



## Revision of the Communication on IPCEIs SolarPower Europe feedback to the Communication

The New Industrial Strategy for Europe sets the objective of redeveloping industrial activities rooted in the EU's innovation strengths and enabling the timely implementation of the European Green Deal. **Solar PV is at the core of this double objective: the rapid growth of the domestic solar market, the long-term reliance of our energy system on solar PV, the low carbon footprint of modules manufactured in Europe, the necessary transition to the next generation of PV technologies and the EU industrial leadership in those technologies offer excellent prospects for the redevelopment of manufacturing activities for PV in Europe.** The next generation of existing technologies, such as Heterojunction cells, as well as high efficiency solar innovations, such as Perovskite Photovoltaics, developed in Europe can be the instruments to meet these challenges.

Redeveloping solar manufacturing activities in Europe will require the creation of a value chain support strategy so that industrial projects reach sufficient scale to become sustainably competitive on the global solar PV market, in the long term. **This should be enabled through access to cost-competitive financing and to globally competitive operating costs such as land use or electricity, as well as policies to encourage value chain scale up and optimization. It will also require keeping investing into research and development in innovative solar technologies to preserve the European industry's technological leadership in solar technologies,** in a context when private and public investment in clean energy technologies R&I is decreasing (see the 2020 Clean Energy Competitiveness Report of the European Commission).

With this in mind, SolarPower Europe welcomes the draft proposal for a Communication on Important Projects of Common European Interests, which will make IPCEIs the central tool of EU's industrial policy. We would however like to share the following remarks:

- **The solar industry is fully committed to the development of pan-European industrial projects that benefit different member states across Europe.** Yet, the extended geographical scope, i.e the condition to involve four member states in an IPCEI, shouldn't become an obstacle to the development of new industrial projects. In practice, companies and research and innovation centres are very much localised in one country and the development of pan-European projects can be particularly challenging. This could also put at a competitive disadvantage companies or organisations that are in countries geographically isolated or that are not close to a border area. On the other hand, the European benefit of an industrial project does not necessarily lie in its geographical scope. Although a project may be located in one country or one region, it can benefit to the wider continent by contributing to the technological leadership of Europe or to its technological independence or by acting as a "lighthouse" project which could be the basis for future industrial opportunities. **We therefore recommend that the geographical scope criterion is not too strict but is instead interpreted as a guideline, or that the exemption justified by "the nature of the project" is not limited to infrastructure projects. Instead, the broader contribution of the project to the European Union industrial and decarbonisation ambitions should be considered.**
- **We would also welcome further clarification about the requirement for *significant co-financing from applicants*.** Such a requirement should not prevent the participation of SMEs or smaller companies with less financing capacities.
- We welcome the further definition of "first industrial deployment". However, **commercial activities included in this first industrial deployment stage should not be excluded from IPCEIs.** Such commercial activities, such as the sale of products, are normal activities part of first industrial deployment activities. They can even support the business case of the project and contribute to the reduction of public support needs.

In addition, we stress that IPCEIs should aim not only at first industrial deployment but also at establishing technologically leading industrial activities in the long term. Reaching mass production may however require timely additional support, to allow a fast scale-up of industrial capacities in line with the international industrial investment pace.



**Finally, we cannot stress more that time of the essence.** The IPCEI instrument will be successful only if it allows efficient and timely access to support and if it ensures stakeholders' trust in the process. SolarPower Europe looks forward to the issuance of an informal guidance by the European Commission on IPCEIs. In particular, we see the role of industrial alliances under the patronage of the European Commission as well as the Commissions Fora such as the Industrial Forum and the Clean Energy Industrial Forum as key to facilitate the creation of IPCEIs and the cooperation with partnering member states.