

**RENEWABLE ENERGY
DEVELOPMENTS IN THE CEE
REGION:
THE KEY TO SUCCESSFUL
RENEWABLE ELECTRICITY
AUCTIONS BASED ON RECENT
EUROPEAN AUCTIONS**

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REKK

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Bratislava, 18.11.2019

V4 Energy Think Tank Platform Evening Session

AGENDA

- Adéla Denkova (AMO): V4 Renewable Energy Policy - Regional challenges coming from the European Union's and national climate policies
- The status of the planned, ongoing and closed RES-auctions in the region:
 - Hungary
 - Czech Republic
 - Slovakia
 - Poland
- Discussion on the prerequisites of successful renewable electricity auctions based on the recent auction experiences

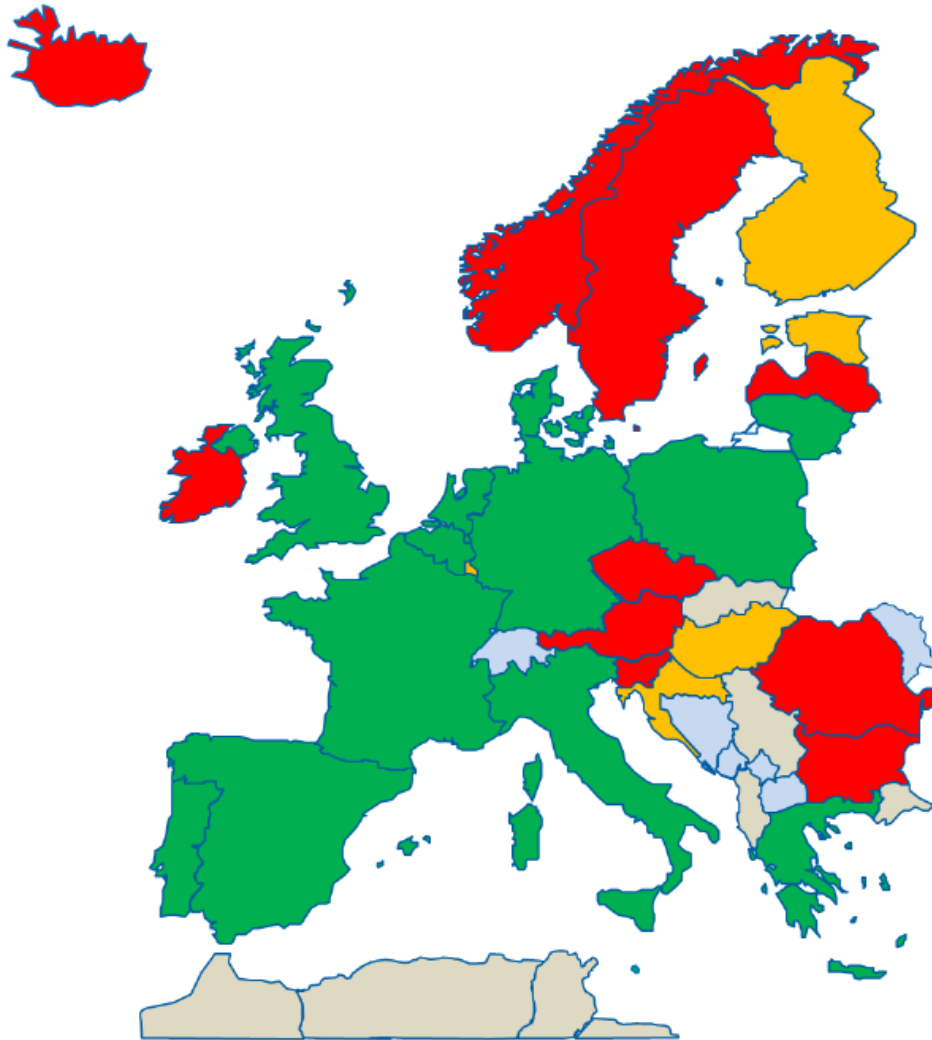
The case for RES auctions

- **The new EC State Aid Guideline**
 - **Competitive bidding processes** gradually replace existing renewable support schemes from 2015 onwards
 - **Auctions** (also called tenders) to **support all new installations** from January 2017 (very limited exemptions)
- **Definition of "competitive bidding process"** (EEAG (43):
 - "**Non-discriminatory** bidding process that provides for the participation of a **sufficient number of undertakings** and where the aid is granted on the basis of either the **initial bid** submitted by the bidder or a **clearing price**. In addition, the budget or volume related to the bidding process is a binding constraint leading to a situation where not all bidders can receive aid."

Design elements

What is auctioned?	<ul style="list-style-type: none">- Technology-specific / neutral- Output-based / investment grants- Sliding / fixed premiums- Support duration, adjustments,...
How much is auctioned?	<ul style="list-style-type: none">- Single-item / multiple items- Volume (capacities / budget)
How should the winners be selected?	<ul style="list-style-type: none">- Price-only- Multiple criteria
How should the price be determined?	<ul style="list-style-type: none">- Pay-as-bid- Uniform / pay-as-cleared
Should there be special bidding rules?	<ul style="list-style-type: none">- Price caps / floors- Quotas for diversity
Should there be safeguards?	<ul style="list-style-type: none">- Prequalification rules- Penalties (non-compliance/delays)

European PV auctions – Status of RES tenders

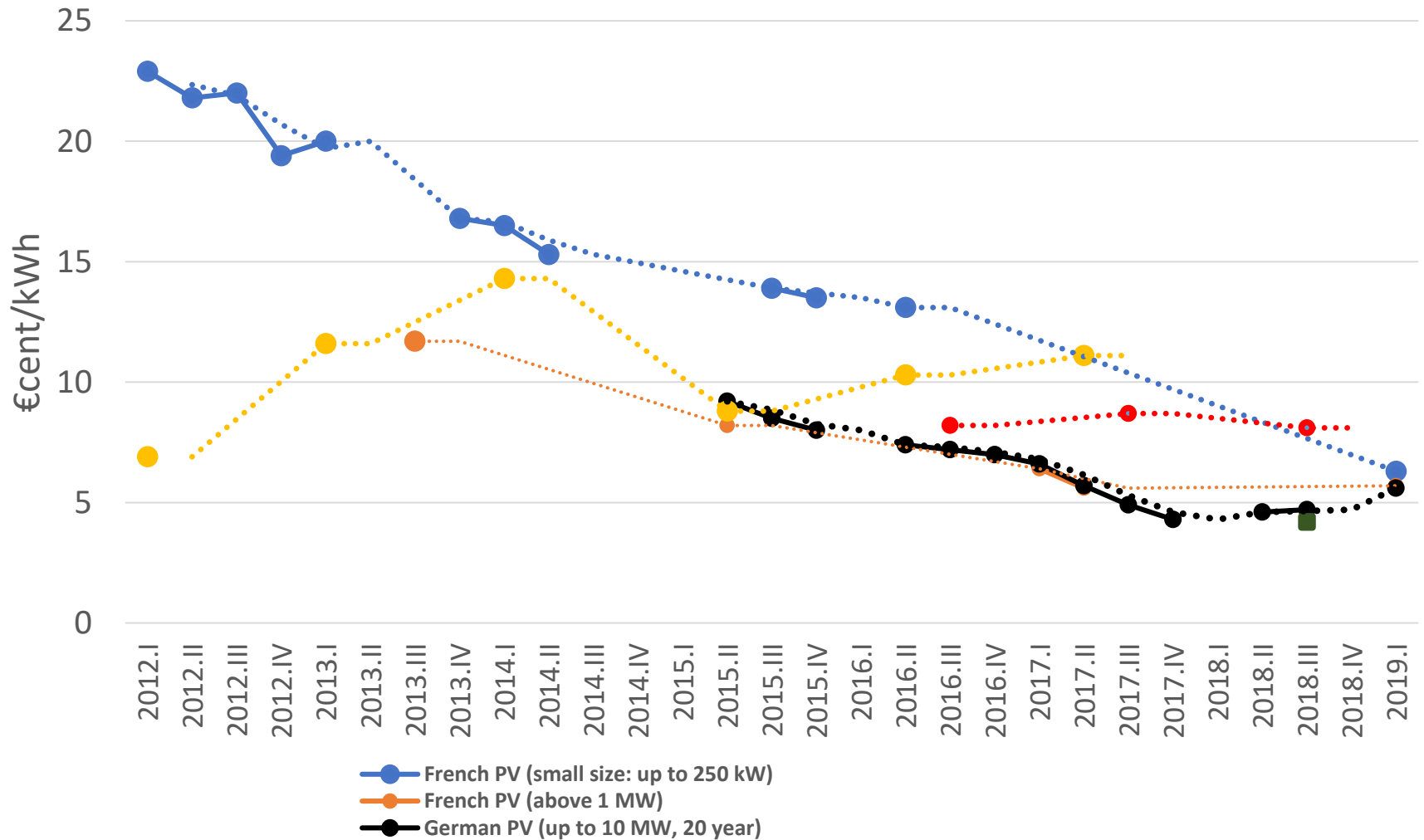


Status	Countries (n=29 responses)
One or more tendering scheme process in place	13: Belgium, Denmark, France, Germany, Greece, Italy, Malta, Netherlands, Lithuania, Portugal, Poland, Spain and United Kingdom
Legislation in place or about to be adopted, first concrete tendering round outstanding	5: Croatia, Finland, Hungary, Luxemburg, Estonia
No concrete plans for introducing tenders in the short term	11: Austria, Bulgaria, Czech Republic, Cyprus, Iceland, Ireland ⁷ , Latvia, Norway, Romania, Slovenia, Sweden
Tendering scheme discontinued	2: Norway, Italy

- Tendering procedures in place
- In planning (legislation in place or about to be adopted, no concrete tendering round carried out yet)
- No tendering procedures planned in the short term
- No information available

Source: CEER: Tendering procedures for RES in Europe: State of play and first lessons learned, 2018

European PV auctions – Price level



Source: Aures research project (Ecofys, REKK)

**Thank you very much for your
attention!**

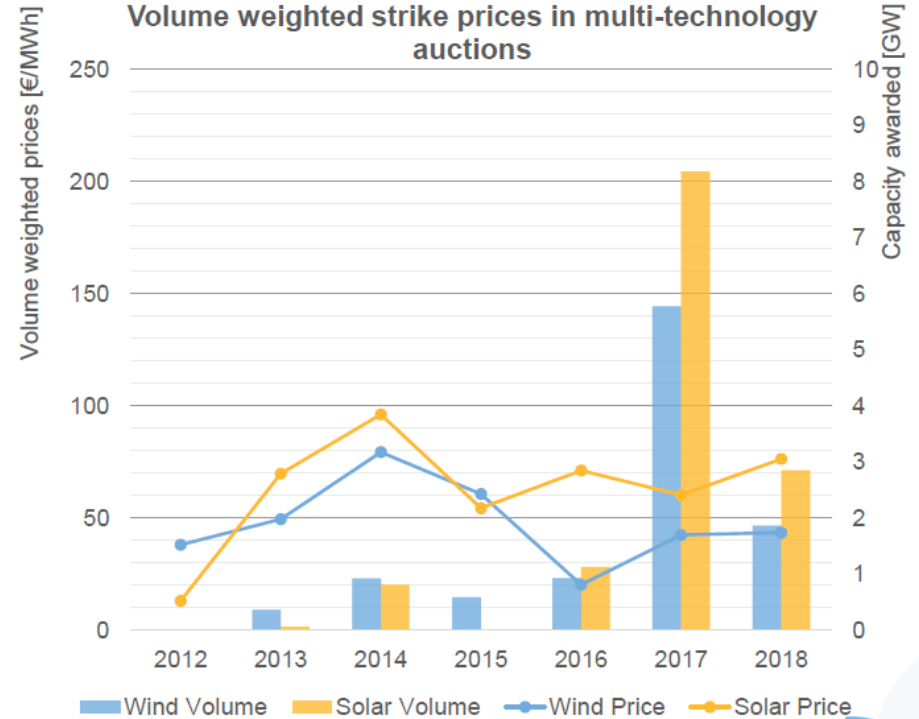
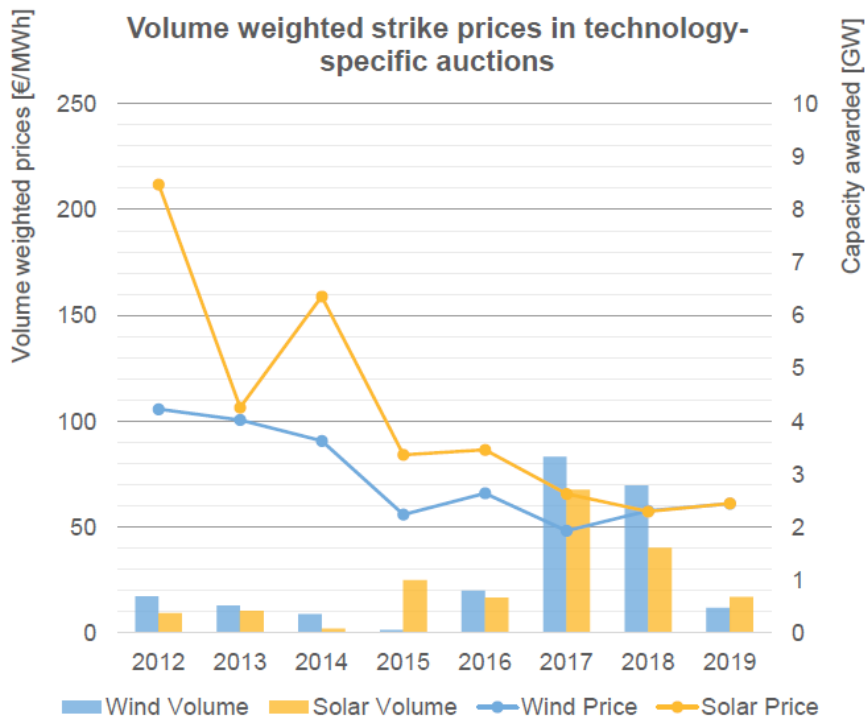
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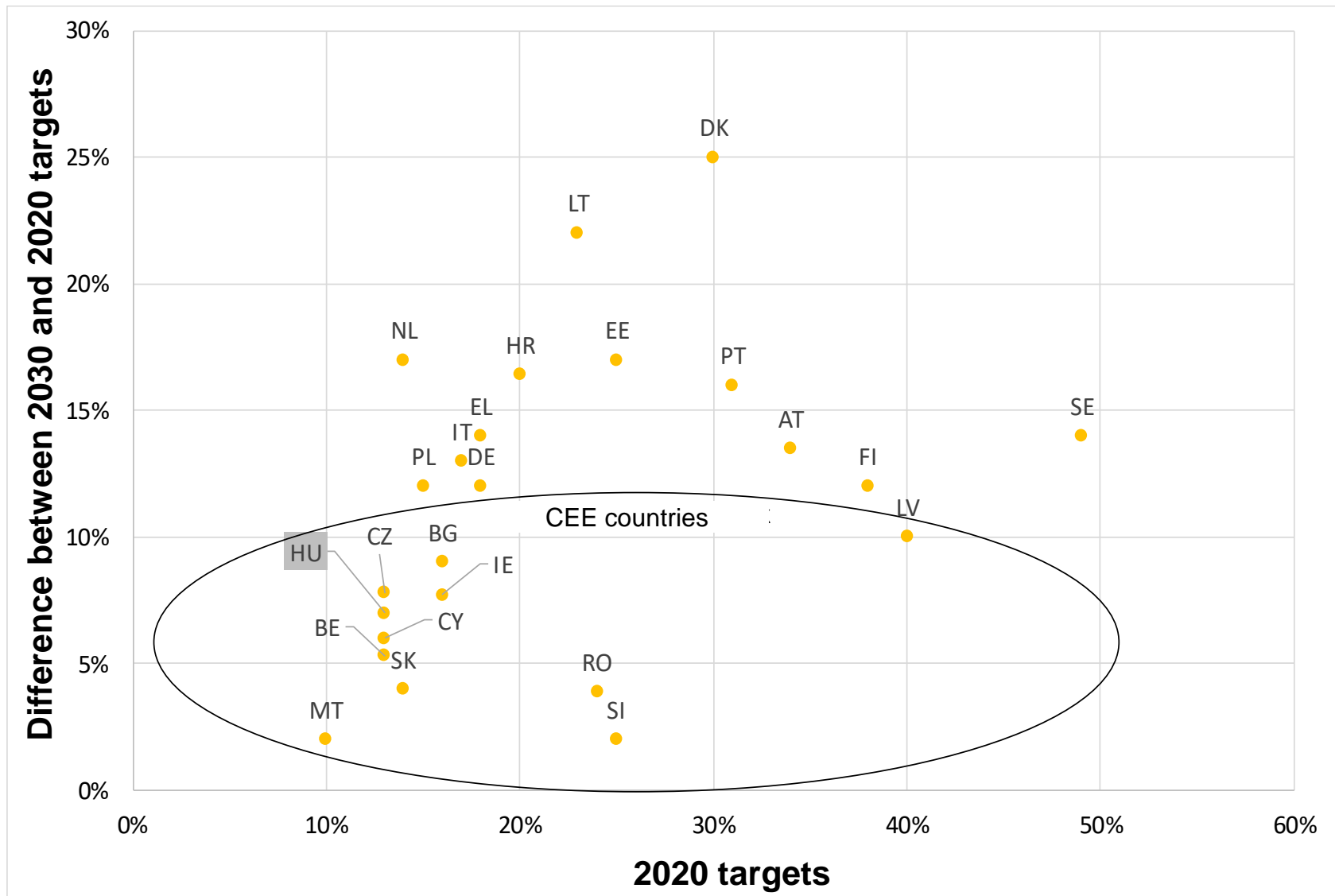
Back-up slides...

Multi-technology vs. Single-technology auctions



Source: ICIS: Technology neutral auctions: Myth or Reality? 2019 April

Future role of RES auctions



Source: REKK based on draft NECPs

V4 Energy Think Tank Platform

- **V4ETTP is a platform – permanent network – of think tanks facilitating energy-related and policy-oriented research and analysis with a regional focus**, building on its member institutions' expertise in energy studies. V4ETTP aims at engaging in structured cooperation with the V4 governments' representatives covering energy, energy diplomacy and climate and, for sake of the openness to the Central European region, also whenever justified and agreed by the members, involving representatives from third countries represented on think-tanks' and governments' levels.
- **Project partners:**
 - Association for International Affairs (AMO, CZ)
 - Instytut Jagielloński (PL)
 - Research Center of the Slovak Foreign Policy Association (SFPA, SK)
 - REKK Foundation for Regional Policy Co-operation in Energy and Infrastructure (REKK, HU)

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• Visegrad Fund
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