



# From Auctions to Zero Emissions? Experience from Recent Years

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*19th Inter-Parliamentary Meeting on Renewable Energy & Energy Efficiency  
Helsinki, 22 November 2019*

- **Auctions – predominant tool to decarbonize electricity production**
- **Performance of past auctions**
- **Connection to other policy fields & upcoming risks**
- **Conclusions: Auctions the right tool to reach zero emissions?**

# What are auctions in the first place?

## Definition:

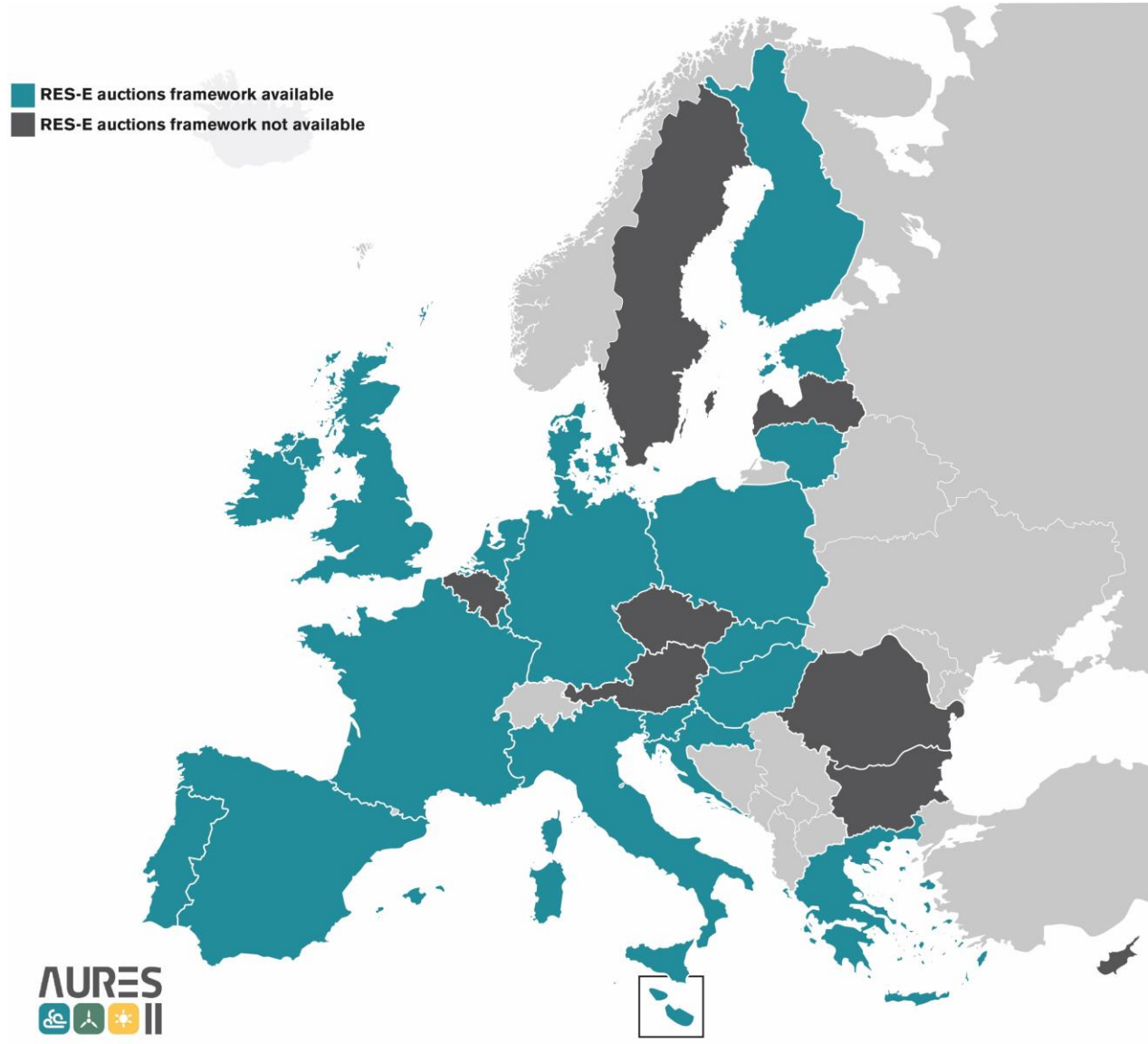
- **Auction: Process in which a good is offered up for bidding.**
- **In context of RES-E so-called procurement auctions: Auctioneer will buy the good (renewable electricity) from the bidder(s) offering the best bid, e.g. lowest support level.**



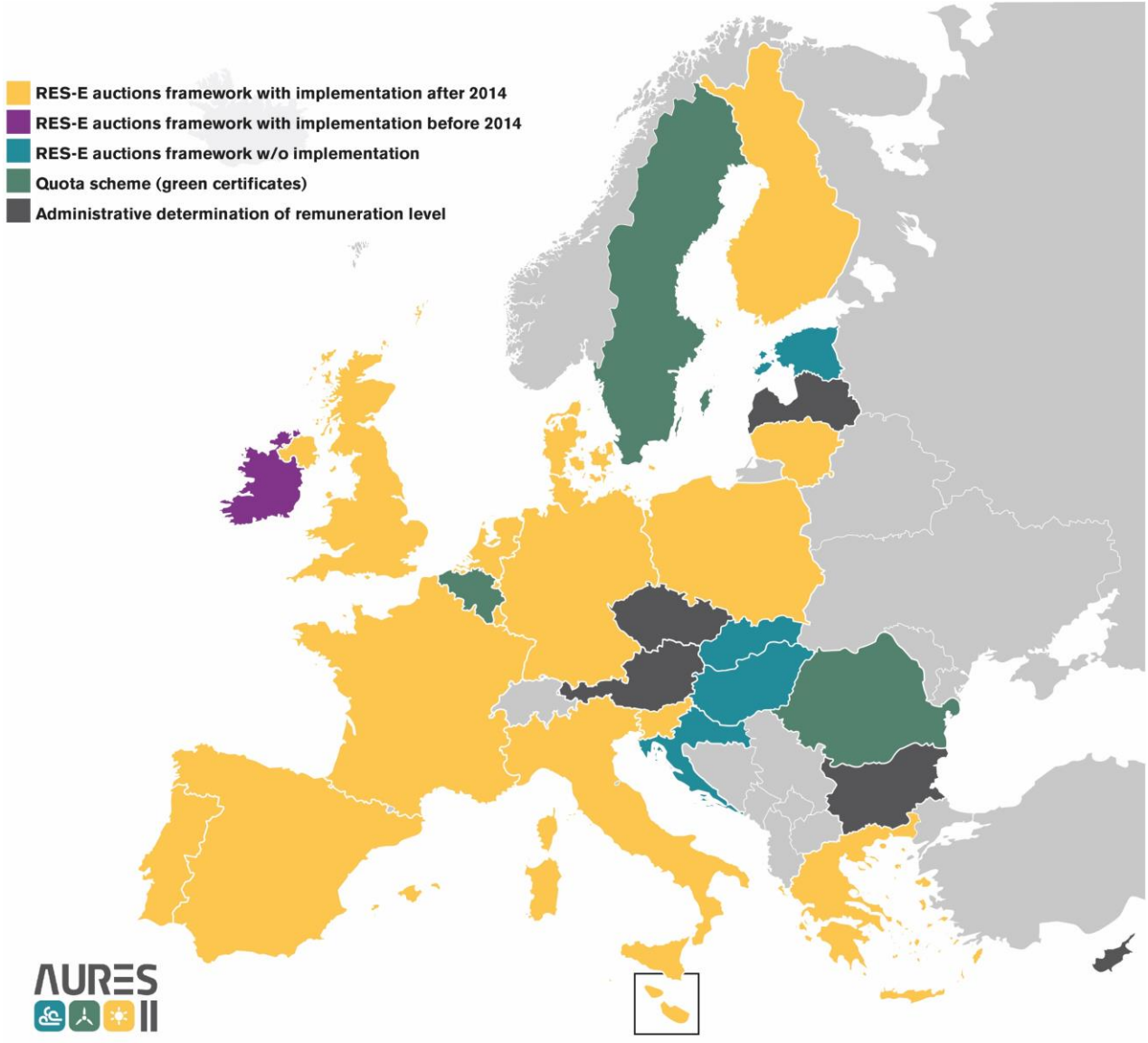
## Motivation:

- **control over timing and quantity of renewables deployment;**
- **transparent market prices for renewable support;**
- **competitive pressure among renewables projects, and thus lower policy support costs.**

# Auctioning schemes widespread across EU Member States



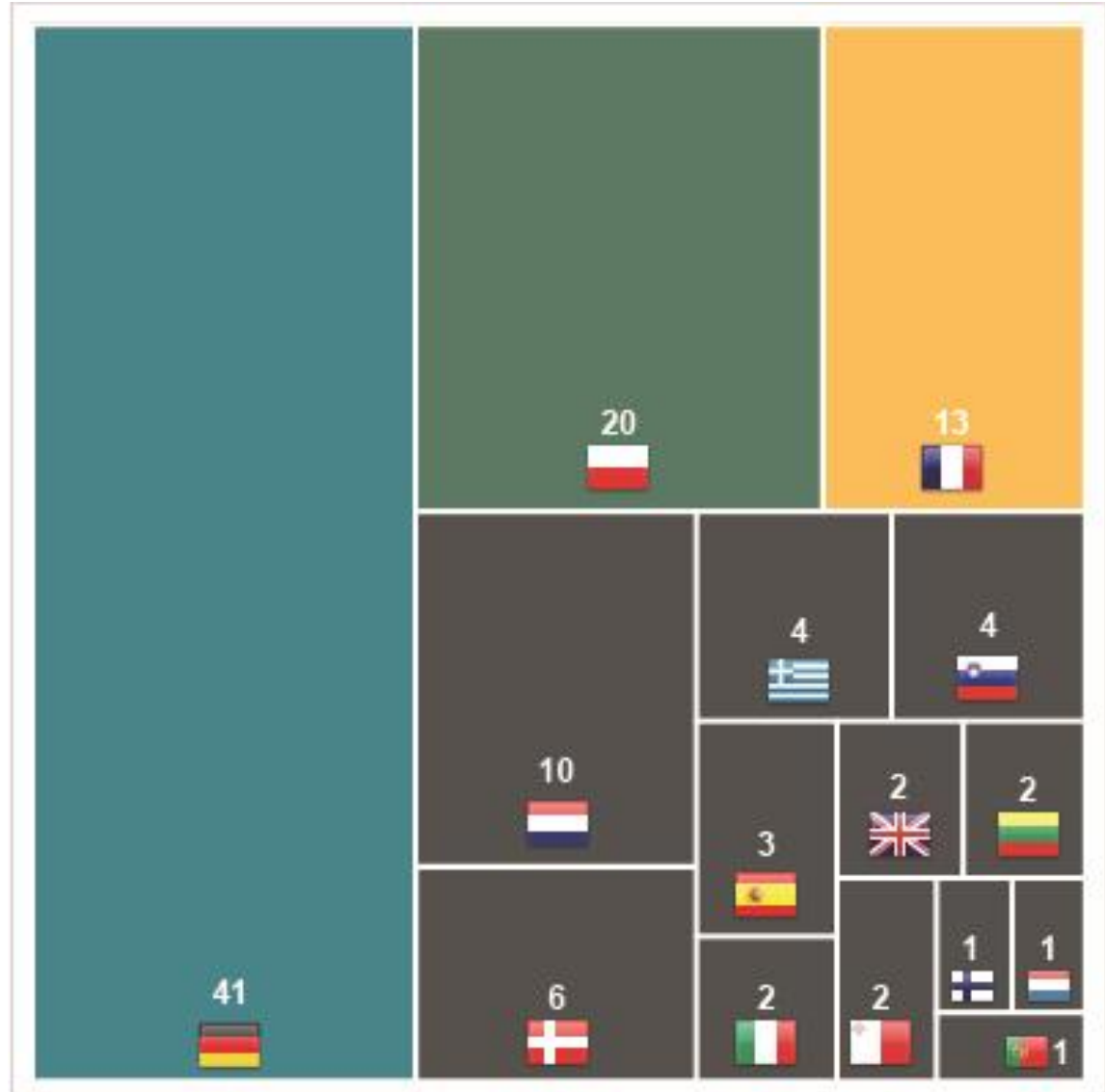
# Not all Member States have concrete auctions implemented



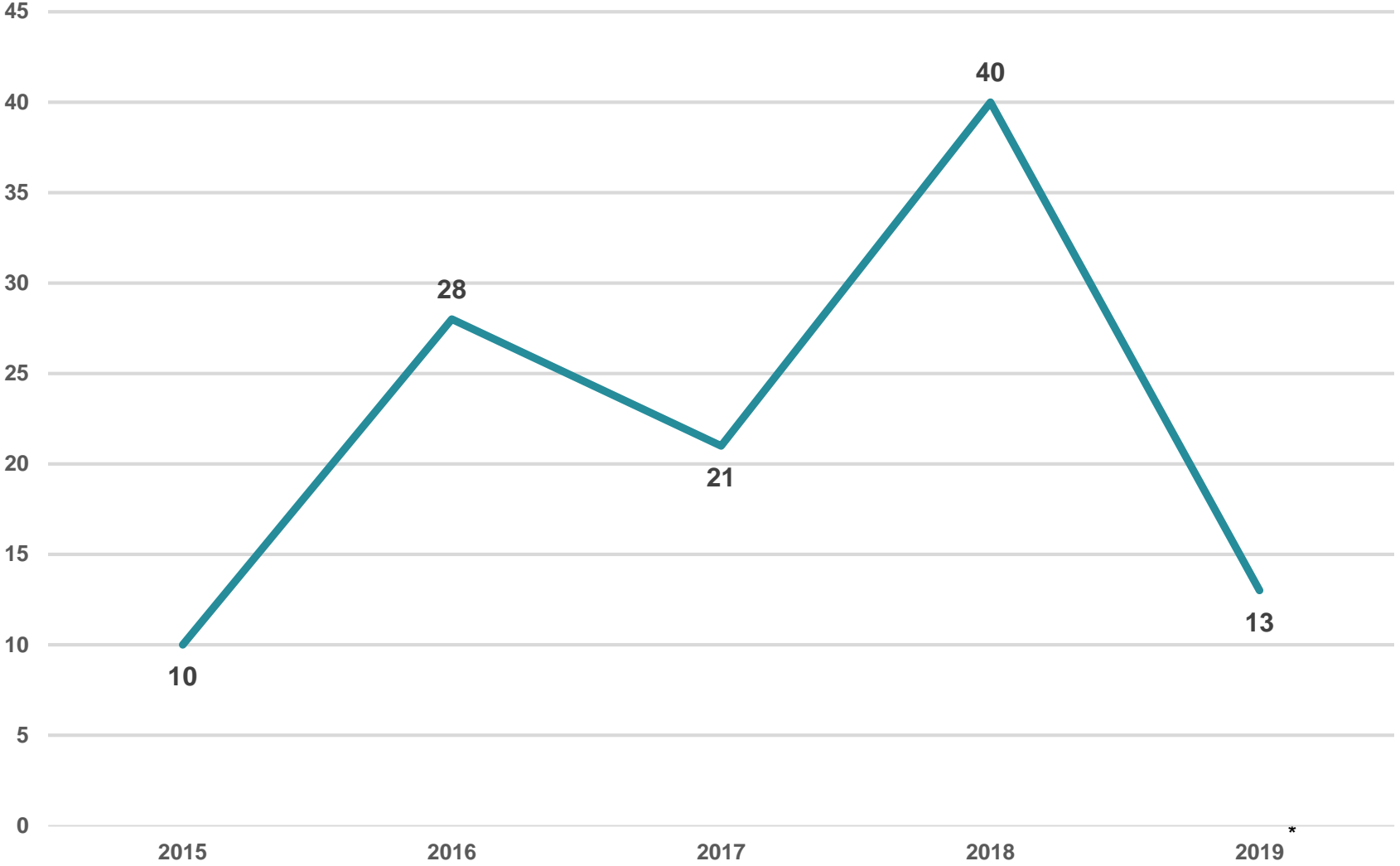
# More than 2 out of 3 of auction rounds in only 3 Member States

Number of auction rounds per country

110 auction rounds in total (2015 - April 2019)

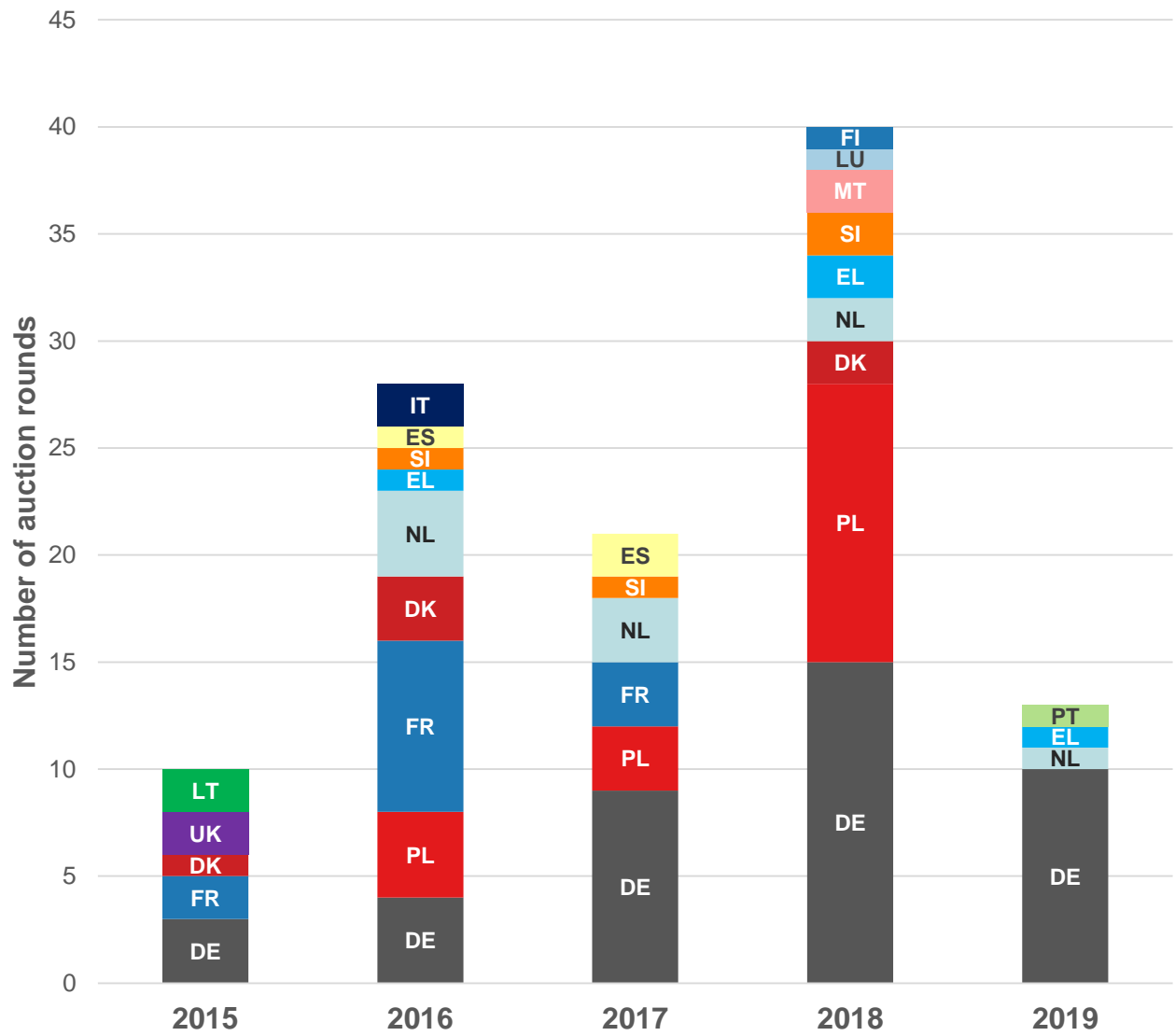


# Increasing trend of tendering rounds across EU



\* 2019 data only until 30 April

# Member States show different strategies towards auctions



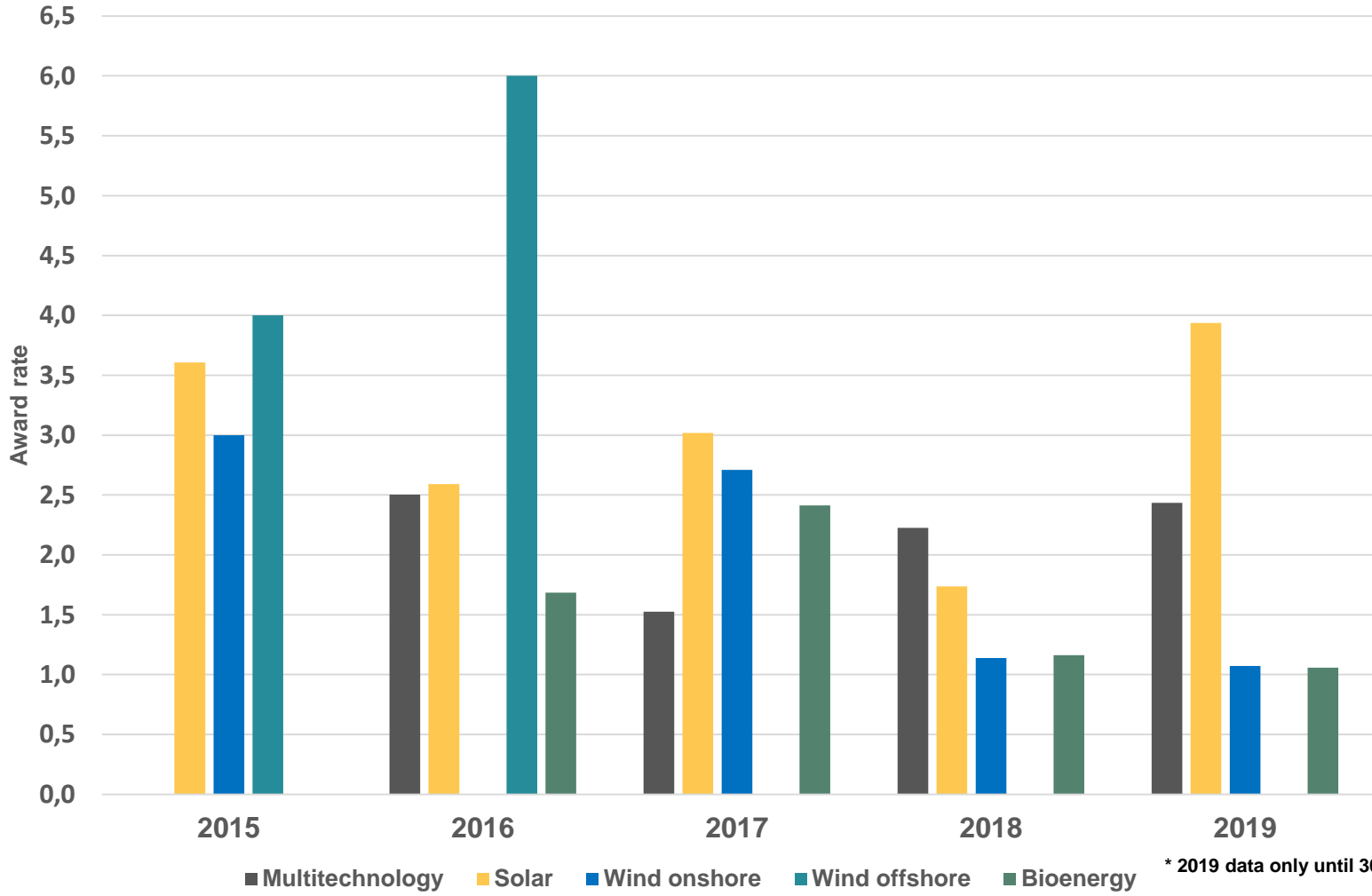
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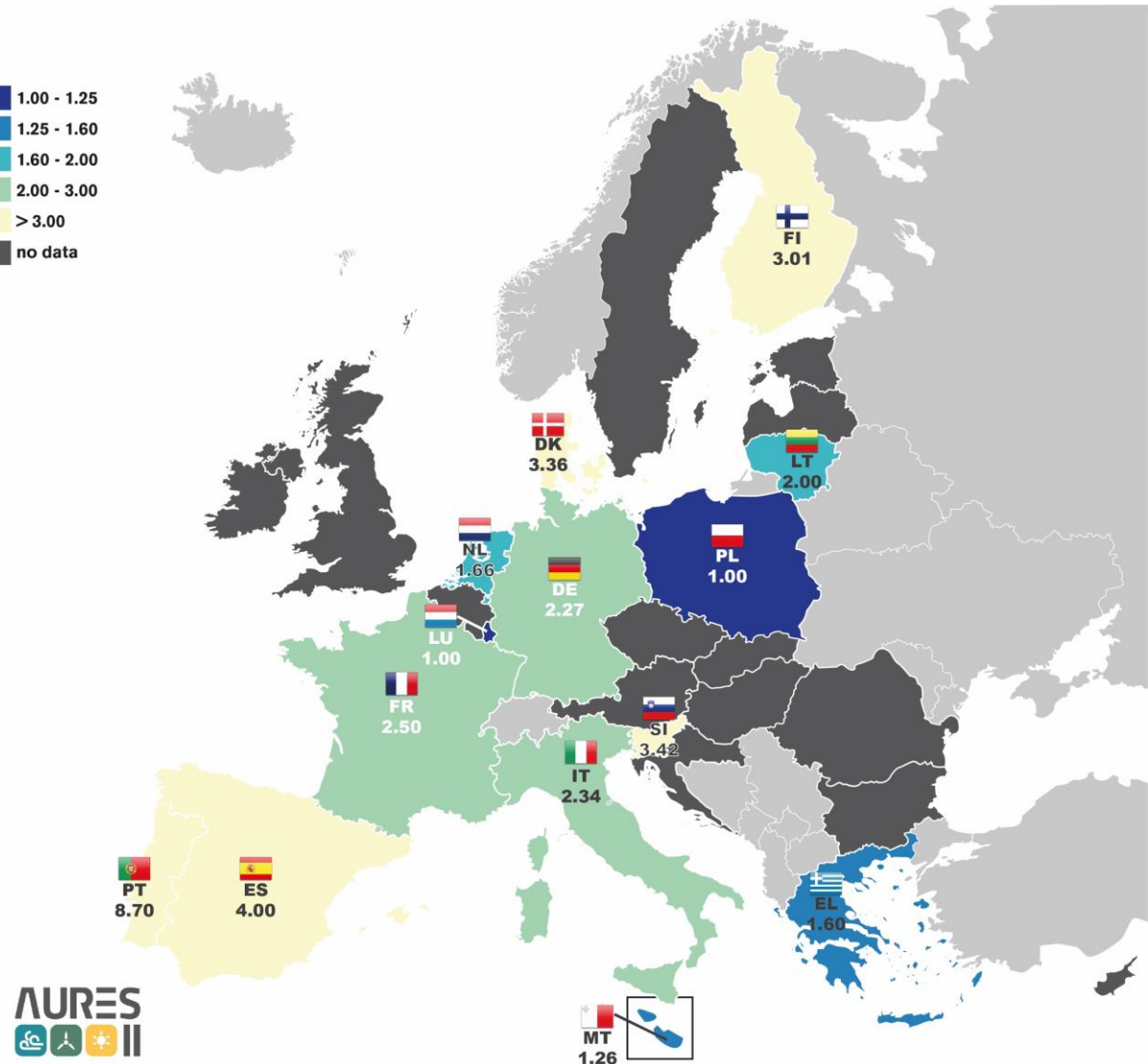
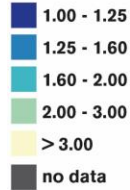
# Award rate changed over years for some technologies a lot

Award rate per technology 2015-04/2019



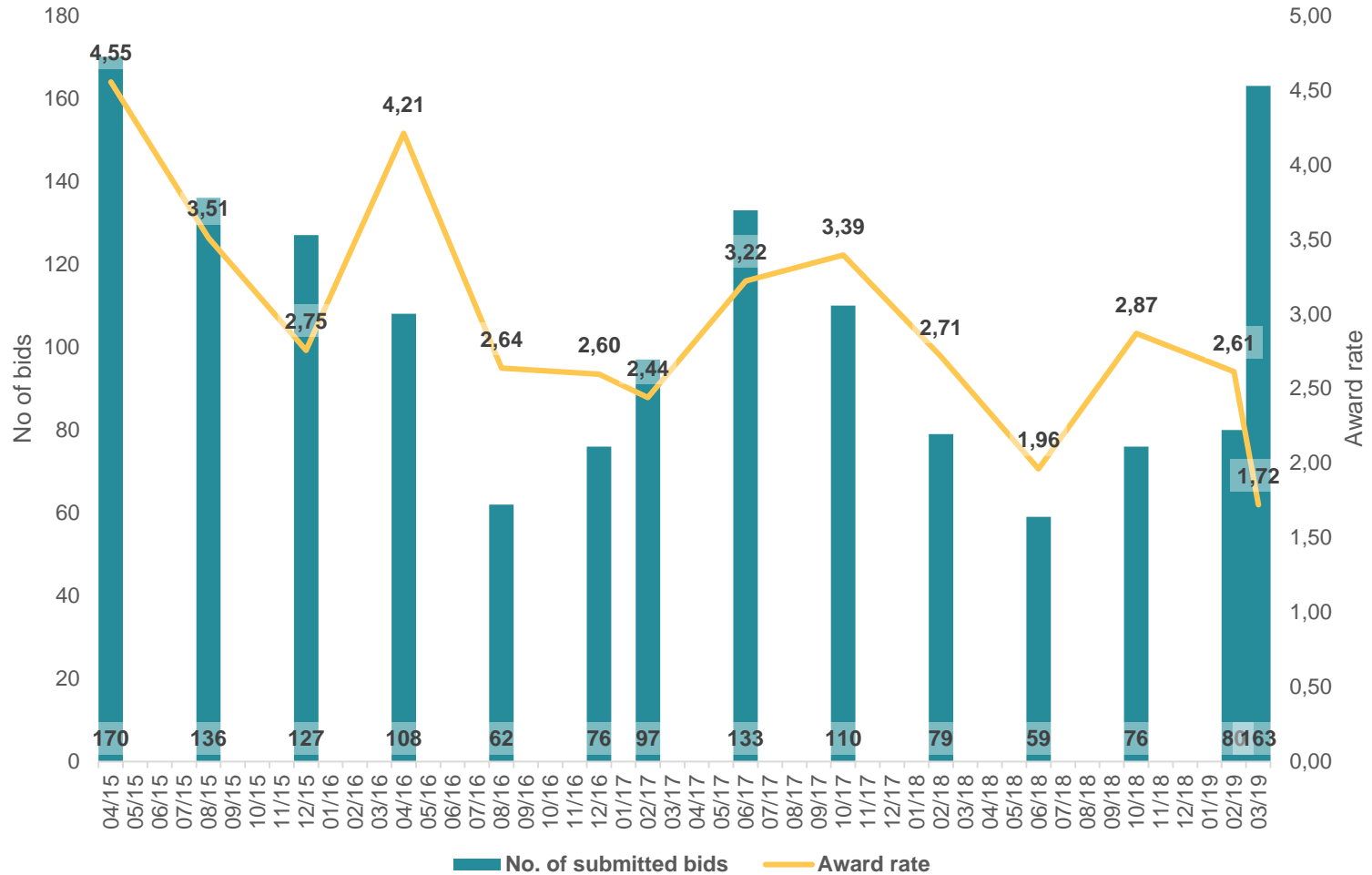
# Competition across Member States varies

## Avg. Award rate per country



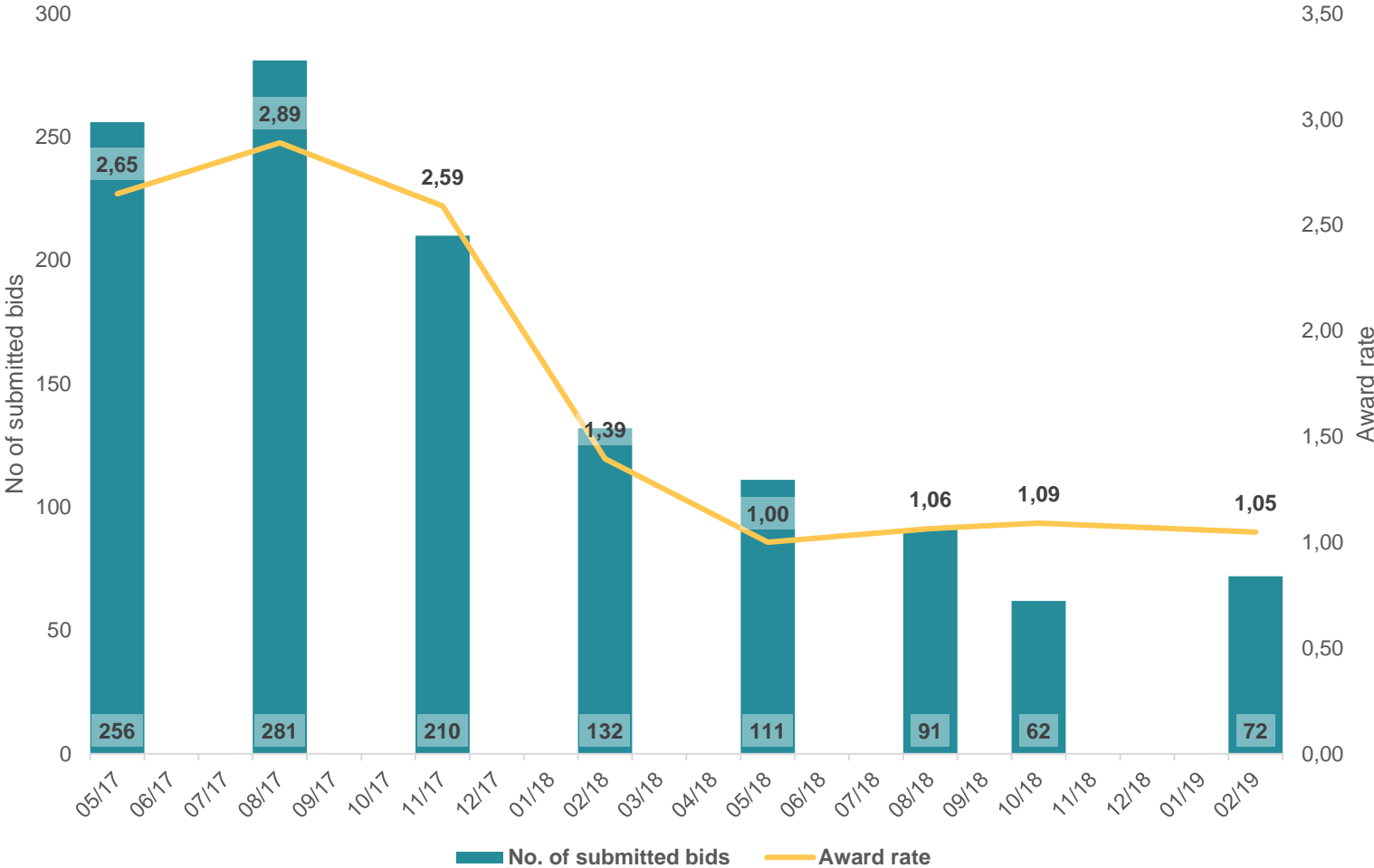
# Example Germany: Inconsistent trend for solar power

Development of award rate for German solar auctions

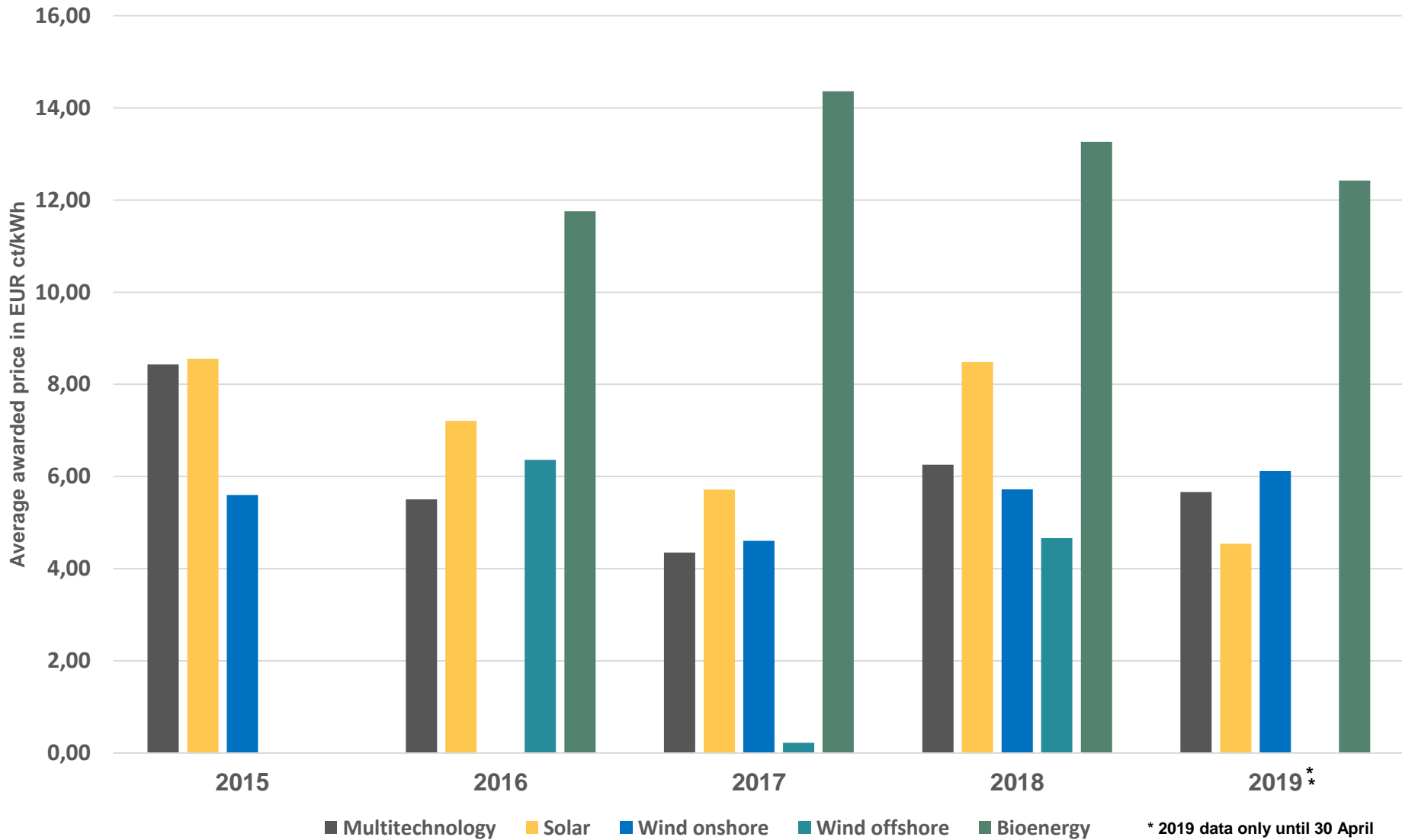


# Example Germany: Consistent (and troubling) trend for wind power

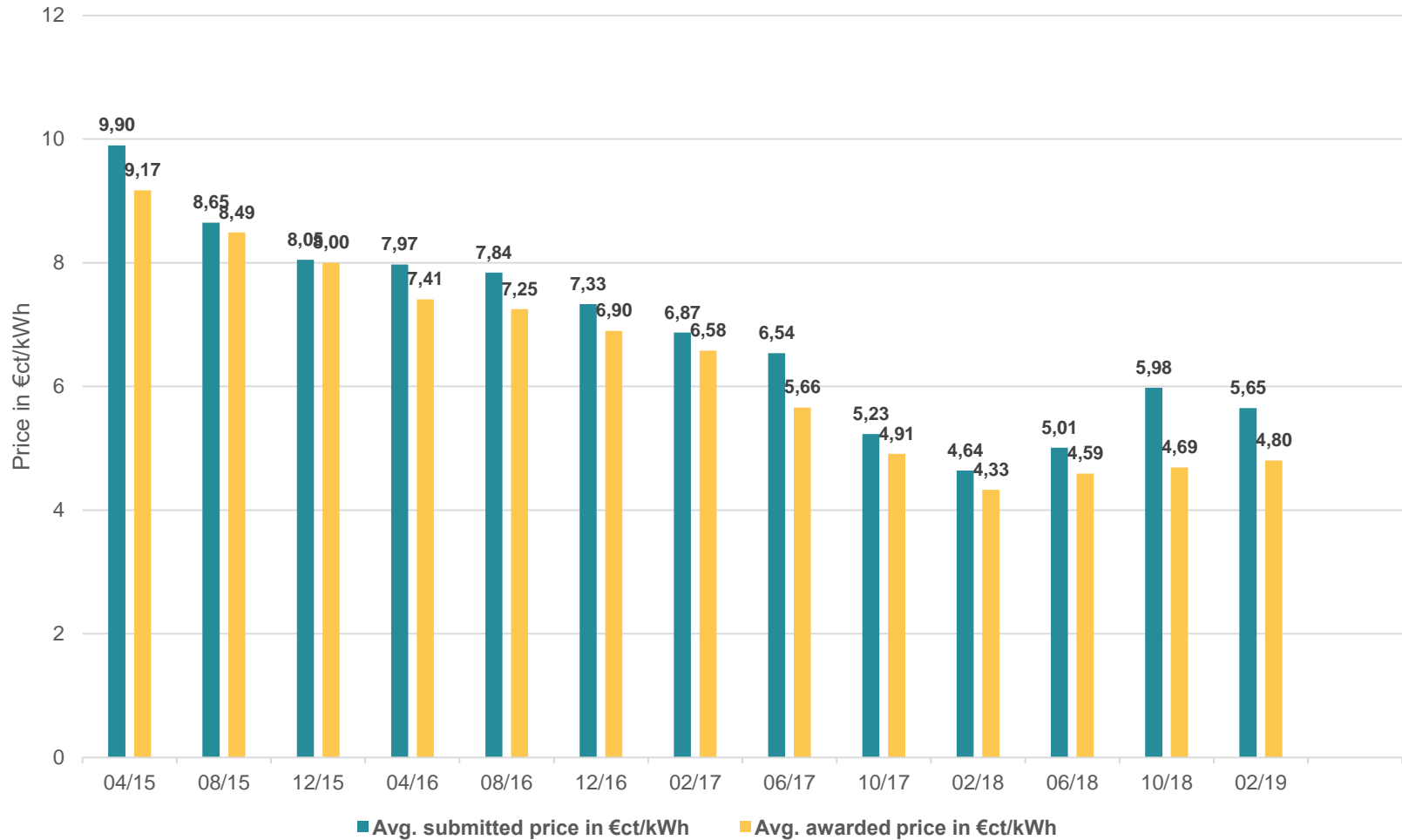
Development of award rate for German wind auctions



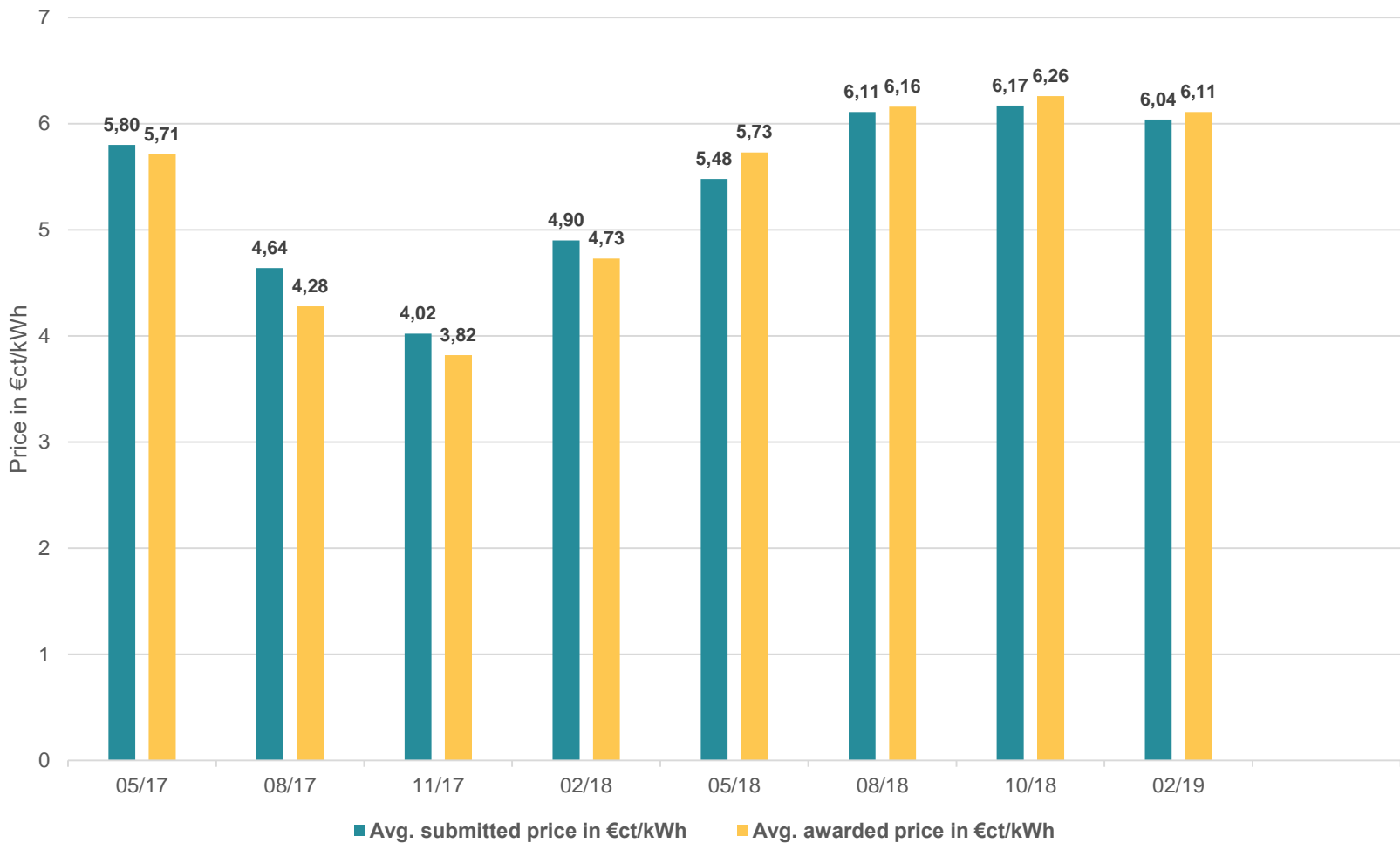
# Development of strike prices inconsistent across years and all EU MS



# German PV: Tendency of decreasing prices (at least until June 2018)



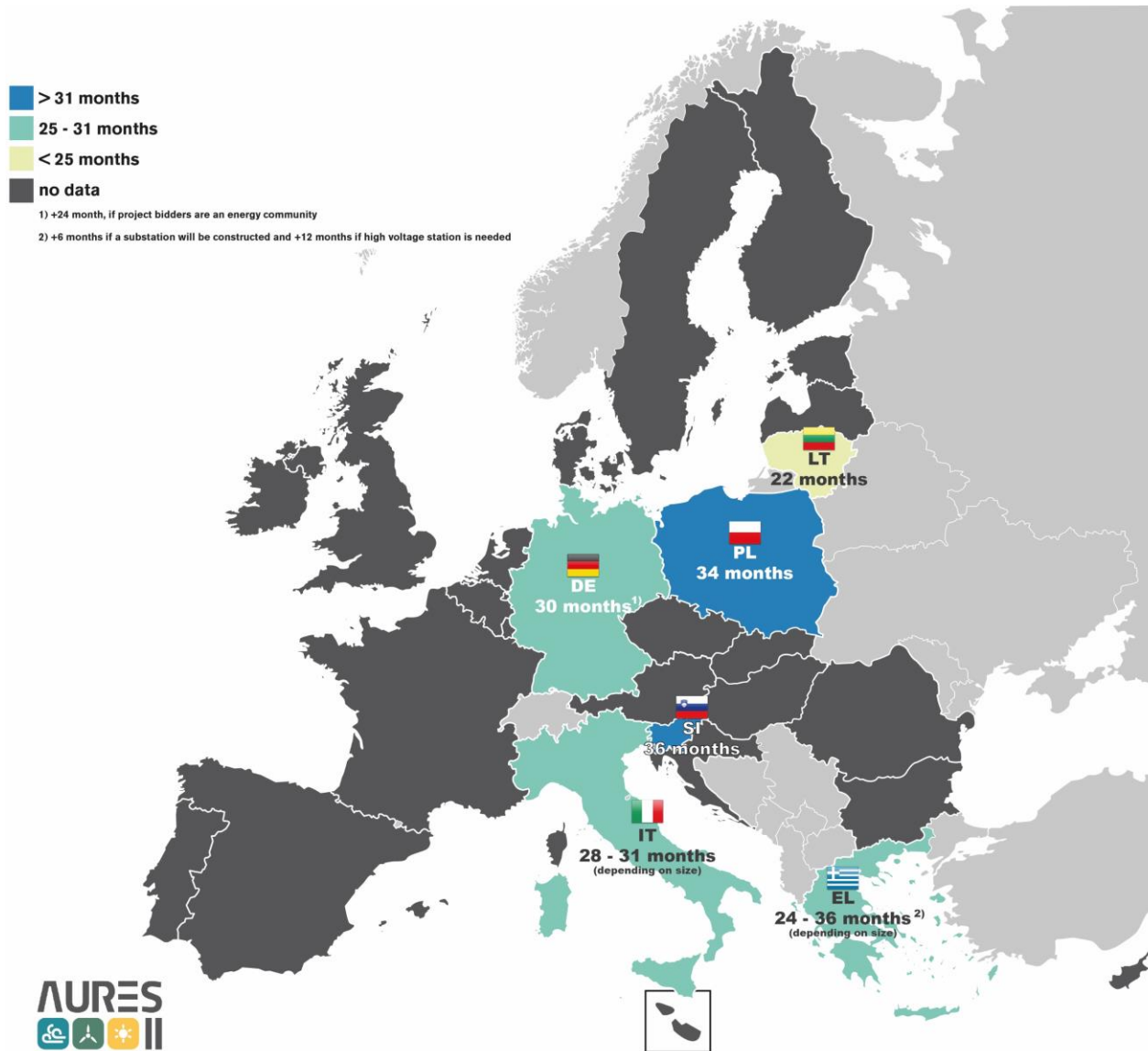
# Wind onshore: tendency to increasing prices





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# Context: Deadlines for wind onshore project realization



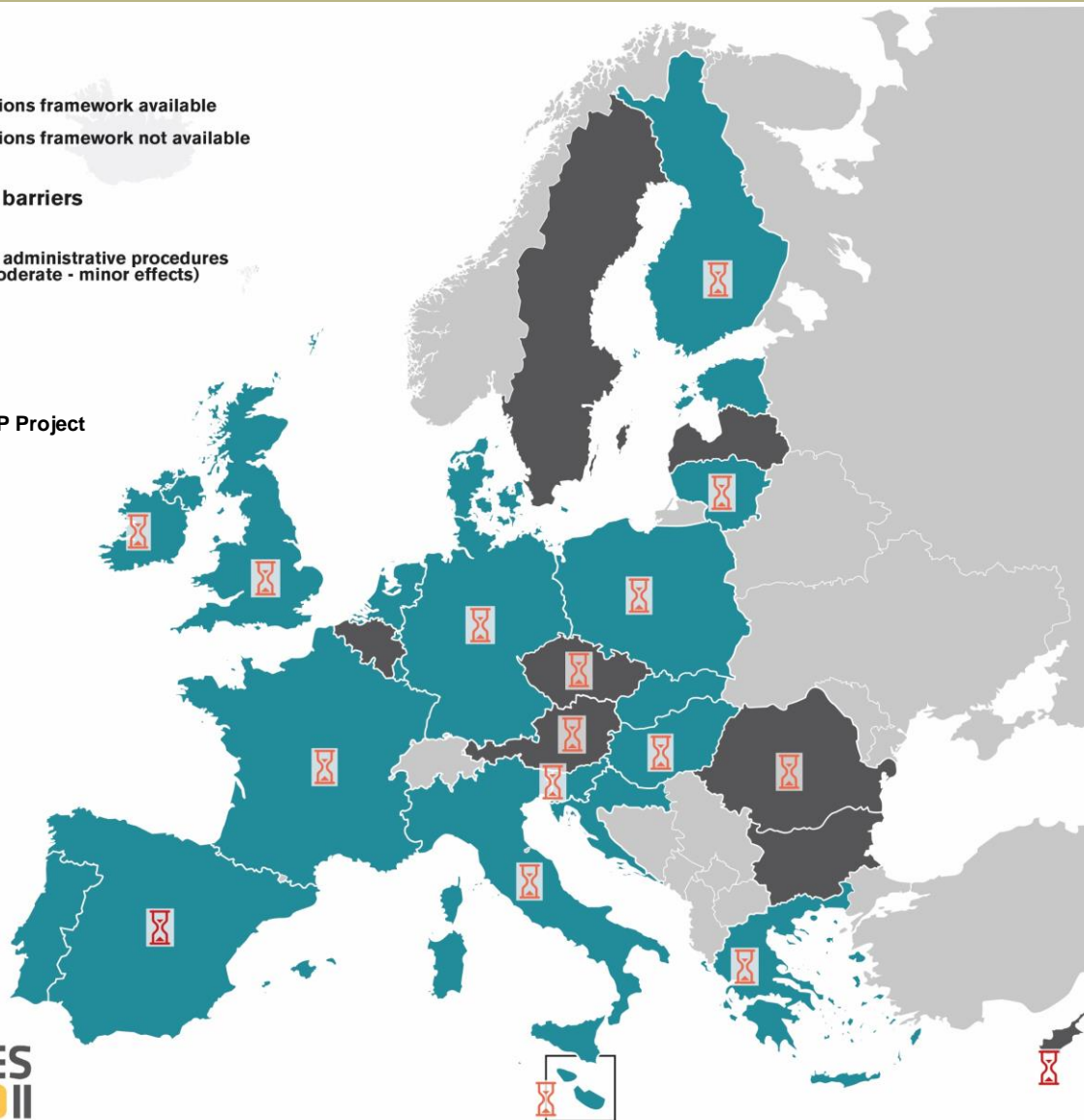
# What will be the impact of long administrative processes?

-  RES-E auctions framework available
-  RES-E auctions framework not available

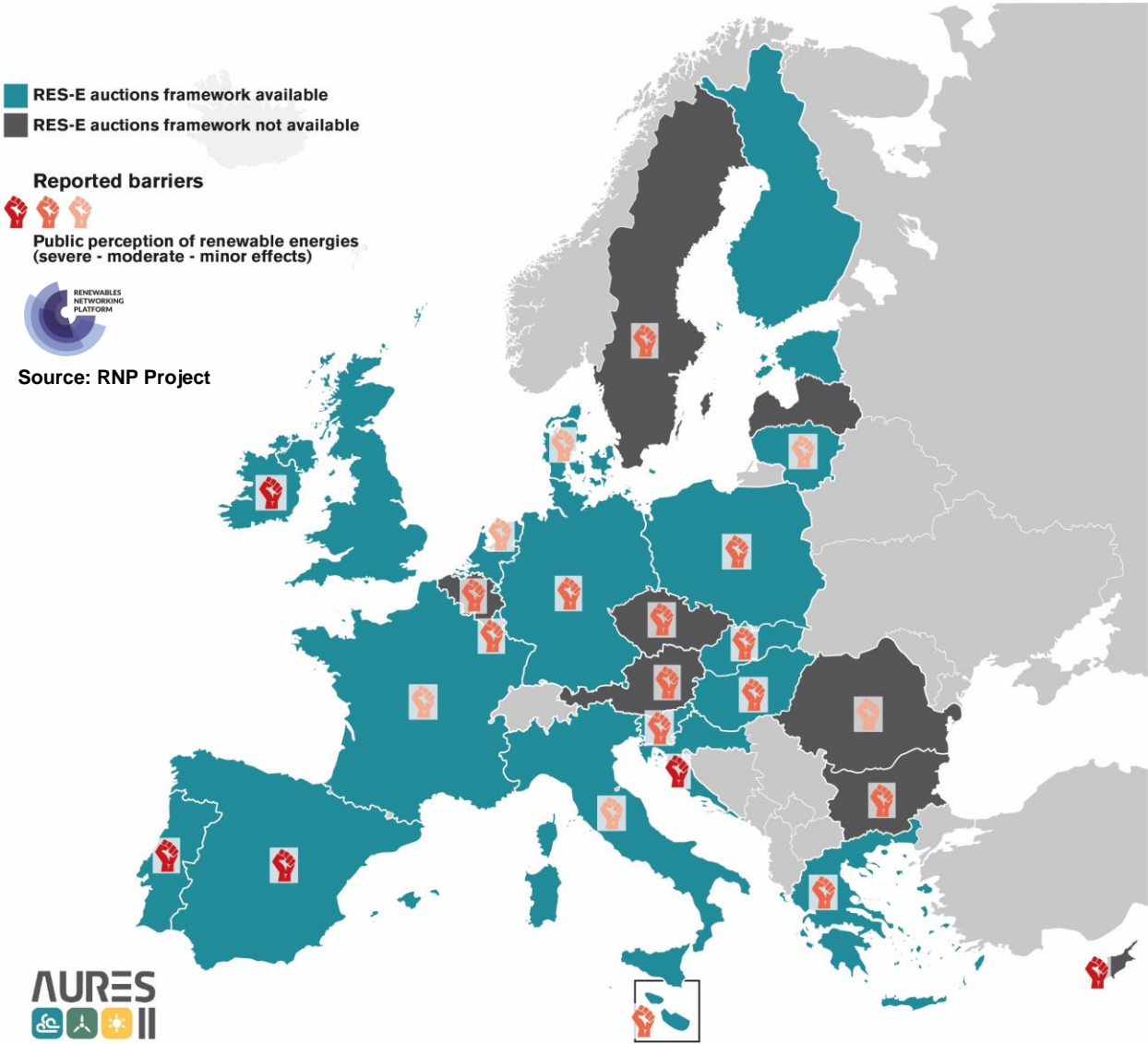
**Reported barriers**  
    
**Duration of administrative procedures**  
(severe - moderate - minor effects)



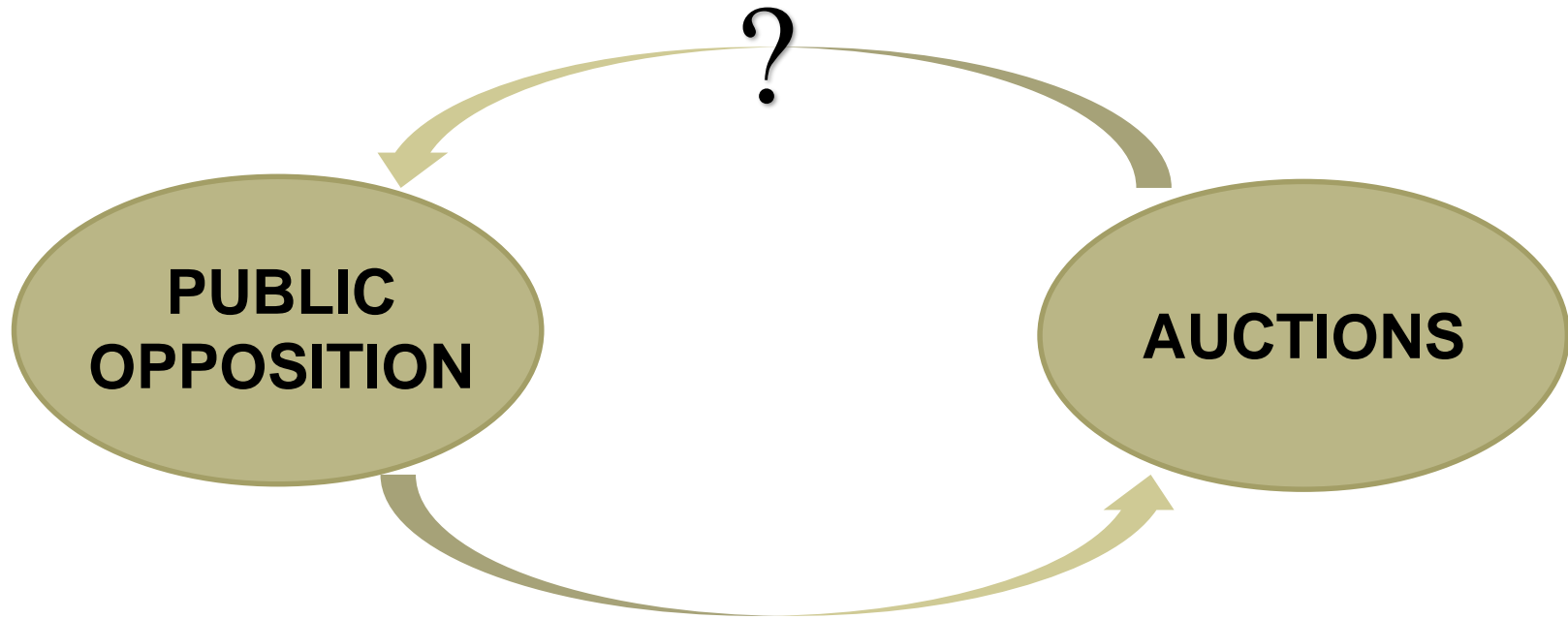
Source: RNP Project



# Context: Public protests



# What are the interdependencies between auctions & public opposition?



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- Auctions can be an essential tool for zero emissions
- Inconsistent development across Member States and technologies must be better understood – and lessons taken into account
- Interdependencies with other policy fields need more attention
- In many instances time will tell

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ideas into energy.

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