

SolarPower Europe	
<b>Stakeholder type</b>	Industry association – European scope
<b>Organization size</b>	Small (10 to 49 employees)
<b>Country of origin</b>	Belgium
<b>Main activities</b>	Promoting the solar industry in Europe
<b>Date of the meeting</b>	14/06/2021
<b>Attendees COMP</b>	Anne Funch JENSEN, [REDACTED]
<b>Attendees other side</b>	[REDACTED]

SolarPower Europe is in general quite satisfied with the proposed CEEAG. The main concerns expressed regard:

### 1. Competitive bidding requirement above 400kW capacity

- SolarPower Europe expressed concerns over the requirement for competitive bidding processes for installations above 400kW capacity. In particular, in the case of rooftop PV the costs to participate in a bidding process can be very high and, thus, lead to undersubscription of the tenders. This is because rooftop PV are generally installed by companies whose main business is not related to energy and, therefore, price is not the only driver of investment decisions (e.g. they wish to spend more on materials of EU origin so that they can market this to their customers). Moreover, SolarPower Europe explained that with such a low threshold for competitive bidding, it is likely that bigger operators (e.g. supermarket chains) decide to install rooftop PV only for part of their total rooftop capacity, resulting in suboptimal solutions. Finally, SolarPower Europe highlighted that market-based mechanisms like feed-in-premiums have shown a decrease in the support required over time, therefore, it is not clear how a lack of competitive bidding procedures would necessarily lead to overcompensation.
- COMP explained that rooftop PV could also be assessed under the section on energy performance in buildings, where a competitive bidding procedure is not always required to award aid. Moreover, COMP clarified that the decarbonisation section of the CEEAG provides flexibility for exemptions from competitive bidding. COMP explained that it considered participating in a tender to be no more complicated than facing balancing responsibility, which is already required by the sectoral legislation for installation exceeding 400kW. COMP said that its assumption was that regardless of the subsidy allocation method (tender or administrative) a 400kW project would have to make a business plan to determine the subsidy required to make the project attractive. The only additional step for a tender appeared to be submitting the required subsidy level. COMP said if there were costs related to pre-qualification – e.g. needing to pay for additional planning costs – then perhaps indicating that these requirements could be loosened for smaller projects might present a better option than exempting them from tenders. COMP remarked that the current draft is under consultation and that SolarPower Europe is invited to provide comments on the text and to present additional evidence

on the specific extra costs/burden that companies face to participate in competitive bidding procedures.

## **2. Energy Storage**

- SolarPower Europe highlighted how the proposed CEEAG does not consider electricity stored and re-injected in the grid as energy from renewable sources. SolarPower Europe suggested the same issue would arise for electrolyzers.
- COMP clarified that the definition of energy from renewable sources is the same that was included in the existing 2014 guidelines. The rationale behind it is that, unless strict controls are implemented other than using the meter measuring the output from a RES generation installation, it is not straightforward to know whether the electricity stored from the grid is renewable. Therefore, this definition was adopted to prevent support for “grey” electricity. In addition, COMP explained that under the CEEAG support for energy storage will not be limited to storage built as a part of a renewable energy project. In fact, under the section on decarbonisation, support for storage may be possible as long as a reduction in emissions as a result can be proved and the projects are cost effective. COMP agreed the issue was similar for electrolyzers and pointed to the SDE++ decision as an example of the strict approach we consider appropriate for ensuring that subsidies are for low carbon activities that reduce and do not create pollution. COMP said that we are waiting for the delegated acts under the Renewables Directive which will define renewable hydrogen and may provide relevant lessons for storage.
- SolarPower Europe said that the proposed definition risked making combined PV and storage investments unattractive.
- COMP said that a combined PV and storage project could receive support for 100% of the output of the PV, and that the storage investment would allow it to access revenues from ancillary services and arbitrage, as well as reducing its hedging/balancing costs so it was not clear that there was a market failure for such an investment.
- SolarPower Europe emphasized that being able to identify the electricity released from storage is important for marketing the electricity from hybrid installations, and promised to come back to COMP with additional information proving that it is indeed possible to trace the type of electricity contained in a storage installation.