

PVthin: Feedback on the Review of the EU Renewable Energy Directive

PVthin welcomes this opportunity to provide feedback on the European Commission's proposal to review the Renewable Energy Directive (RED III).

PVthin supports the direction set by the Fit for 55 Package and encourages EU Member States and the European Parliament to work further to increase the uptake of solar PV. The RED III review proposes a number of changes that will have a significant impact on our sector. These include an increase in the share of renewable energy in the EU mix to 40% by 2030 and a requirement for Member States to establish national frameworks governing support schemes for renewables and measures to facilitate Power Purchase Agreements (PPAs).

RED III will undoubtedly lead to more solar PV installations across the EU. As the rollout of renewable energy infrastructure increases in pace, it will be important to account for the environmental impacts arising from the production of its key enabling technologies. The solar PV market illustrates this well: Thin-film PV modules carry less than half the carbon footprint (300 vs 785 gCO₂eq / Wp) and a water footprint three times lower (7 vs 22 litres / Wp) compared to average modules.

State-run auctions remain an important source of demand for new PV installations the EU. Whereas the overall goal of these auctions is to ensure the cost-effective deployment of PV and other renewables, they also offer an opportunity to drive the market towards the most sustainable technologies. In looking to strengthen national frameworks for renewable support schemes and PPAs – Articles 1(2c) 1(5a) and 15(c) – RED III should also require basic sustainability and social criteria to be included for renewable energy technologies, complementing the EU's ambitions under the Circular Economy Action Plan, the Ecodesign Directive, Sustainable Products Initiative, and the Sustainable Corporate Governance Initiative.

The European Commission is currently developing a number of measures aimed at setting sustainability requirements for renewable energy technologies, including requirements for solar PV modules and inverters under the Ecodesign Directive and the Energy Labelling Regulation. Member State frameworks for support schemes and PPAs can play an important role in valorising the most environmentally virtuous technologies, as defined by these requirements, and thereby promote a level playing field across the EU. Some Member States already include sustainability selection criteria in their support schemes for renewables. This is the case in France, where solar auctions managed by the Commission de Régulation de l'Énergie allocate points for the 'low embedded carbon' of PV system equipment.

By including, for example, a carbon footprint criterion in support schemes, EU Member States have the opportunity to prioritise technologies that are produced sustainably. This would be in line with ongoing work by the Commission to develop Ecodesign requirements for PV, including on carbon footprint. Oversight measures to prevent forced labour and human rights abuses must also be integrated, ensuring that renewable energy technologies contribute to a fair and just transition.

This approach would be in line with the latest draft Commission Guidelines on State Aid for Climate, Environmental Protection and Energy, which envisions the inclusion of non-price selection criteria (for

instance additional environmental, technological, or social criteria) in competitive bidding processes provided these are not weighed more than 25% in the tender grading system.

PVthin looks forward to working with its partners in the solar value chain to support the upcoming legislative negotiations between the European Parliament and Council.