Draft Policy Guidelines on Competitive Selection and Support for Renewable Energy
EBRD-EnC-IRENA

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1. Rationale – why auctions?

State Aid Guidelines on Environmental Protection and Energy 2014-2020

- to ensure cost-effective development of RES for the benefit of end-customers
  
  • **support granted based on competitive process - clear, transparent, non-discriminatory criteria;**

  (exceptions: small scale < 1 MW and wind <6 MW or 6 generation units)

- to integrate renewable energy into the market

  • **feed-in premium (FIP) instead of feed-in tariff (FIT)**

  (sliding) premium paid on top of electricity price (contract for difference)

  (exceptions: small scale < 500 kW and wind <3 MW or 3 generating units)

  • **standard balance responsibility unless no liquid intra-day market exists**
Structure of the Guidelines

1. the overall framework for the competitive process;

2. choices relating to what is being procured;

3. choices relating to the selection process; and

4. the mechanism for the delivery of RE support
1. Develop an overall strategy for RE development
2. Have clear plans for future RE auctions
3. Structure initial auction schemes to learn lessons
4. Nominate a credible institution to administer the auction
5. Manage the competitive process transparently
6. Establish a process for dispute resolution
2. Choices Relating to what is Being Procured

1. Set a limit on the total size of the auction
2. Consider using a price ceiling
3. Set size limits for individual projects
4. Start with technology specific auctions
5. Consider location specific auctions
6. Completely define the project scope
3. Choices Relating to the Selection Process

1. Rely on appropriately sized bid bonds to ensure a sufficient number of well qualified bidders

2. Ensure that bidders have the technical capacity to deliver the project

3. Ensure that bidders are in good standing

4. Award projects on the basis of the price bid

5. Use a simple procedure for selecting projects

6. Use pay-as-bid to determine the level of support

7. Ensure successful bidders deliver the project with the characteristics requested
4. Delivery of renewable energy support

1. Establish a support counterparty

2. Define the support mechanism

3. Document the support arrangements in a contract
Thank you for your attention!

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