



SolarPower
Europe

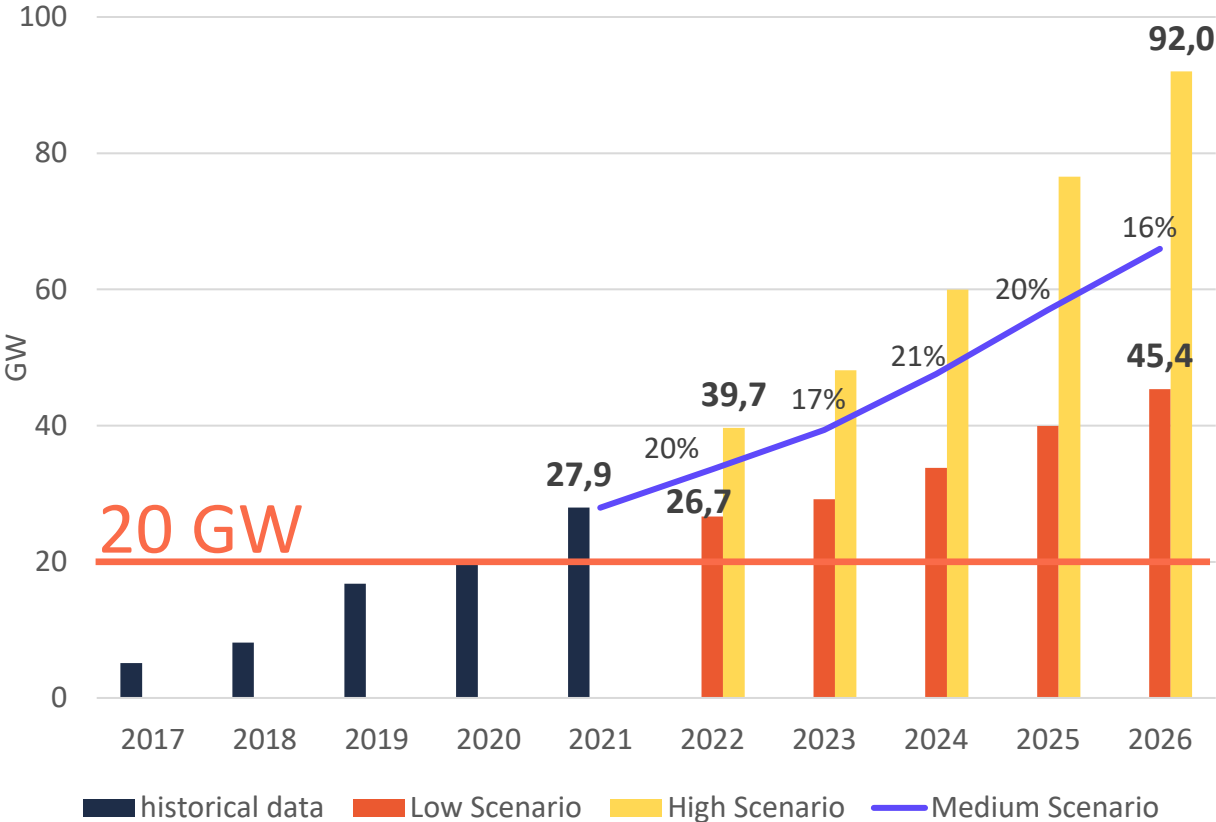
Solar PV and the Innovation Fund

Brussels, 28th June

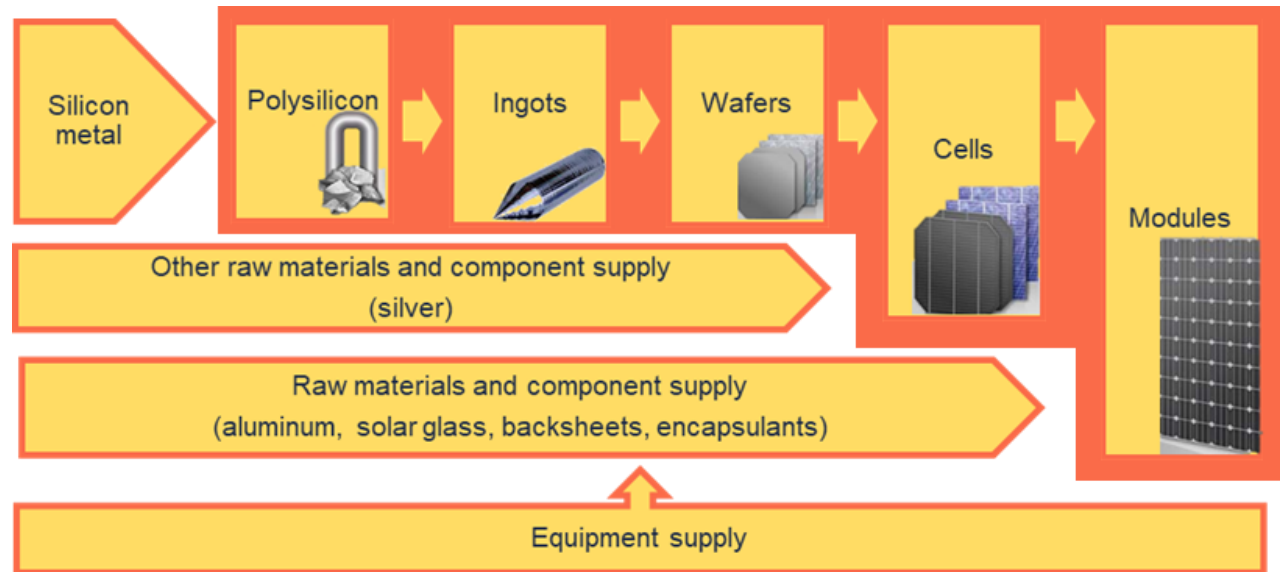
Naomi Chevillard, Head of Regulatory Affairs

A strategic PV manufacturing capacity in the EU

-  Strengthen the resilience of the value chain
-  Maintain EU technological leadership
-  Create economic added value and jobs in the EU
-  Increase the sustainability of solar products



We need to reinvest in the value chain



The Innovation Fund can leverage the €8 bio needed

Enel TANGO Project: PV Manufacturing (LSC)

- 3GW cells and modules capacity by 2023
- Over €100m EU Innovation Fund grant

ArcelorMittal Construction: Helexio Line BIPV (SSC)

- Demonstrating a ,ready-to-plug' roofing steel envelope
- €3.7m grant

The Innovation Fund is not at its full potential.

Barriers to entry remain, in particular for smaller sized companies and consortia.

- Complexity, lengths and burden of the administrative process for both the SCC and LSC
- High costs vs low success rate discouraging project developers
- Issues with understanding of certain criteria



What can we learn from global industrial policies?

USA – Back Better Act and the Solar Energy Manufacturing for America Act, adopted on 19th November 2021 by the House of Representatives and now on the table of the Senate
→ Tax credits for different manufacturing stages – USD 4ct/Wdc for cells and USD 7ct/Wdc for modules, decreasing over time

India – New Production Linked Incentive scheme (USD 610 mio), to reach 10 GW of domestic manufacturing capacity

- Tender for a subsidy (Rs/Wp) on the sale cost of the module, depending on the performance of the module (module efficiency and module's temperature coefficient of Pmax) - between 2.25 and 3.75 Rps/Wp.

→ Budget singled out for PV manufacturing
→ Contract for Difference / €/Wp types of schemes providing visibility

Proposals for the next Innovation Fund

Large-scale call

1. **Dedicated call / budget in the LSC** for RES / strategic clean techs manufacturing
→ **Contracts for Difference system** to bridge the gap between the innovative process manufacturing costs and the market manufacturing cost
2. Projects that could be competitive and profitable shouldn't be discouraged to apply
3. A bonus could be granted to projects integrated along the value chain.
4. Allow the fund to cover 100% of the cost gap of projects.
5. Ensure compatibility with other national and EU funding tools

Small-scale call

1. Lower the complexity of the call, for instance at the level of the third-party assessment
2. Reclaim of funding should take into account possible adaptations of the business plan of innovative projects, in particular for smaller companies self-funding their projects



Thank you for your attention.

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