

Federal Minister for Climate Action, Environment, Energy, Mobility, Innovation and Technology Leonore Gewessler

Date: May 6, 2024

INVITATION FOR AN EARLY IMPLEMENTATION OF THE PROVISIONS OF THE NET-ZERO INDUSTRY ACT IN NATIONAL PUBLIC PROCUREMENTS, AUCTIONS AND OTHER FORMS OF PUBLIC INTERVENTION

The European Solar Manufacturing Council (ESMC) represents the European solar photovoltaics (PV) manufacturing industry (almost 80 companies). ESMC is kindly proposing for Austria as a follow-up action of the signature of the <u>European Solar Charter</u> to join a coalition of Member States for putting in place quantitative commitments to off-take resilient and sustainable European produced PV modules in projects via public procurements, auctions and other forms of public intervention.

On 15th April the European Solar Charter was signed in Brussels. Through the Charter, Austria, together with other 22 EU Member States, committed to promote resilient supply of high-quality sustainable solar PV products in Europe. This is to be made through, among other things, a rapid and early implementation of the relevant Net-Zero Industry Act (NZIA) provisions by applying ambitious resilience, sustainability, responsible business conduct and other non-price criteria in public procurements, renewable energy auctions or other relevant support schemes. By this letter, we are suggesting Austria to commit, together with other EU Member States — in line with the provisions of NZIA — to quantitative targets for PV module off-take during 2024–2026 as a first step to implement the general commitments expressed in European Solar Charter.

On 25th April the European Parliament adopted the NZIA, based on the interinstitutional agreement reached on 6th February. The Council adoption of the NZIA is expected in May with entry into force in June. Although the NZIA obliges EU Member States to implement non-price criteria during the next 18 months, we would like to encourage Austria to advance the implementation of the NZIA and sign the enclosed draft Declaration to promote resilient supply of high-quality sustainable PV products. We share the view that the NZIA Implementing Act, foreseen to be adopted by the European Commission, would be important for the application of non-price criteria, but even without Implementing Act the Member States could take all the necessary actions on a national level to make early implementation of NZIA provisions for the benefit of suffering European net-zero industries, including solar PV.

As you are aware, the European PV manufacturing industry is in crisis now – concrete actions to support the industry are necessary without delay. During the last 6 months, the operational PV module manufacturing capacities in the EU shrunk by 1/3 from 6 GW to 4 GW due to insolvencies, bankruptcies, and closures as the unsustainable prices of imported Asian PV modules sold below global manufacturing costs forces EU producers to close their facilities. Representing the EU PV manufacturing industry, we are strongly requesting you to implement the provisions of NZIA without delay, as this would to some extent level the playing field and bridge the gap between the current critical situation for the EU PV module manufacturers and the long-term vision of the NZIA. We count on your support in this critical situation and look forward to your consent to sign the Declaration encompassing quantitative commitments for the resilient and sustainable EU PV modules and products.

ENCLOSURE: ESMC proposed Draft Declaration to promote resilient supply of high-quality sustainable PV products.

On behalf of the European Solar Manufacturing Council,

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Co-Chair Carsten Rohr

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Secretary General Johan Lindahl

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DECLARATION TO PROMOTE RESILIENT SUPPLY OF HIGH-QUALITY SUSTAINABLE PV PRODUCTS (DRAFT)

Acknowledging the high priority of the European Greal Deal targets to be achieved via Net-Zero Industry Act (NZIA) as part of Industrial Deal, while promoting open strategic autonomy and ensuring the competitiveness of the European industry;

Understanding the pivotal challenges experienced by the EU PV manufacturing industry in 2023, still persisting in 2024, due to unsustainable prices of imported PV modules from Asia that are sold below global manufacturing costs;

Emphasizing a strategic importance for the EU to develop and pursue its own net-zero industrial technologies and support the implementation of the Green Deal targets with European net-zero technologies production, including solar PV;

Welcoming the European Solar Charter (ESC), signed on 15th April in Brussels, with a decisive commitment to promote resilient supply of high-quality sustainable solar PV products in Europe — including through rapid early implementation of the relevant NZIA provisions through the application of ambitious resilience, sustainability, responsible business conduct and other non-price criteria in public procurements, renewable energy auctions or other relevant support schemes;

Acknowledging the critical need for the EU PV industry to have a clear provision on how the NZIA and ESC will be transferred to concrete deliverables;

We, the undersigned EU Member States, are committing to promote resilient supply of high-quality sustainable PV products to be deployed in solar PV projects though public procurements, auctions and other forms of public interventions. We commit to make our best efforts to implement the following undertakings:

- To ensure off-take of at least 7% of the market share of resilient and sustainable EU PV modules in statewide PV projects to be deployed in 2024;
- To ensure off-take of at least 10% of market share of resilient and sustainable EU PV modules in state-wide PV projects to be deployed in 2025;
- To ensure off-take of at least 15% of market share of resilient and sustainable EU PV modules in state-wide PV projects to be deployed in 2026;
- To apply resilience, sustainability, responsible business conduct and other associated non-price criteria for the whole value chain as soon as possible in public procurements, renewable energy auctions and via other forms of public intervention to ensure the implementation of above-mentioned off-take commitments;
- To investigate the possibilities for an early implementation of the Forced Labour Regulation to protect the EU solar PV market from PV modules produced with forced labour in any part of the value chain;
- To take all necessary coordination and collaboration actions with national public procurements institutions and bodies responsible for organizing renewable energy auctions to implement NZIA provisions as early and as widely as possible;
- To cooperate with each other and with the European Commission while sharing and implementing the best practice on early implementation of NZIA provisions;
- To make all the necessary efforts in ensuring appropriate commitments of the potential state-wide off-takers of PV modules, in line with legal and administrative competences of the Member States;
- To investigate the possibilities to support PV manufacturing industry using Temporary Crisis and Transition Framework (TCTF) provisions by 31 December 2025, as stipulated in the TCTF;
- To promote innovative forms of solar PV deployment, such as building-integrated PV, infrastructureintegrated PV, agri-PV, floating PV and vehicle-integrated PV including through the adoption of public support schemes or the creation of specific public support schemes and elaborating EU support frameworks for that by defining concrete deployment and manufacturing targets.

We, the undersigned EU Member States, are supporting the efforts of the EU PV manufacturing industry to promote resilient, sustainable PV production while ensuring successful implementation of green transition targets and committing to use existing and create new forms to ensure level playing field for the EU PV manufacturing industry.

