The future of auctions in the energy system

Auctions beyond renewable electricity

AURES II webinar, 15 December 2021

Auctions for renewable electricity – what to expect?

Why go beyond electricity?

- Auctions established as successful instrument to allocate support for renewable electricity
- In this decade system transformation will have to speed up in the whole energy system
- Competitive determination of support will continue to be required by EU COM
- Experience with renewable electricity auctions might be useful for other auctions/support schemes

→ Today: discussion of first ideas for auction opportunities in sectors beyond electricity

→ Your feedback will be used in a summary/scoping report and as a basis for more in-depth analysis in potential successor project

The future of auctions for electricity: scenarios and pathways

More flexible

Less decentralised

More decentralised

Less flexible

Top-down tech

Technical innovation, top down planning, efficient system operation

Large-scale renewable projects owned by large utilities

AUCTIONS held by utilities and major consumers. Merchant power increases

Shiny happy energy citizens

Local governance, active system management, local markets

Growth in local and community scale projects in addition to large projects

AUCTIONS held at different scales and are both public and private – actor and technology diversity

Leviathan

National or transnational governance, systems dominated by a few large utilities

Little system optimisation, low innovation, volatile prices

AUCTIONS for CFDs held by utilities. Pressure to meet climate targets lead to reinstating FITs

Make-do-and-mend

Local governance, little network management

Low technical innovation but active social innovation – prosumers, microgrids and some local markets

Little demand for auctions to encourage RES construction. Emergence of community PPAs

http://aures2project.eu/wp-content/uploads/2021/02/AURES_II_D7_3_scenarios_v2.pdf

What about the future?

- Auctions for electricity will change to reflect different pathways of development in electricity systems

- New things?
  - Zero support, offshore hybrid, CO2 saving, seabed leases for OSW, PPAs
- New auctioneers?
  - Utilities, businesses, community groups

- New technologies and sectors …

Bridget Woodman
University of Exeter
B.Woodman@exeter.ac.uk

AURES II

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

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