

PRESS RELEASE

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The European Solar Photovoltaic Industry is ready to co-finance 1,235 million euro in R&D in order to achieve competitiveness in all its market segments

The Solar Europe Industry Initiative (SEII) that will be launched on Thursday in Madrid during the European SET Plan Conference will contribute to achieving 12% Solar Photovoltaic (PV) supply of the EU electricity demand by 2020.

The European Photovoltaic Industry Association (EPIA), the world's largest photovoltaic industry association together with the European Photovoltaic Technology Platform will present during the SET Plan Conference on 3 June in Madrid, in the framework of the Spanish EU Presidency, the Solar PV Industry Initiative. The implementation Plan 2010-2012 announces that during the coming three-year-period up to 1.2 billion euro on Research and Development (R&D) needs to be invested for optimising production aiming at cost reduction as well as improving the interface between the electricity grid and the PV systems. These are the first steps in the path to achieve in this decade competitiveness with retail electricity prices for residential and commercial sectors and in locations with high irradiation even competitiveness with conventional fossil fuels for industrial applications. The investment should reach an exact amount of 1,235 million euro of which almost 60% will be provided by the private sector whereas the remaining amount needs to be balanced out by the European Commission and EU Member States.

Since last year, EPIA and the Photovoltaic Technology Platform have worked jointly with the European Commission and Member States representatives on the initiative. As a result of this intense work, sixteen Member States have expressed their commitment to support the PV part of the SEII and have identified three common areas of high priority in the short term: advance manufacturing processes for all PV technologies, aiming at reducing costs and improving output; develop Building Integrated PV (BIPV) products and applications for the easier and lower cost building integration; and the demonstration of concentrator PV technology in the field. Additionally, it was agreed that in the longer term, topics as materials (including organic solar cells) and smart module development for easier network integration will be the focus area.

If the EU wants to maintain the European technology leadership on Photovoltaics, EPIA encourages the European Commission and Member States to urgently execute the SEII Implementation plan by putting in place effective financial mechanisms as well as increasing significantly public budgets for R&D. While the SET Plan is being discussed for more than 3 years now, other governments in Asia and USA are continuing their public R&D support to their industries, which is directly translated into lower manufacturing costs.

However, R&D is not the only ingredient; increasing production capacity is as important as R&D for achieving economies of scale and therefore public support (in the form of feed-in-tariffs) is still necessary for assuring a stable market growth.

"R&D is not sufficient alone and has no impact on competitiveness if it is not accompanied by an increase in volumes and market development. The 40% price decrease in 2009 and 50% in the last two years confirm that political support is still needed to reach economies of scale by increasing production" mentioned Virgilio Navarro, Vice President of EPIA and CEO of ATERSA.

The abovementioned measures need to be accompanied by an improvement of the market access regulation, a reinforcement of the distribution networks and an increase of the transmission capacity.

EPIA and the EU PV Technology Platform therefore welcome the efforts of the European Commission and Member States to intensify and coordinate at EU level all efforts on R&D activities and encourage maintaining all the existing supports for market growth in order to permit Photovoltaics to become competitive in the short term.

Note to editors

With over 200 Members drawn from across the entire solar PV sector, the European Photovoltaic Industry Association is the world's largest photovoltaic industry association and represents about 95% of the European photovoltaic industry. EPIA members are present throughout the whole value-chain: from silicon, cells and module production to systems development and PV electricity generation as well as marketing and sales. EPIA's mission is to deliver a distinct and valuable service driven from the strength of a single photovoltaic voice.

The Photovoltaic Technology Platform is an initiative which aims at mobilising all the actors sharing a long-term European vision for photovoltaic. The Platform is an independent and objective body which aims to be the recognised point of reference for key decision and policy makers. The Platform's Mission is to develop a strategy and corresponding implementation plan for education, research & technology development, innovation and market deployment of photovoltaic solar energy, to realise its Vision.

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