewable Energy Directive is an opportunity to accelerate the deployment of renewables!

Ambition of European Commission's proposals on permitting, renewable hydrogen, and Power Purchase Agreements and Guarantees of Origin must be preserved.

More ambition is needed to:

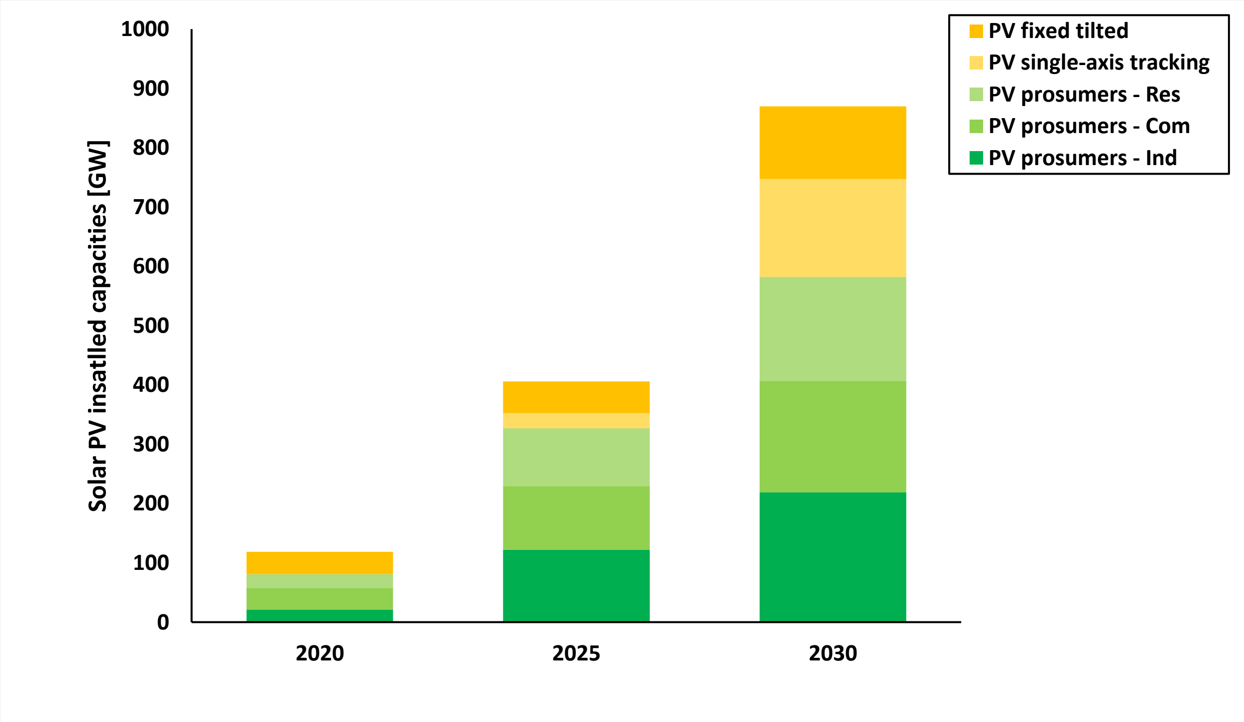
- Increase the EU's ambition on renewable energy to **at least 45% by 2030**
- Introduce a review clause on the permitting provisions while developing a **true strategy on implementation** of the current rules
- Facilitate the deployment of **corporate procurement of renewables** through an enabling framework and improved Guarantees of Origins

Commercial and Industrial renewable generation and storage are the key areas where additional action is needed.

Without an implementing framework for C&I, a higher renewable energy target will be meaningless

High potential for C&I is 407 GW by 2030 under a 45% renewable energy ambition, up from 93 GW installed by end of 2020

Reaching this potential will require a significant increase in deployment rates, exceeding 30 GW per year, up from 8 GW installed in 2020.



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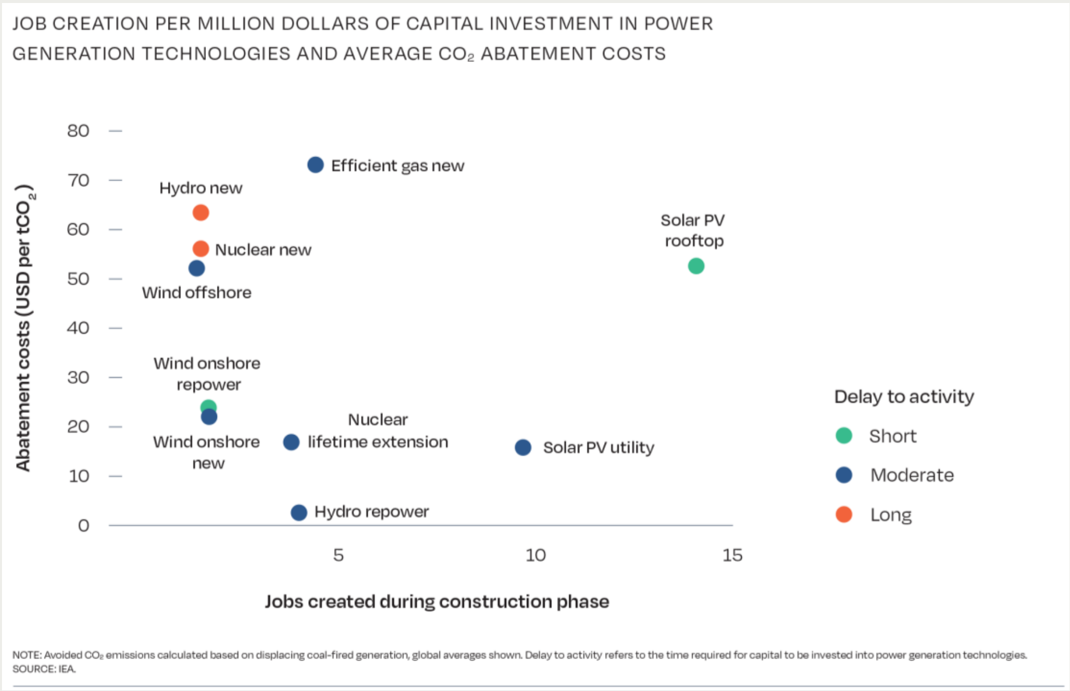
A 45% renewable target is also an EU industrial and job creation story

- Solar is the **most job-intensive energy and fastest job creator** of all energy technologies.
- **+ half a million direct and indirect jobs** by 2025 in the solar industry alone



Source: IEA (2020) Sustainable Recovery

- World leading **manufacturers** (polysilicon, equipment, inverters, trackers).
- **Several GW-scale cells and modules projects** under development in Europe.

European Solar Initiative

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