

Flash report.

On 07 February 2018, Mr Juraj Nociar, Head of Cabinet of VP Šefčovič, met with James Watson (JW), CEO of SolarPower Europe. JW was accompanied by Dagmara Koska (DK), Member of the Cabinet of VP Šefčovič and [REDACTED], Blue Book Trainee at the Cabinet of VP Šefčovič.

The meeting was used by JW to present the findings of two recent studies underlining the position of SolarPower Europe in favour of removing tariff measures from modules and cells imported from China to the EU.

The COM stayed in a listening mode and stressed that it will keep the issue in mind when the decision about the prolongation of the measures will be made in September 2018.

Key issues raised:

- JW presented the association's view point on the current tariff measures. He stressed that since 2015 the association has opposed the measures due to their alleged detrimental effects when taking into consideration the entire value chain. Between 2013, the date of introduction, to 2015 the association did not express any viewpoint.
- JW presented the findings of a recently published study compiled by EY showing that over 40.000 new jobs could be created in 2019 if the tariff measures from modules and cells imported from China were not prolonged.
- JW stressed that this would be a significant number since the report also found that at today's rate of installation just over 80.000 people were employed in the sector. Hence, removing the measures could potentially increase jobs by 50%.
- Additionally, JW presented the results of the study "Residential Prosumers in the European Energy Union" that was carried out for DG Justice and Consumers, detailing the current regulatory regime in Europe impacting solar self-consumers in Europe today. The report also recommends the removal of trade measures, arguing that it would engender an uptake of rooftop solar by some 20-30% in comparison to the baseline scenario.
- With respect to the position of MS on the tariff measures, JW underlined, that it is difficult to tell since classical positions on tariff measures are eroding. However, Italy still is very much in favour, as is also Spain. The Northern countries have expressed concerns about a further prolonging.
- JW also highlighted the significant potential he sees in BIPV (building integrated PV), something that Europe should build on in order to regain some competitive advantage.
- JW also invited VP Šefčovič to the trade fair "Intersolar and Storage" taking place in Munich on 20-22 June 2018.



Maroš ŠEFČOVIČ

Vice-President of the European Commission

Miguel ARIAS CAÑETE

Commissioner for Climate Action and Energy

Brussels,
Ares(2016) **27 JUL. 2016**

Dear Dr Watson,

Thank you for your letter of 10 May 2016. The Commission indeed recognizes the positive momentum created by COP21 in the field of renewable energy. Such an achievement had been possible only through the joint effort of countries, international institutions and associations. We therefore take the opportunity to once again acknowledge your effective contribution to this success.

The Paris agreement confirmed the need for an ambitious post-2020 climate and energy framework, and perfectly echoed the 2014 call from President Juncker to make the EU "world number one" in renewables. This is about leading energy security, technologies, deployment, jobs and growth.

In order to reflect these ambitions, the Commission is currently preparing, inter alia, a revision of the renewable energy and energy efficiency frameworks, together with a new market design, which will aim at making the market fit for renewables. These initiatives will be supported by the necessary impact assessments, analyzing a range of policy options that can facilitate the energy transition required to meet our 2030 objectives. This would include, as relevant, the elaboration of scenarios with different levels of ambition in terms of energy efficiency and renewable energy and also reflect the call from the European Parliament to include an evaluation of the effect of going up to 40% energy efficiency and 30% renewables by 2030.

Yours sincerely,

Maroš ŠEFČOVIČ

Miguel ARIAS CAÑETE

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EUROPEAN COMMISSION
Directorate-General for Internal Market, Industry, Entrepreneurship and
SMEs

Industrial Transformation and Advanced Value Chains
Automotive and Mobility Industries

Mission report
Munich Fair 21.06.2018

Visit to the Intersolar Europe fair in Munich and participation at the "High Level Industrial Forum Solar, Storage and Digitalisation - the new European Industrial Revolution"

On 21 June, Commission Vice-President for the Energy Union Maroš Šefčovič attended "Intersolar Europe", the world's leading exhibition for the solar industry, as well as "Electrical Energy Storage Europe", Europe's largest exhibition for batteries and energy storage systems.

Mr. Šefčovič delivered the opening speech at the High Level Industrial Forum, outlining the European vision as well as joint actions that foster the clean energy transition and innovation. Vice-President Šefčovič highlighted the recent agreements – on the 32% renewable energy target and 32.5% energy efficiency target for the EU by 2030 – stressing their significance for industry, investors as well as a wider community committed to climate action. He also reiterated the Commission's commitment to create an innovative, sustainable battery ecosystem in Europe, already translated into first tangible results under the industry-led European Battery Alliance.

Mr. Šefčovič highlighted the key role of industry for EU competitiveness, growth and jobs and, in this respect, the importance of a strong industrial and trade policy. The EU industry is innovative and competitive and needs to showcase better its strengths.

The key note speech was followed by a tour of the exhibition (SunContract, Siemens, Fronius, ABB, KIC InnoEnergy) and a meeting lunch with key stakeholders from those companies.

Discussion:

- Participants welcomed the Energy Union packages and in particular the revision of the Renewable Energy Directive and Energy Efficiency Directive. Commission has put forward the relevant enabling framework for the renewable industries to develop and strive.
- Commission was congratulated also for the Battery Action Plan and the EU Battery Alliance. There is a need to support the supply of batteries in the EU not only for e-mobility but also for energy storage.
- On trade policy some participants asked for the antidumping measures on China solar panels to cease by September 2018.
- There were comments on the need to link the generation of renewable energies and smart grid management. Need to invest in smart and connected grids. The

revolution now will be on intelligent management of the grids, digitalisation, software, access and management of data, connected platforms, etc.

- Free and fair trade and IP protection were mentioned as key for industry to remain competitive

Meeting with BMW CEO [REDACTED]

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From: (CAB-ARIAS CAÑETE)
Sent: Saturday 26 November 2016 15:44
To: CAB ARIAS CAÑETE ARCHIVES
Cc: (CAB-ARIAS CAÑETE)
Subject: FW: Industrial Competitiveness Strategy Meeting
Attachments: An Industrial Competitiveness Strategy for Solar in Europe November 25.pdf

From: James Watson [<mailto:j.watson@solarpowereurope.org>]
Sent: Friday, November 25, 2016 10:53 AM
To: KOSKA Dagmara (CAB-SEFCOVIC); SZAPIRO Manuel (CAB-SEFCOVIC); SAGREDO FERNANDEZ Miguel Angel (CAB-ARIAS CAÑETE); ANDOURA Sami (EPSC); BERMIG Carsten (CAB-BIENKOWSKA); DONNELLY Marie (ENER); SCHMIDT Ivo (SG); ABREU MARQUES Paula (ENER); RAFFAELLI Fulvia (GROW)
Cc: Arnaud Chaperon (arnaud.chaperon@total.com); Alexandre Roesch
Subject: Industrial Competitiveness Strategy Meeting

Dear European Commission Colleagues

Thank you for the useful and engaging meeting last Thursday on our proposal for an industrial policy for solar in Europe. Following your feedback and comments we have substantially re-oriented the approach to be more in line with what we understand as your expectations. I attach a document which covers the ideas we discussed and provides specific actions and objectives that the strategy should address.

We are fully at your disposal to discuss this with you, and hope that you will support us and begin the process of implementing this work alongside the forthcoming legislative package.

Looking forward to your response.

Best wishes

James

Dr James Watson
Chief Executive Officer

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SolarPower Europe is a member-led association representing organisations active along the whole value chain. Our aim is to shape the regulatory environment and enhance business opportunities for solar power in Europe.



 Think of the environmental impact before printing this email.

Transparency Register Number : 2680046412-48

An Industrial Competitiveness Strategy for the Solar Value Chain in Europe

With the energy transition comes an industrial transformation. Some existing sectors are facing tremendous challenges and will require all the policy levers to ensure a socially just reconversion.¹ Other sectors hold new promises because of their inherent ability to provide concrete responses to new challenges.

The challenge facing Europe is how to benefit from these sectors and how to develop and scale up the technologies in these sectors. The digital revolution is also moving quickly into energy and will have a consequence on jobs in the sector, but will also bring new jobs with new skills and requirements. Developing an industrial competitiveness strategy addressing such clean tech sectors is an opportunity to benefit from this change, and for Europe to provide the right skills and training for its people to take advantage of the impending transformation of energy.

Addressing clean tech sectors in Europe now is essential from the perspective of jobs and growth. These are the sectors that must provide the new alternative employment and income for people across Europe, and it is therefore imperative that the European Commission acts now to coordinate the development of these industrial technology sectors in Europe. A strategy for clean technology industries should be urgently developed, to identify the means to scale up these sectors to deliver the low carbon economy in Europe. This strategy should be built on the sectors with great potential in Europe to deliver jobs and growth now.

A key element of this strategy should be the convening of a clean tech forum to bring the sectors together to enable the creation of the strategy. The first step of this process would be best served by focusing on a unique and yet established clean technology sector to lead the development of the strategy.

The solar value chain is a unique opportunity for Europe

The solar value chain is one of the sectors with huge promise for Europe, and does not follow the same logic as conventional energy sectors. It is not an extraction industry tied to specific regions, but rather a mass-market industry able to quickly benefit from scale effects. It is not offering only top down, centralised energy solutions, but also consumer to consumer business models where aggregated loads will play a key role in our energy system. It offers empowerment to consumers through self-consumption in a way that no other energy source can.² Solar power also uniquely interacts with buildings and can play a huge role in the decarbonisation of buildings, and can create positive energy buildings.³ Solar power does not rely on a finite and carbon intensive energy fuel, but harnesses a clean and abundant resource.

For all these reasons, solar power is a unique technology. It is scalable, renewable and will become ubiquitous. More importantly, it is an extremely flexible technology with already established bridges with the chemicals, steel, buildings, storage, demand management response, digitalisation and e-mobility sectors, which will lead to a much greater diversification of the solar value chain in the years to come.

¹ The EU Refining Forum is a good example of such an initiative

² In line with the contents of the European Commission's Guidance on Best Practices on Renewable Energy Self-consumption 2015

³ This is in line with the nearly-zero energy buildings concept in the Energy Performance of Buildings Directive 2010

Europe simply cannot afford to miss this opportunity. The solar value chain is a means to achieve all the Energy Union's objectives, from innovation to consumer empowerment, from security of supply to decarbonisation.

What should this industrial competitiveness strategy achieve?

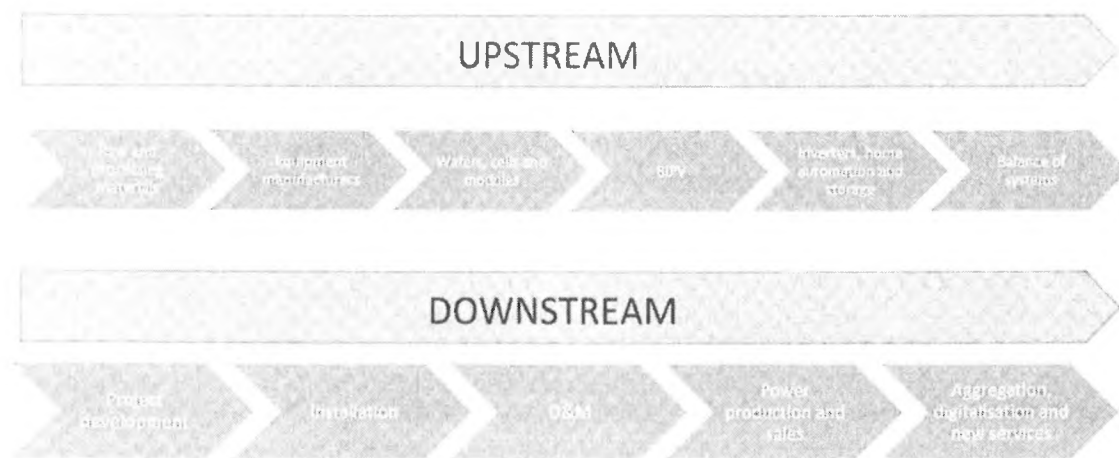
We believe that the industrial competitiveness strategy should have at its heart the objective of the EU *taking the global leadership on the existing and next generation of solar technologies and services*.

This leadership should translate into the following objectives:

1. The European solar industry is a key facilitator of a socially just energy transition by supporting 300,000 direct and indirect jobs by 2030, from around 120,000 today
2. That we reach 350GW of installed solar by 2030 with 75% from decentralised sources
3. That solar contributes 15% to electricity demand by 2030
4. R&D&I is adequately supported over the coming decade, across the value chain, especially in segments where Europe is currently a front-runner
5. European-based technology and service providers are present in all emerging markets and provide a substantial share of the European market
6. Ensure that at least 70% of the overall solar value chain remains in Europe

To achieve these objectives, we believe the starting point should be an honest assessment of the segments where Europe is front-running, but also of these segments where the international competition is well-established and successful. The figure below is a first attempt to capture these dynamics.

Figure 1. The value chain of solar PV and the European potential for global leadership



[illegible]

Several European initiatives have been launched which can usefully contribute to create a strong solar industrial basis in Europe, from the recently concluded Key Enabling Technologies work to the SET-Plan. But they were disparate and always focused on only one segment of the value chain. None have offered a framework for building an industrial competitiveness strategy in a consistent and coherent manner for the entire European solar value chain as described above.

Existing initiatives have focused on specific segments within the value chain of solar in Europe, rather than taking a comprehensive view of how the value chain interacts and how economies of scale can be built through improved interaction in and between each segment. The purpose of this proposed initiative is to drive forward a coherent policy and drive a political commitment to developing the solar industrial segments in Europe. Equally as important, this initiative will prepare the ground for capturing the value and job creation potential of the next generation of solar technologies, which will be deeply intertwined with storage and digital technologies.

The concrete actions recommended for making Europe the world number one on solar

Action 1: identify how synergies can be created throughout the value chain by developing a concrete and actionable strategy for the competitiveness of the solar value chain. We need to ensure consistency and avoid that some policy initiatives which may temporarily benefit one segment of the value chain put at risk other parts of the value chain in the medium term. Additionally, and to keep pace with the fast-developing environment in the energy sector, regular reality checks with neighbouring sectors need to happen. This strategy should be delivered by the end of 2017. Within the strategy specific tasks will need to be undertaken to ensure an update evidence base to work from, including: an employment and GVA study to update the figures from 2014, and production surveys such as the SolarPower Europe modules and cells market report but also for other segments in the value chain.

Action 2: provide a solid basis for a reality check via the creation a Solar Industrial Competitiveness Forum for Europe. To make sure that we have the knowledge of each of the segments challenges, we need to understand what each segment needs and bring all the parties together to agree what are the right tools and measures to grow the solar value chain and thus employment in Europe. Doing this requires the industry and the European Commission to discuss the current state of play and identify the challenges and possibilities for overcoming them. The first Forum should be established in Q2 2017 during the European Sustainable Energy Week, to showcase the potential of the solar value chain to Europe and the commitment of the European Commission.

As a first step, we would propose the following list of issues that could be included in the industrial competitiveness strategy, it is non-exhaustive:

- **Jobs, skills and growth**, an assessment should be made of the most likely segments to grow and means found to drive the growth of such segments through to be agreed upon initiatives, such as targeted segmental policies.
- **Renewable energy framework**, ensuring a strong market is a pre-requisite for a strong industry. Specific regulatory barriers but also best practices will be discussed.
- **Eco-design and Ecolabel initiatives** relating to solar PV systems – input and feedback to the process can be easily gathered from the industrial sectors in Europe.
- **Trade policy** can be discussed so that its implementation supports European companies access resources that are needed and promotes European products in third markets.

- **Improved access to investment funds** for European-based companies – joint ventures, venture capital and public/private finance instruments. This can be tied in with initiatives such as €315 billion Juncker Plan and the S3 Platform and would look to create opportunities under the newly created Mission Innovation.
- **Development policy**, whereby solar can provide concrete, clean and cheap power solutions for supporting the economic development of developing countries. Specific support to the European Commission in its bilateral energy or free trade negotiations with developing countries would be provided to identify opportunities.
- **Ensuring that State Aid** rules are consistent with the promotion of solar and recognise the specificity of the technology. This should protect the status granted to KETs.
- **Research and demonstration needs**, to leverage the work done in the context of the SET-Plan and other forums. The strategy must also include the input of all the leading research institutions as they are also leaders in solar globally e.g. Fraunhofer ISE, INES, ECN, IMEC.

The conclusions of the annual Forum could then feed into the yearly State of the Energy Union assessment.

Action 3: prioritize actions and implement this industrial strategy as a key enabler for the achievement of our 2030 energy and climate targets. Given the new 2030 governance currently under discussion, the industrial aspects of the energy transition should be fully planned and monitored over time. This strategy would help identify the potential for job creation and reconversion.

Annex – Format of the Forum

This forum should bring together at the highest level of representation all the segments of the value chain that are vital to building a healthy and strong industrial competitiveness strategy for the solar value chain in Europe, and their counterparts in the European Commission.

The leading research institutes should be engaged in this strategy and therefore should have a seat at the table to inform the discussions of the latest breakthrough technologies expected in the solar sector. In this respect Fraunhofer ISE, IMEC, ECN and INES could be invited.

We would also recommend that to fully engage society both trade union and consumer representation (BEUC) should be present in the Forum to help shape its outcomes and actions, with a focus on the skills and training that will be needed for Europe to truly benefit from the energy transition.

Given the importance of national decisions in the shaping of an industrial policy for solar, Member States should be involved.

Finally, we would propose that each segment of the value chain works through a taskforce to bring forward very specific proposals relating to their challenges and opportunities in Europe. SolarPower Europe as the coordinator will channel these taskforces and work with the European Commission DGs of relevance to ensure that a set of policy recommendations is created that reflects the needs of the entire value chain.