AURES – II: Case studies – preliminary results

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Outline

• State of renewable auctions in the EU
• General trends based on the AURES II case studies
• Design of auctions
• New approaches/new developments
State of auctions – at finalising AURES I case studies (2016)

- Already implemented RES auction
- Delayed or on hold
- Auction planned
State of auctions – 2020

- Already implemented RES auction
- Delayed or on hold
- Auction planned
State of auctions – case studies covered in AURES II in the EU

- Already implemented RES auction
- Auction currently under implementation
- Auction planned
Trends

- Wider range of countries participate since the last assessment (2016)
- Learning effects and regionalisation are observable:
  - Many countries adapt design elements from more advanced auctions, and also regions (e.g. countries in CEE) start to learn from each other in the design
  - Central Eastern Europe (CEE) catches up: Slovenia, Poland, Hungary had more rounds of auctions already, Croatia started its auction and Slovakia postponed it.

General price trends:
- Auction prices (in PV and wind) showed a general decreasing trend, but the last three-year development is ambiguous, mainly in wind (but also in some PV auctions) prices stabilize or increase
- CEE auctions already brought significant price reductions compared to the previous administrative Feed-in tariff (FIT) levels
- Big question if the CEE countries would observe similar decreasing trends in prices, as observed in the western countries.
PV auction prices in Europe 2012-2020

Source: AURES II project, ECOFYS, Platts, PV magazine
Design

• Learning and some harmonization are observable:
  • Remuneration scheme: generally floating premium, but choice between one sided or two sided premium (CfD) varies
  • Pre-qualification criteria: still various approaches, conversion between financial vs material pre-qualifications; varying level of bid-bon and performance bond levels
• Realisation rates:
  • Still limited information available – without such information efficiency and effectiveness of the auctions is difficult to analyse
  • Governments should place higher emphasize and effort on tracking and reporting realisation rates (reliable realisation rate information is available for five countries)
• Many countries’ auctions move away from technology specific auctions (overall auction design or trials): e.g. Germany, Denmark, but it is a question if wide-spread application of multi-technology auctions will come as a general design in the future
New approaches/new developments

• Postponed RES support schemes for a long period, or changes in them (e.g. from FIT to FIP based auctions) have significant impact on participation rates:
  • Rush effect for the ‘old’ system
  • ‘Many projects in pipeline’ effect – results in strong competition in the first auctions
  • But big question on the longer term effects
• Some countries show the sign of grid access problems (limitations): e.g. CEE countries and Portugal

New directions:
• The Netherlands: planned auctions, where carbon impact will be auctioned instead of generated energy – still in a planning phase
• Germany: Innovation auction with fixed premium and bundled technologies
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