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## The Domestic Production Portfolio Label for PV

### Brief summary to introduce an uptake scheme in support of local manufacturing

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The European Photovoltaic (PV) Manufacturing industry faces significant challenges. In 2024, European production accounts for less than 10% of all modules sold in Europe, with under 5% containing European-made solar cells. Legislative efforts aim to stabilize the industry, but these are time-consuming. A major issue is the increasing and alarming price gap between imported and domestically produced PV modules.

To address this, the European Solar Manufacturing Council (ESMC) is developing the "Domestic Production Portfolio" (DPP) scheme with external stakeholders. The DPP, a voluntary initiative, encourages offtake companies to include more European-made PV modules in their sales portfolios. This label signals a commitment to local manufacturing, job creation, and economic strength. The DPP, not intended to replace legislative support but to work alongside such measures, mirrors initiatives such as the voluntary Leadership in Energy and Environmental Design (LEED)<sup>1</sup> system and the Renewables Portfolio Standard<sup>2</sup> (RPS) in the US.

The DPP also explores mechanisms like price leveraging to mitigate the price difference between European and Chinese modules, ensuring end customers buying European modules do not bear the full impact of the price difference. Designed for immediate and flexible implementation, it supports domestic content for PV installations outside public procurement and auctions, which are not the target of the Net Zero Industry Act (NZIA). The scheme categorizes European PV modules based on their value chain involvement.

The goal is to establish a full value chain in Europe, starting with a 5% DPP commitment in 2026, increasing to 10% in 2027, and covering 40% of the market by 2030. This roadmap supports the necessary time for industrial deployment.

With increased production, European PV costs will align more closely with international costs, potentially reducing the need for the DPP label by the 2030s.

Hans-Josef Fell, former MdB and co-author of the Renewable Energy Law (EEG), comments that *"Europe needs its own solar production to reduce dependence on Chinese imports. Implementing the ESMC's DPP proposal is key to growing domestic production alongside the expanding solar market"*.

*Eicke Weber, co-founder of ESMC and MCPV adds, "The much-needed Renaissance of the European Solar Manufacturing industry requires security concerning the sales of domestic modules. The DPP scheme offers such security, without having to wait for public support, that eventually will make the task easier for all DPP participants signing up already now!"*

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<sup>1</sup> U.S. Green Building Council, Leadership in Energy and Environmental Design

<sup>2</sup> California Energy Commission, The Renewables Portfolio Standard (RPS)

