

Executive Vice-President Maroš Šefčovič
European Commission

Brussels, 12 September 2024

CC:

Commissioner Kadri Simson
Chair and vice-chairs of European Parliament ITRE
Committee
Ambassadors of Member States to the European Union

**Solar sector recommendations for energy
auctions under the EU Net-Zero Industry Act**

Dear Executive Vice-President,

We, the representatives of the solar PV sector on the European and national level, write to draw your attention to the current implementation of the Net-Zero Industry Act (NZIA) on renewable energy auctions. This applies to the segment of at least 30% of the volume auctioned per year per Member State or alternatively to at least 6 GW per year per Member State.

The Net-Zero Industry Act, a crucial piece of legislation aimed at bolstering the EU's Clean Industrial Deal has successfully been published in June 2024. It sets the goal to reach at least 30 GW of operational solar PV manufacturing capacity by 2030 across the full PV value chain. This act is designed to ensure that the EU remains at the forefront of clean technology manufacturing and deployment, ultimately contributing to the bloc's ambitious climate targets and to reshore solar manufacturing to Europe.

With the legislative framework now established, the focus shifts from negotiation to implementation at the Member State level. This transition is critical, as the success of the Net-Zero Industry Act hinges on effective and coordinated action across all EU Member States.

For the solar PV sector, SolarPower Europe had published its position¹ on what non-price criteria could be used under the Net-Zero Industry Act's rules in a segment of renewable energy auctions in the Implementing Act and on the Member State level.

The Implementing Act of the NZIA is currently being drafted, and will set the details of how resilience and sustainability criteria will be applied in public auctions. **For EU Member States to successfully implement the NZIA rules and for the solar manufacturing sector to succeed at growing again, we ask the European Commission to ensure that the Implementing Act contains the following elements:**

1. The implementation of the Net-Zero Industry Act must develop a solar PV value chain in Europe without impacting deployment

SolarPower Europe supports the goals of the Net-Zero Industry Act and is proposing criteria to lower the EU dependency on net-zero technologies like solar PV, whose supply chains are currently heavily concentrated to a single source of supply outside of the EU. Any disruptions in the international trade could ripple through the global PV market.²

The implementation of the Net-Zero Industry Act should in no case become a barrier to the development of solar PV. It would be a great contradiction if a regulation that seeks zero emissions in the industry delayed achieving this objective.

2. Clear guidance to the EU Member States

The Implementing Act must provide a clear guidance to the EU Member States on how to implement non-price criteria for the solar PV sector. Non-price criteria only work if they are technology-specific. It is not possible to apply the same criteria and metric to all net-zero technologies. For example, the wind and solar sector agree that their supply chains are very different, and should be treated accordingly.³

¹ [Recommendations on NZIA's Implementing Act on Renewable Auctions - SolarPower Europe](#)

² [Surging investment in manufacturing of clean energy technologies is supporting economic growth - News - IEA](#)

³ [Time for a technology-specific approach – Joint Statement SolarPower Europe and Wind Europe](#)

It is also generally advisable to take a quality over quantity approach: employ as few, but as effective, non-price criteria as possible in order to reduce unnecessary bureaucratic burdens and minimise additional administrative costs for companies and especially small and medium-sized enterprises.

To allow for a fair competition between participants, it is crucial to design criteria that are clear, transparently calculated based on public and objective methodology, while reducing the administrative burden for auction participants as much as possible. Also, the recent set of guidance notes of the EU Commission to support renewables' roll-out made clear that renewable energy auctions must be well designed, harmonised and efficient in line with the Net-Zero Industry Act. Experience from recent years across the EU tell us that auctions that are not clear or well-designed end up undersubscribed.⁴

Public auctions are an important route-to-market for solar deployment today and in the future, but also an important feature to create demand and diversification for European manufacturing. SolarPower Europe estimates public auctions accounted for around 20% of new PV installations in 2023 and this is projected to grow in the next years.⁵

3. Importance of resilience and sustainability as award criteria

Non-price criteria should only apply to a part of the auction market as is outlined in Article 26. For solar, we recommend a share corresponding to volumes of around 5GW in 2026 and 30GW in 2030 across EU, in line with the Net-Zero Industry Act goal. Such approach creates a clear space for specific “solar resilience auctions”, giving much needed offtake visibility for European solar products while avoiding complexifying the rest of the auction market. Non-price criteria on sustainability and resilience must be applied as award criteria, ensuring better performers are rewarded for their efforts. We strongly advise against applying sustainability and resilience as pre-qualification criteria, if we are to avoid scarcity of products and undersubscribed tenders.

The signatories to this letter are grateful for your consideration of the above points and stand ready to discuss this important topic with you as soon as possible.

Yours sincerely,



National Associations from AT, BE, BG, CZ, DE, DK, ES, HR, IE, IT, LT, LV, NL, PL, PT, RO, SI.

⁴ [Recommendations on the design of renewable auctions – SolarPower Europe](#)

⁵ [Recommendations on the design of renewable auctions – SolarPower Europe](#)