AURES – II: Case studies – preliminary results

László Szabó

REKK

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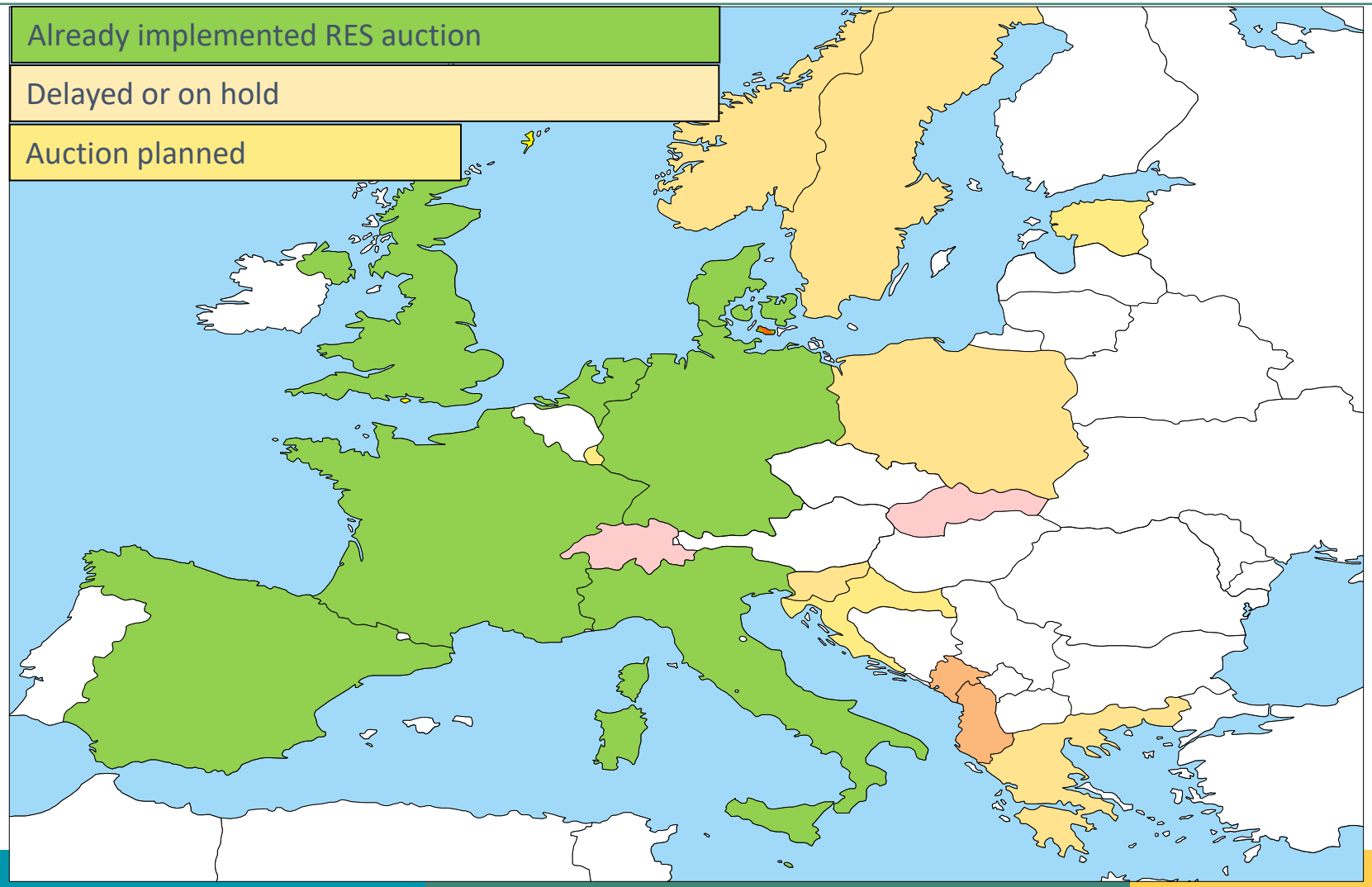
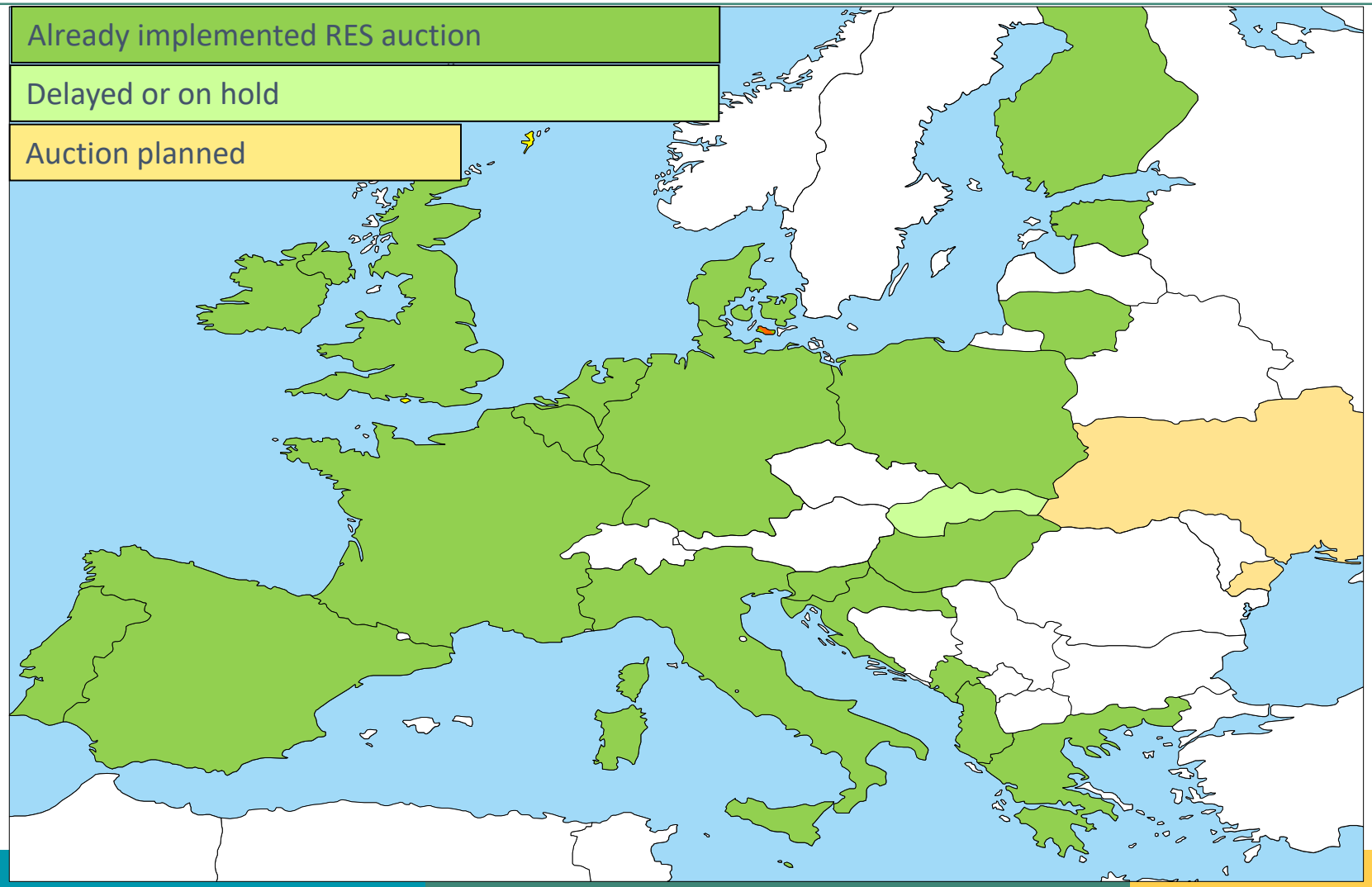
Outline

- State of renewable auctions in the EU
- General trends based on the AURES II case studies
- Design of auctions
- New approaches/new developments

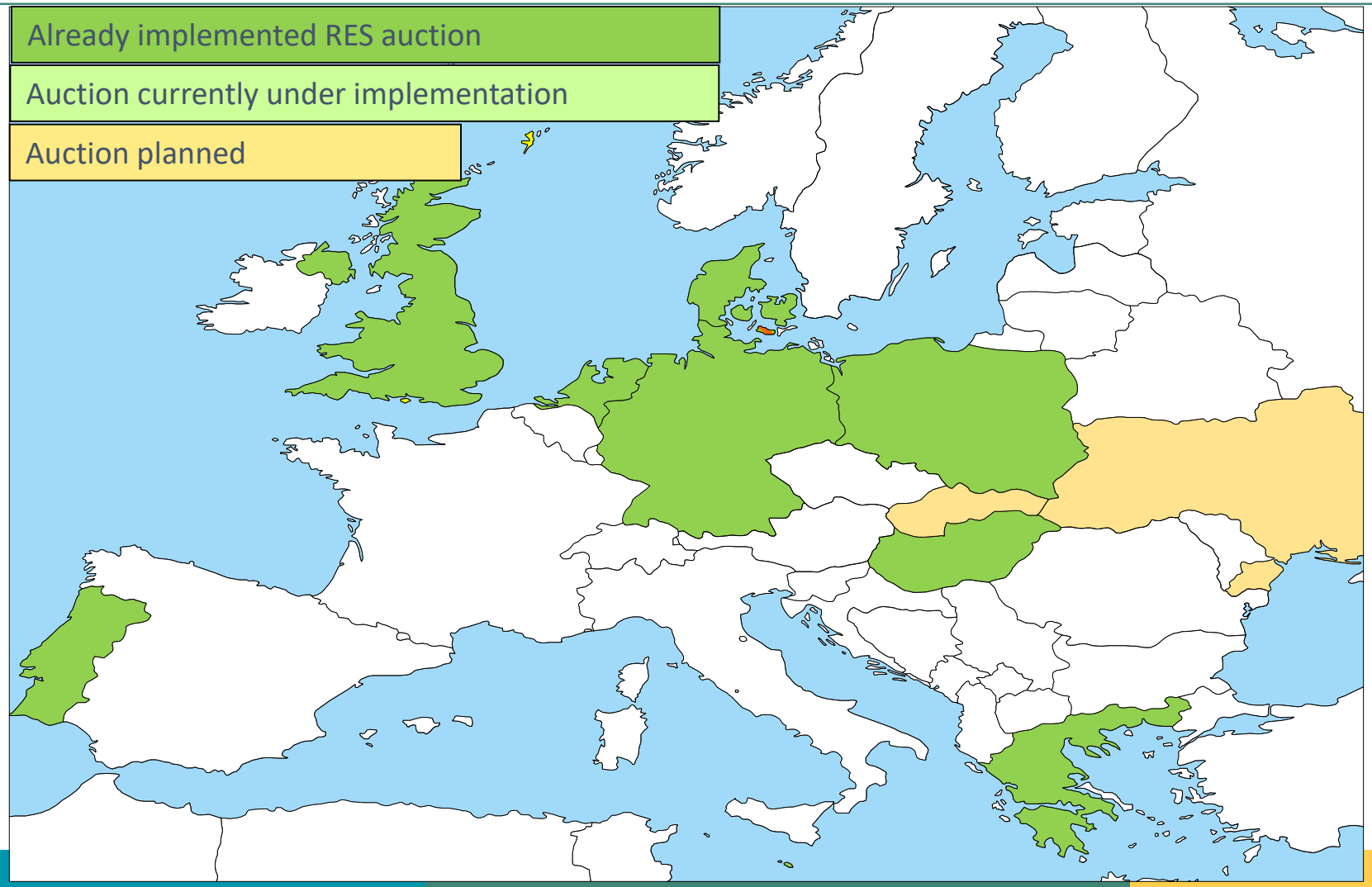
State of auctions – at finalising AURES I case studies (2016)



State of auctions – 2020



State of auctions – case studies covered in AURES II in the EU



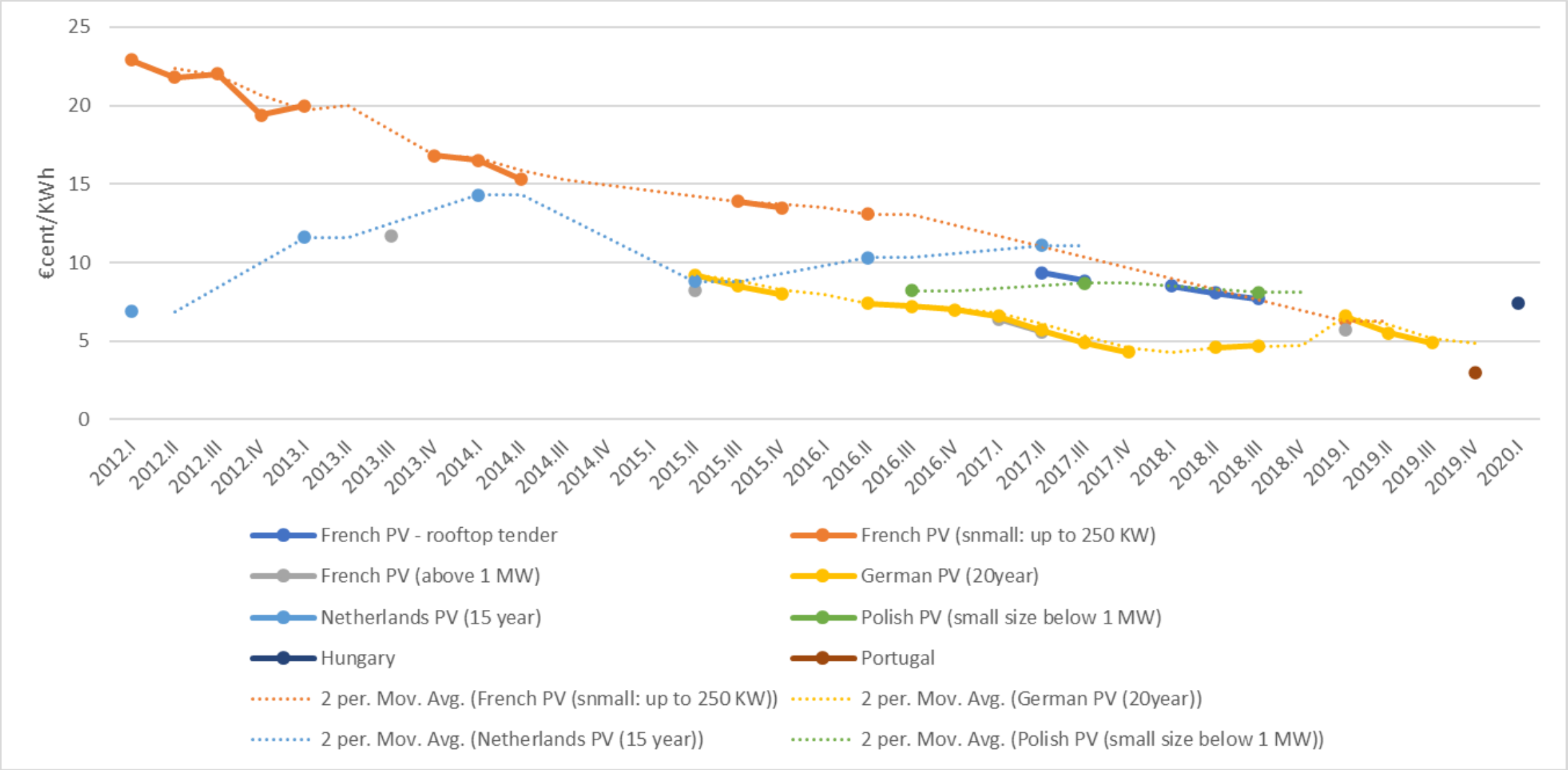
Trends

- 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

László Szabó
REKK
Laszlo.szabo@rekk.hu

AURES II

Website:	http://aures2project.eu/
LinkedIn:	AURES II
Twitter:	@auctions4res
Newsletter:	http://eepurl.com/gd42zz

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