

## Solar energy policy brussels

Solar energy, in particular photovoltaics (PV), is currently the fastest growing renewable energy source in the EU. Last year, 56 GW of solar PV were installed in the EU, two thirds of it on rooftops, empowering consumers and protecting them from high electricity prices and reducing land use. The installations in 2022 and 2023 saved the equivalent of 15 billion cubic meters of Russian gas imports in total, mitigating the risk of disruption of gas supplies to the Union. In addition, the sector provides around 650 000 jobs, 90% of these on the deployment side, and is projected to increase until around 1 000 000 by 2030.

Achieving the 2030 EU target of at least 42.5% renewable energy by 2030, with an ambition to reach 45%, will require further acceleration in the deployment of renewable energy, including solar energy.

The bulk of the demand for solar modules in Europe is covered by imports from a single supplier, China, a concentration that creates short-term risks for the resilience of the value chain and long-term risks for price stability for solar panels due to dependencies on suppliers outside of Europe. Access to affordable solar modules from a diversity of sources as well as a resilient, sustainable and competitive European solar value chain are therefore necessary to achieve a deployment rate in line with the above targets while enhancing security of supply and mitigating the risk of supply chain disruptions.

However, the European solar module manufacturers have faced recently a particular challenge due to the combination of import dependency and a sharp drop in the prices of imported panels. In 2023, the solar photovoltaic sector in the EU and globally saw the prices of the panels plummet from circa 0.20 EUR/W to less than 0.12 EUR/W. This unsustainable situation is weakening the viability of existing European production and jeopardises planned investments for new manufacturing plants announced over the last 2 years. As a consequence, some European companies have either reduced their operations, announced that they would prioritise production in other international markets, in particular the U.S., or even announced their closure.

Over the last years, the EU has taken initiatives to strengthen its support to the European solar PV manufacturing sector, which includes several globally competitive companies in several steps of the value chain.

However, further urgent action is needed in the short term to address the crisis in the European manufacturing industry.

All relevant stakeholders - the Commission, the Member States and the companies active along the European solar PV value chain - should ensure that the green transition and the European industrial objectives go hand in hand, accelerating the deployment of renewables while at the same time enhancing the EU's security of supply by supporting the competitiveness of the sector and the jobs it creates in the EU.

To this end, the European Solar Charter sets out immediate actions to be taken by the Commission, EU Member States and the representatives of the solar PV value chain, in particular wholesale, distribution and manufacturing parts, to be implemented ensuring full compliance with EU competition law and state aid rules.

The undersigning Member States and solar industry representatives, respectively COMMIT to implementing as a matter of priority the following actions:

All signatories COMMIT to monitor future developments in the sector and contribute to a fair and competitive international environment in the solar sector.

One year following the signature of the Charter, the Commission will review the implementation of the adopted commitments.

Leaders of 23 EU member states and the European Commission have signed a Solar Charter pledging to step up financing opportunities, skills capacity and to address unfair competition in the bloc during an Energy Council.

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