



# AURES II – Auctions for Renewable Energy Support II

Final conference

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# Impact of more ambitious targets on RES auctions

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Dörte Fouquet specialises in EU law and international legal relations with a focus on competition, infrastructure, energy and environmental law. She advises mainly companies, financial institutions, associations and governmental agencies in Germany and other EU Member States as well as EU institutions and at international level.

- ▶ Studies of law in Marburg and Hamburg
- ▶ 1982 research assistant at the University of Hamburg
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- ▶ 1993 partner at the Brussels office of the law firm Kuhbier
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## Before Putin's war...

- First, renewables will need to provide the lion's share of electricity, heating, cooling and transport-related needs.
- Second, renewables need to be scaled up at an unprecedented rate to achieve this objective. Even to decarbonise the world economy by 2050, it is estimated that global deployment rates of renewables will need to increase at least six-fold (IRENA 2018).
- Nota: the following overview is taking analysis from a joint study: Dr. David Jacobs, IET – International Energy Transition GmbH, Katherina Grashof, IZES gGmbH, Dr. Pablo del Rio, Spanish National Research Council (CSIC)
- With a reflection on the legal situation in the EU by Dr. Dörte Fouquet, Becker Büttner Held December 2020

# Auction procedures – here to stay but need reigning in

Auctions have become an important ingredient in the renewable energy policy toolkit. However, while acknowledging that all policy instruments have their strengths and weaknesses, for independent power projects of different kinds – auctioning mechanisms create obstacles..

- We should have different policy instruments for different market segments:
  - Continued use of auctions for large-scale projects
  - Use of feed-in tariffs or feed-in premiums for small and medium sized projects
  - Use of self-consumption policies for very small-scale projects

## Other considerations against auctioning:

- intended degree of local participation, the
- level of transaction costs for particular projects,
- instances where the application of renewables is mandatory (for instance, on the rooftops of new buildings) or other aspects.

# Direct Support mechanisms have to come first - not auctioning

- Policymakers will need to establish policy frameworks that will simultaneously incentivize investment from all types of actors and investors, for all types of renewable energy technologies and all project sizes. Therefore, a new and innovative mix of policies will be necessary.
- In view of the climate emergency and the different contextual conditions and policy priorities, member states should be allowed to rethink their approach to supporting citizens and community projects, as well as small and medium- sized projects overall.
- This would require modifications to the current framework for Small and medium-sized enterprises and energy community projects accessing state aid.
- Technology NEUTRALITY IS NONSENSE

# The EU State Aide Guidelines were the biggest stumbleblock for –independent - RES

- Since 2014, the roll-out of independent small and medium size projects locally and regionally has been hindered particularly by the conditions laid down under the previous and current State Aid Guidelines for Energy and Environment.
- Unfortunately, these guidelines are preventing fast-track renewable energy programmes for independent renewable power projects, despite the fact that the EU treaties stress the importance of environmental protection as a fundamental right.
- Therefore, it is necessary to review the guidelines so as to correct a certain conditional tendering request to re-implement a clear and positive enabling framework for renewable energy projects



Thank you for your attention.