

**Intersolar Europe
Intersolar Europe Conference
Munich, May 10–13, 2022**

TREND PAPER FOR INTERSOLAR EUROPE: EU MARKET OUTLOOK FOR SOLAR POWER 2021-2025

Munich/Pforzheim, February 2022: Despite challenging market conditions, such as global supply chain disruptions and the ongoing Covid-19 pandemic, photovoltaics is booming in Europe. Almost 26 gigawatts (GW) of new PV capacity were connected to the grid in the EU in 2021, which equates to a record growth of 34 percent. The EU Market Outlook for Solar Power 2021–2025, which was recently published by European industry association, SolarPower Europe, forecasts that the amount of installed solar capacity will double over the next four years, reaching over 326 GW by 2025. Despite this, even more ambitious goals are required to meet the climate objectives set out in the Paris Agreement. Steps must also be taken to transform PV production and the solar supply chain in Europe.

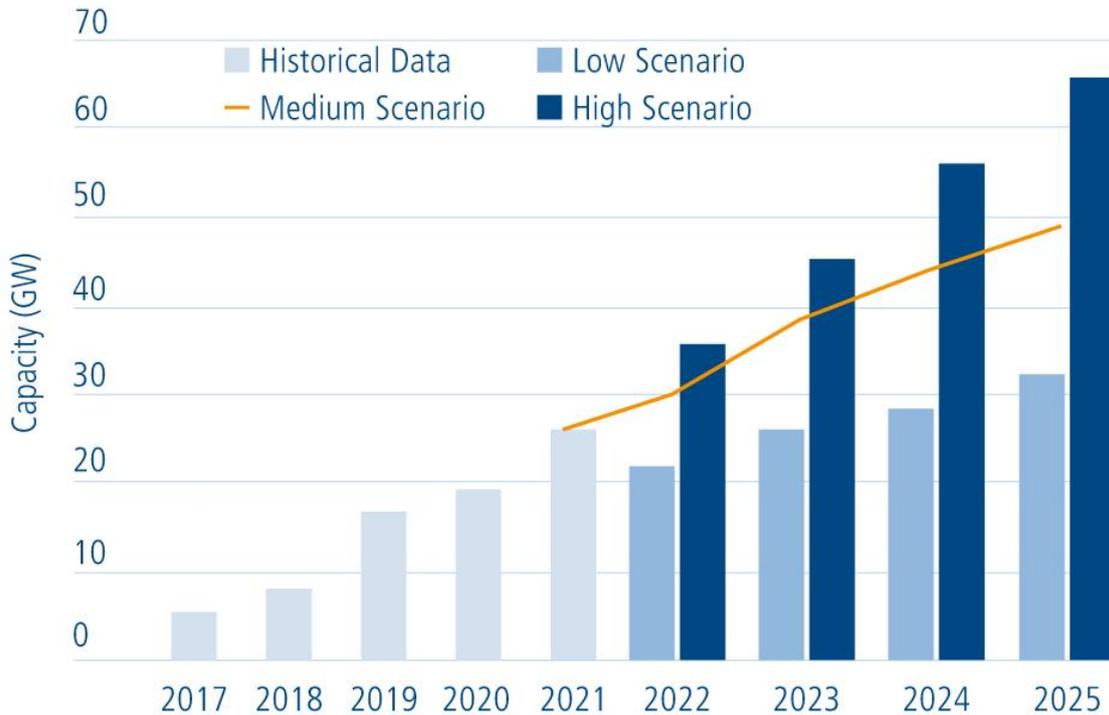
In 2021, in 25 of the 27 EU member states, the growth in PV capacity exceeded that of the previous year. In total, around 25.9 GW of new solar capacity were installed in 2021 compared with 19.3 GW in 2020. This growth marks 2021 as the best year in European solar history and breaks the decade-long record of 21.4 GW of photovoltaics installed in the EU in 2011. As explained by Michael Schmela, Executive Advisor and Head of Market Intelligence at SolarPower Europe, during a webinar held by the association to present the EU Market Outlook 2021-2025, one of the key drivers behind this growth was the sharp increase in the market price of electricity coupled with the ongoing drop in the levelized cost of solar energy (despite higher module costs).

Germany is the largest PV market in the EU

As in 2020, Germany was the largest PV market in the EU in 2021, having installed 5.3 GW of new capacity (4.9 GW in 2020). It was once again followed by Spain with 3.8 GW (3.5 GW in 2020) and the Netherlands with 3.3 GW (2.9 GW in 2020). Poland maintained its fourth-place position with 3.2 GW (2.5 GW in 2020) and France still ranked fifth with 2.5 GW (0.8 GW in 2020). Greece was the EU's six largest PV market with 1.6 GW (0.5 GW in 2020), while the seventh spot was taken by newcomer Denmark with 1.2 GW (0.2 GW in 2020). Denmark was followed by Hungary in eighth with 0.8 GW (0.7 GW in 2020), Italy in ninth with 0.8 GW (0.6 GW in 2020) and newcomer Sweden in tenth with 0.7 GW (0.4 GW in 2020). Belgium and Portugal were no longer among the top ten EU solar markets in 2021. In terms of installations per capita, the Netherlands (765 watts of PV capacity installed per inhabitant) overtook the much more populous Germany (715 watts per inhabitant) in 2021. Belgium followed in third place with a much lower figure of 596 watts per capita.

In total, the amount of solar power capacity installed in the EU grew by 19 percent from 139 GW in 2020 to 164.9 GW in 2021. With 59.9 GW and 22 GW respectively, Germany and Italy account for almost half of this.

Annual Installed Solar Power Capacity in Europe



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Source: SolarPower Europe (2021):
EU Market Outlook for Solar Power 2021-2025



PV market remains on course for growth

SolarPower Europe expects the PV market in the EU to keep enjoying strong growth over the next four years. In line with this, the association slightly increased the market growth forecasts published in its EU Market Outlook for Solar Power 2020-2024. Its Medium Scenario predicts that the 30 GW threshold of new solar capacity installed each year will be reached during the course of 2022 and the 50 GW threshold in 2025. According to its Medium Scenario, SolarPower Europe also estimates that the European solar market will record annual growth of 18 to 20 percent over the next four years and will reach an installed capacity of 327.6 GW in 2025. This means that installed PV capacity in the EU will double within four years.

Germany is projected to retain its pole position in Europe. In its Medium Scenario, SolarPower Europe predicts that Germany will install 47.7 GW of new PV capacity between 2022 and 2025. This roughly corresponds to the total capacity forecast to be installed in the same period by Spain, the Netherlands and France put together.

The latest EU Market Outlook estimates that the number of European countries with sizeable solar markets will also continue to increase. While seven EU countries installed more than 1 GW of new photovoltaic capacity in the space of a year in 2021, this number is expected to rise to eight in 2022. The number of EU countries with gigawatt markets is anticipated to stand at eleven in 2023 and 2024, and to climb to twelve in 2025.

Solar targets to be met early – but even more growth in PV capacity is needed to achieve Paris climate targets

SolarPower Europe's report also provides an update on the progress made by EU Member States on their National Energy and Climate Plans (NECPs). According to the report, all countries are on track to achieve their national solar targets by, or before, 2030. In fact, Estonia and Latvia had already met their 2030 PV expansion goals in 2021 while Poland, Ireland and Sweden are due to achieve their goals in 2022. Overall, 15 EU countries are on course to meet their 2030 solar targets by 2025. In light of this, SolarPower Europe is calling for the NECP photovoltaics targets to be increased.

The Low Scenario outlined in the EU Market Outlook 2021–2025 assumes that a total of 672 GW of PV capacity will have been installed in the EU by 2030. This is significantly higher than the combined NEPC goal (335 GW) and the amount projected by the European Commission (479 GW). However, SolarPower Europe points out that photovoltaics expansion goals need to be much more ambitious if they are to help meet the Paris climate targets and limit the global rise in temperatures to 1.5°C. On behalf of SolarPower Europe, Finnish university LUT calculated that a total of 870 GW of solar capacity must be installed in the EU by 2030 in order to achieve this temperature goal.

At present, the EU is seeking to increase the share of renewable energy in its final energy consumption to 40% by 2030. However, to ensure the 1.5°C goal is met, SolarPower Europe is clamoring for this target to be raised to 45%. As part of this, steps need to be taken to encourage the uptake of power purchase agreements (PPAs) for solar power, speed up approval processes, create better conditions for prosumers and ease grid congestion. SolarPower Europe is also calling for the necessary conditions to be put in place to enable PV production to be revived in Europe and to strengthen solar supply chains.

Keep up to date with the latest PV market developments in Europe at Intersolar Europe 2022 and its accompanying conference

This year's Intersolar Europe will be held from May 11 to 13, as part of The smarter E Europe 2022 at Messe München. The event and the accompanying Intersolar Europe Conference, both of which are major sources of inspiration for the solar industry, will shine a spotlight on the exciting developments in the European PV market. The Intersolar Europe Conference will take place on May 10 and 11, 2022 at Internationales Congress Center München. Joint Forces For Solar – an initiative by Intersolar Europe and EuPD – will take a closer look at the European PV markets during a session on Tackling the Fossil Inflation in Europe: Solar as Key Solution to be held on May 11, 2022 from 1:00pm–2:30pm at the Intersolar Forum (booth A3.220).

In good company: PV market leaders at Intersolar Europe 2022

The leading PV companies working in cell and module production will once again be flocking to Intersolar Europe in Munich to rub shoulders with all the major industry players. The [exhibitor list](#) provides an overview of the exhibitors.

Intersolar Europe Conference on May 10, 2022 in Room 14 A

- 11:30am to 1:00pm: A Solar Deal for Europe: Strategies & Trends to Decarbonize the Continent
- 02:30 to 04:00pm: European PV Markets 1: Everything Investors Need to Know About Europe's Largest Solar Markets
- 04:30 to 6:00pm: European PV Markets 2: A Close Look into Europe's Emerging Solar Stars

For more information, please visit:

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