



From Auctions to Zero Emissions? Experience from Recent Years

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- **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:

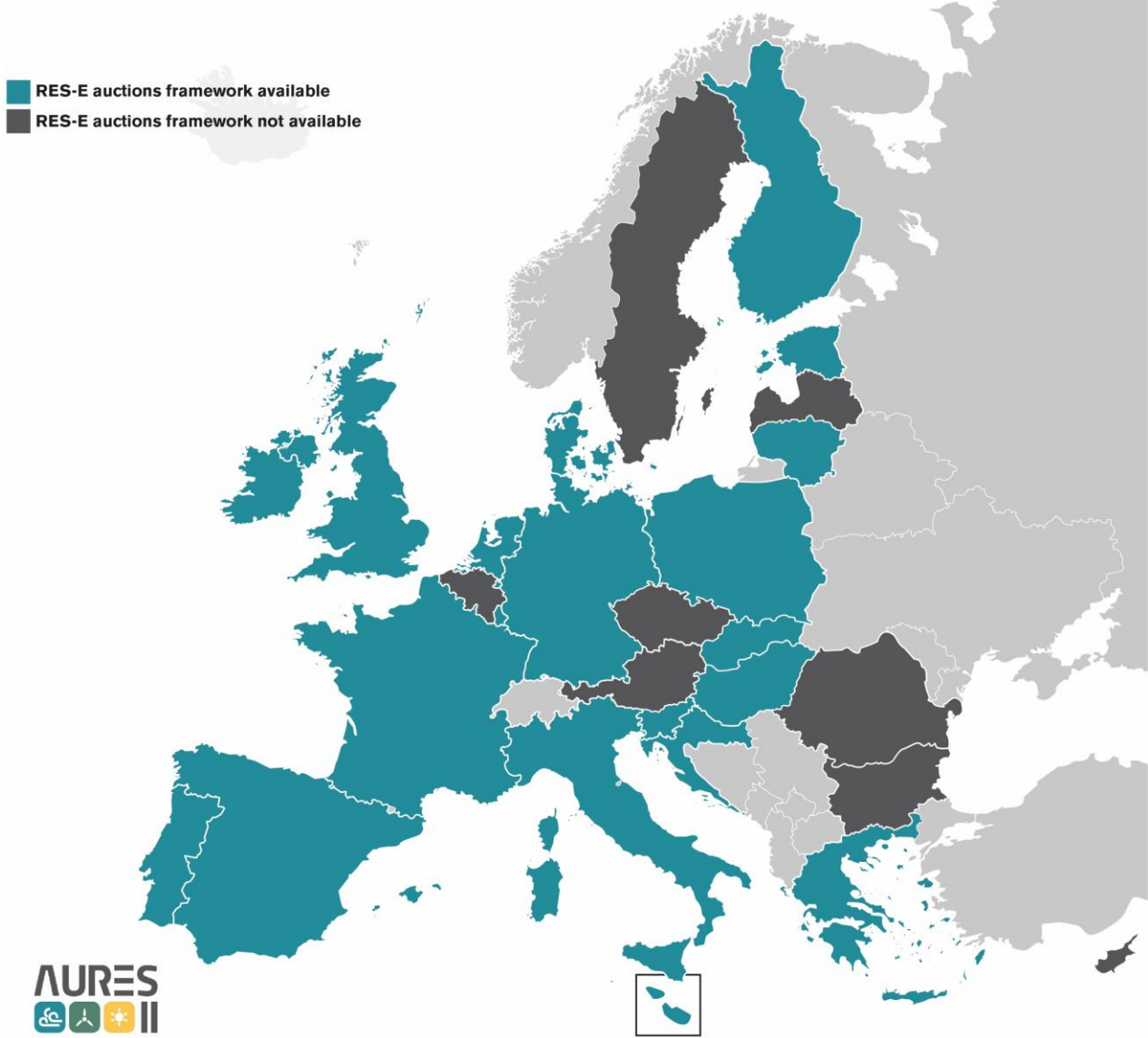
- **Auction: Process in which a good is offered up for bidding.**
- **In context of RES-E so-called procurement auctions: Auctioneer will buy the good (renewable electricity) from the bidder(s) offering the best bid, e.g. lowest support level.**



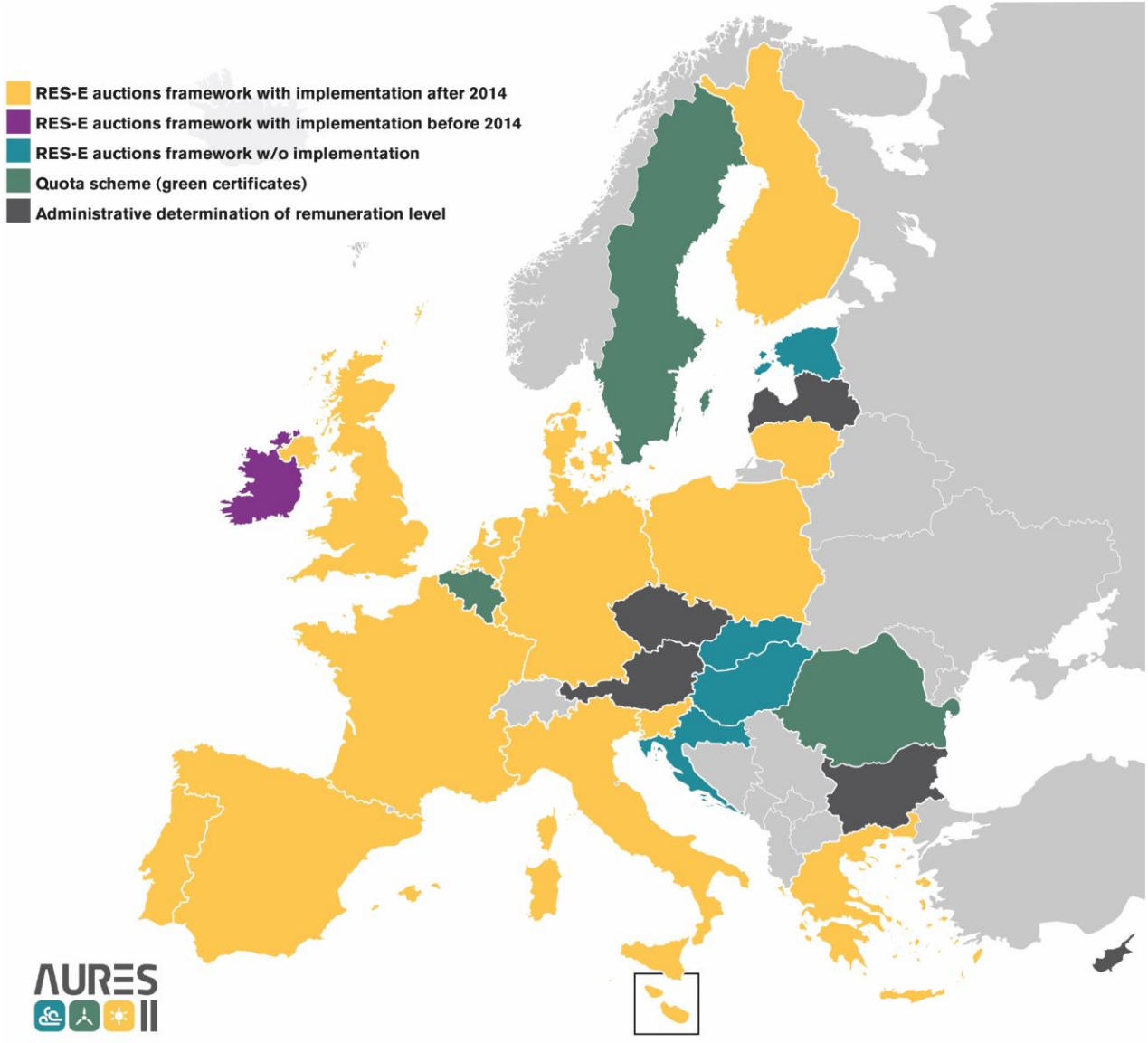
Motivation:

- **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



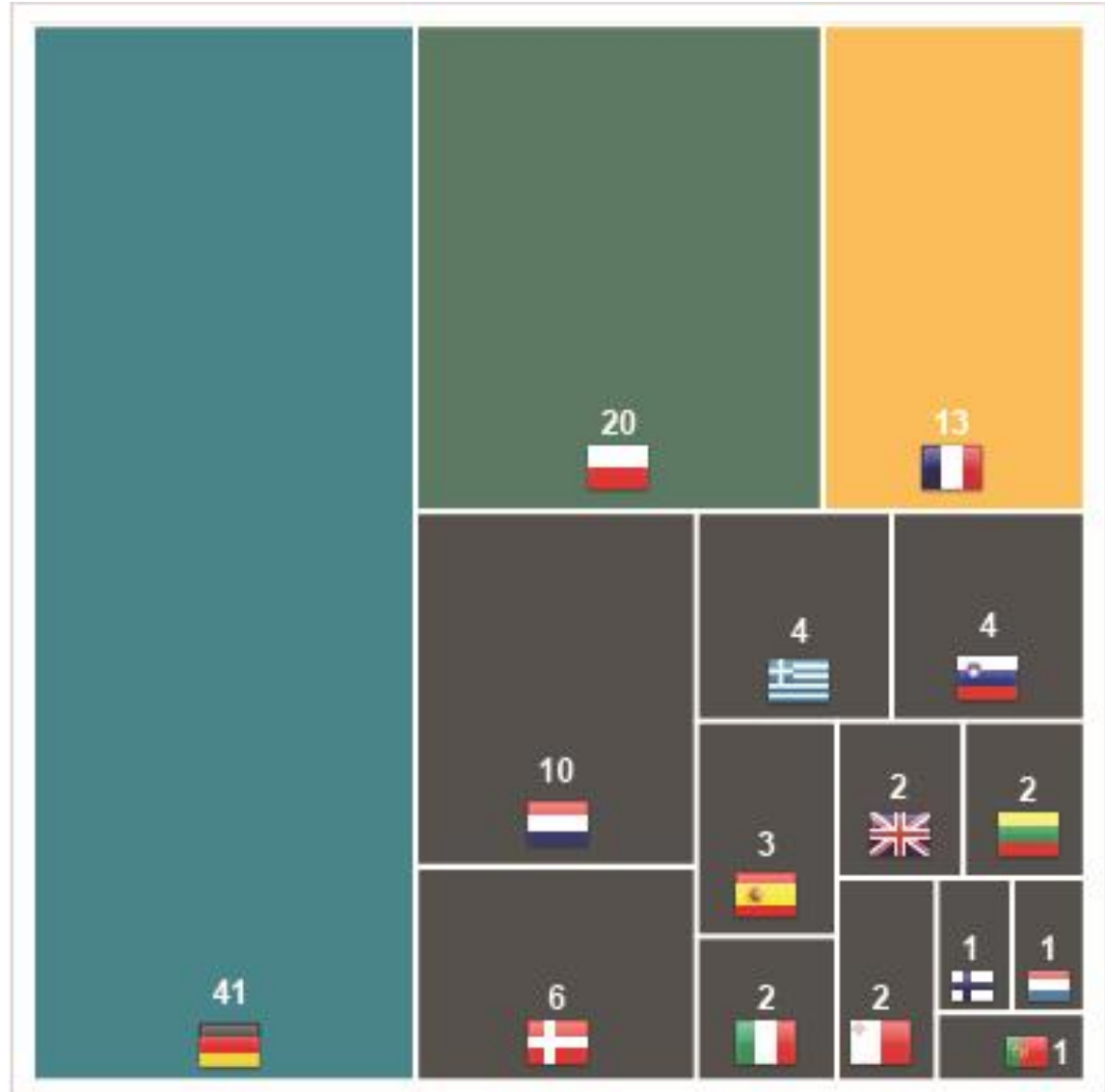
Not all Member States have concrete auctions implemented



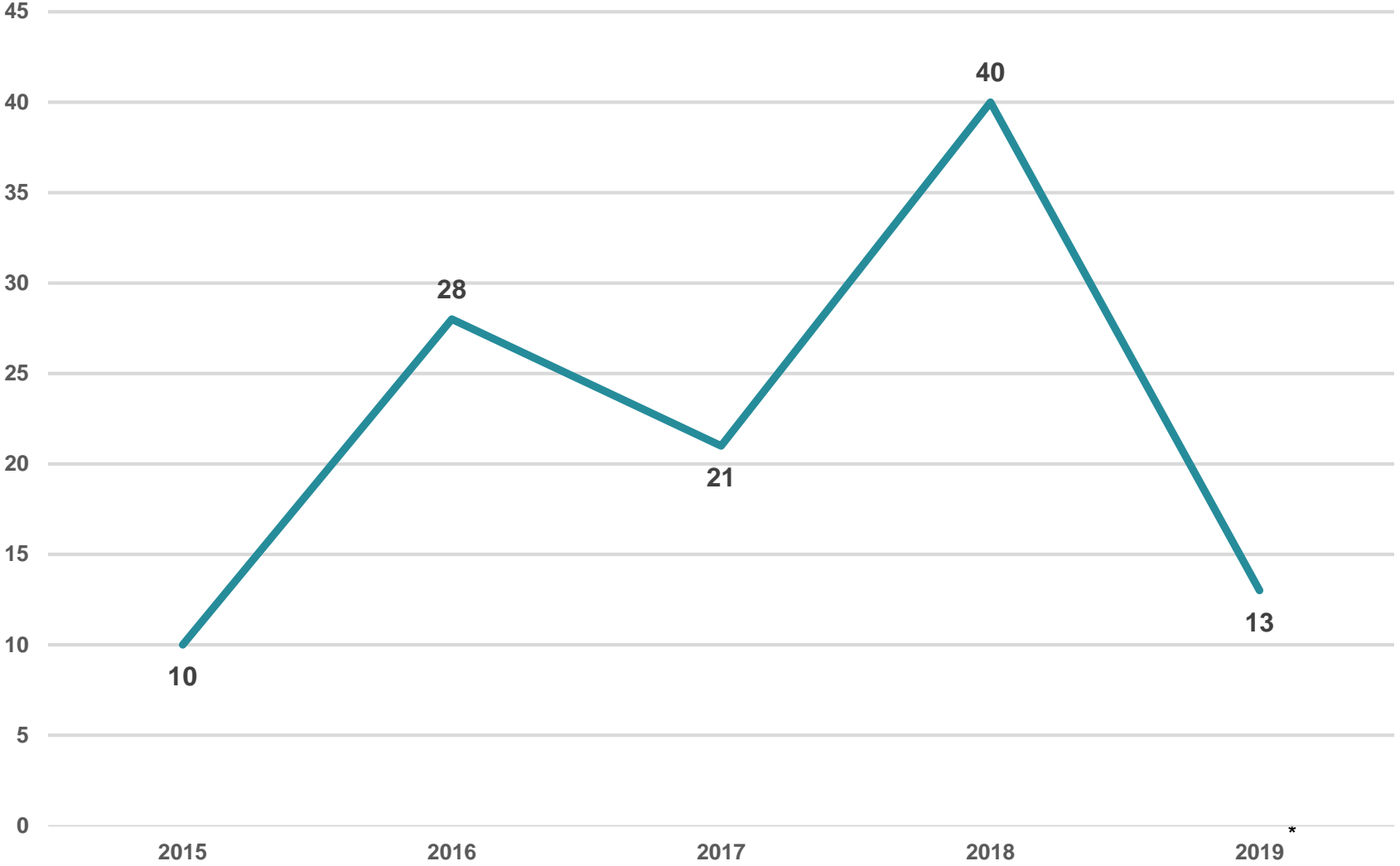
More than 2 out of 3 of auction rounds in only 3 Member States

Number of auction rounds per country

110 auction rounds in total (2015 - April 2019)

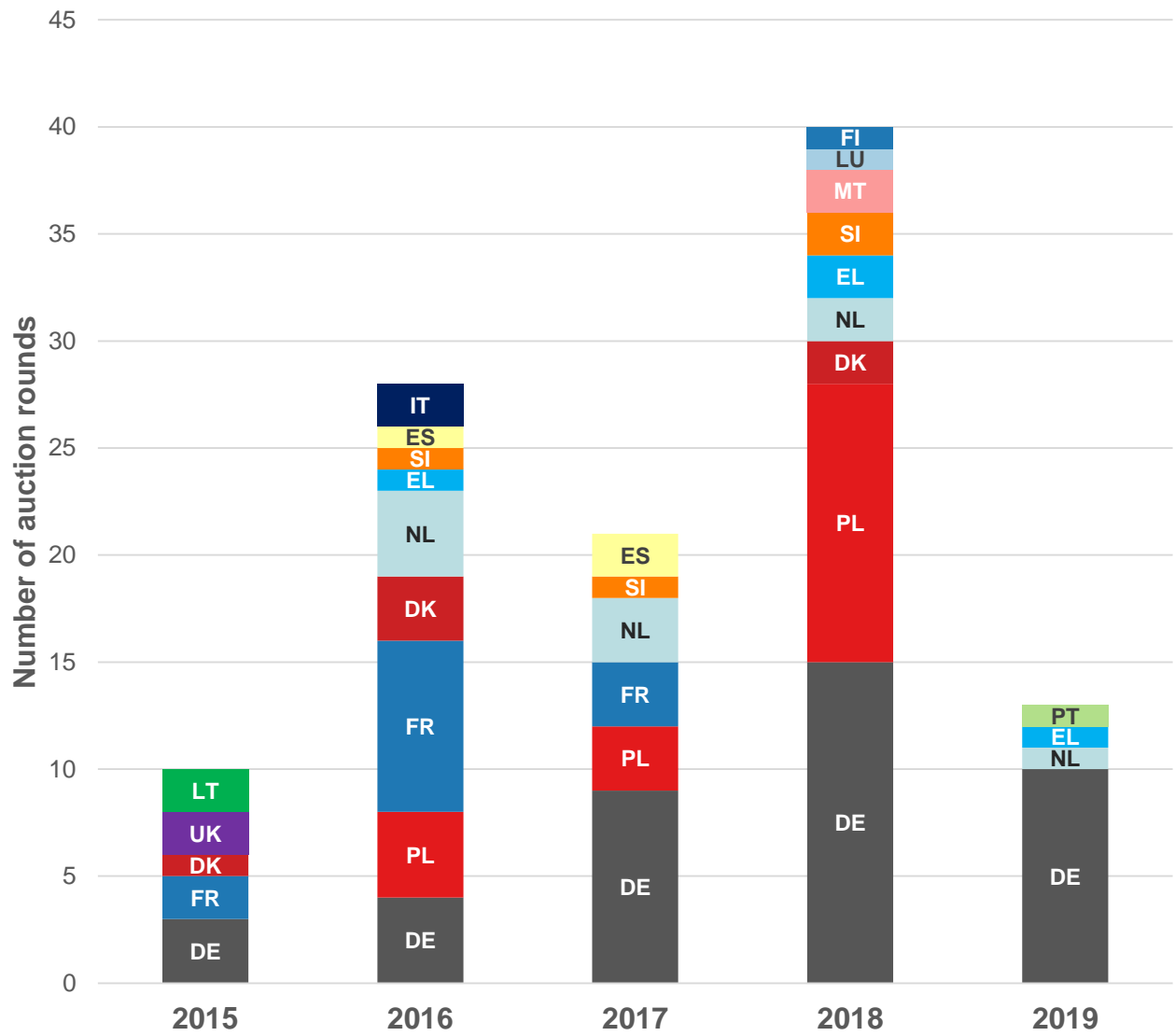


Increasing trend of tendering rounds across EU



* 2019 data only until 30 April

Member States show different strategies towards auctions

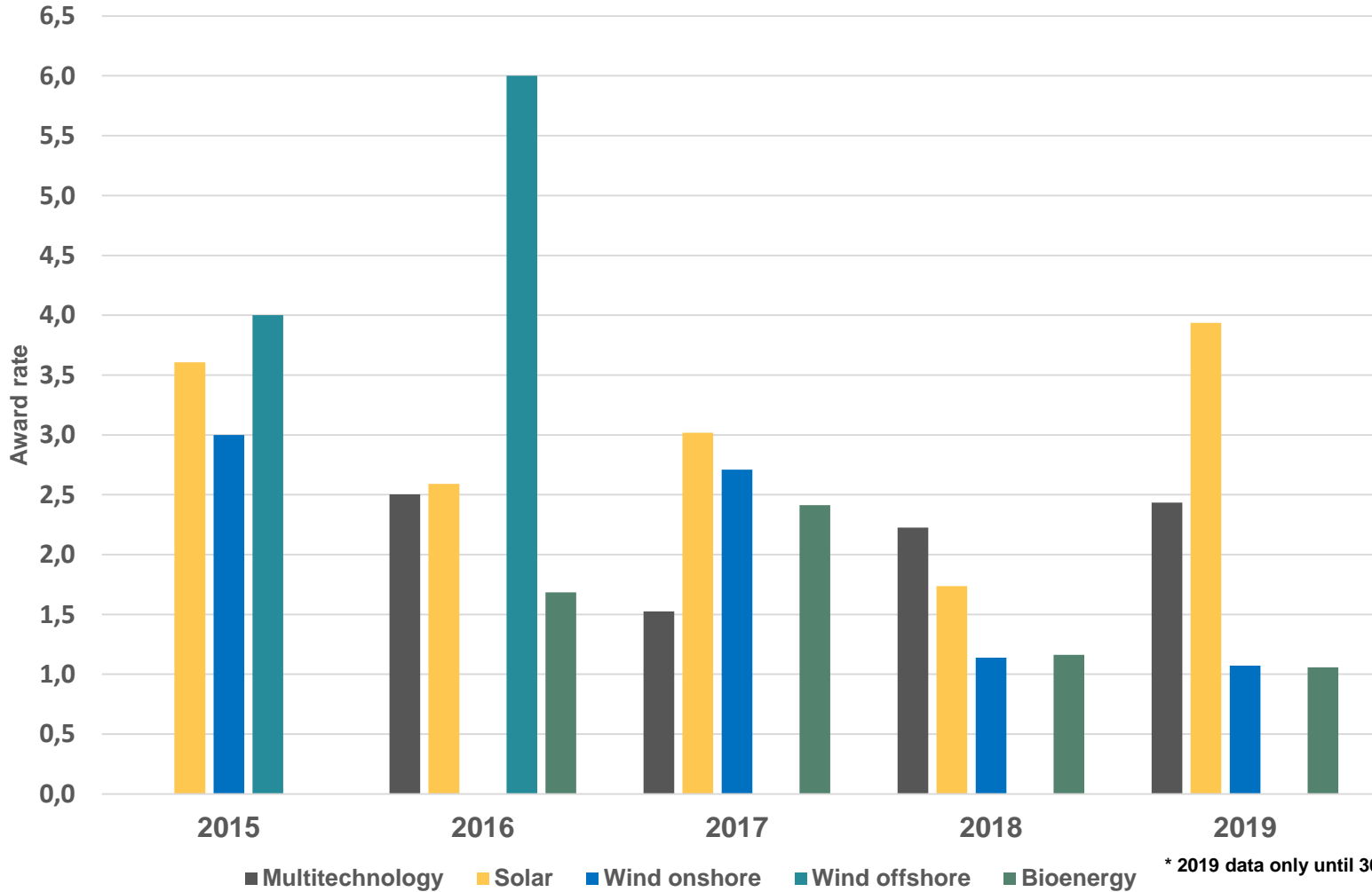


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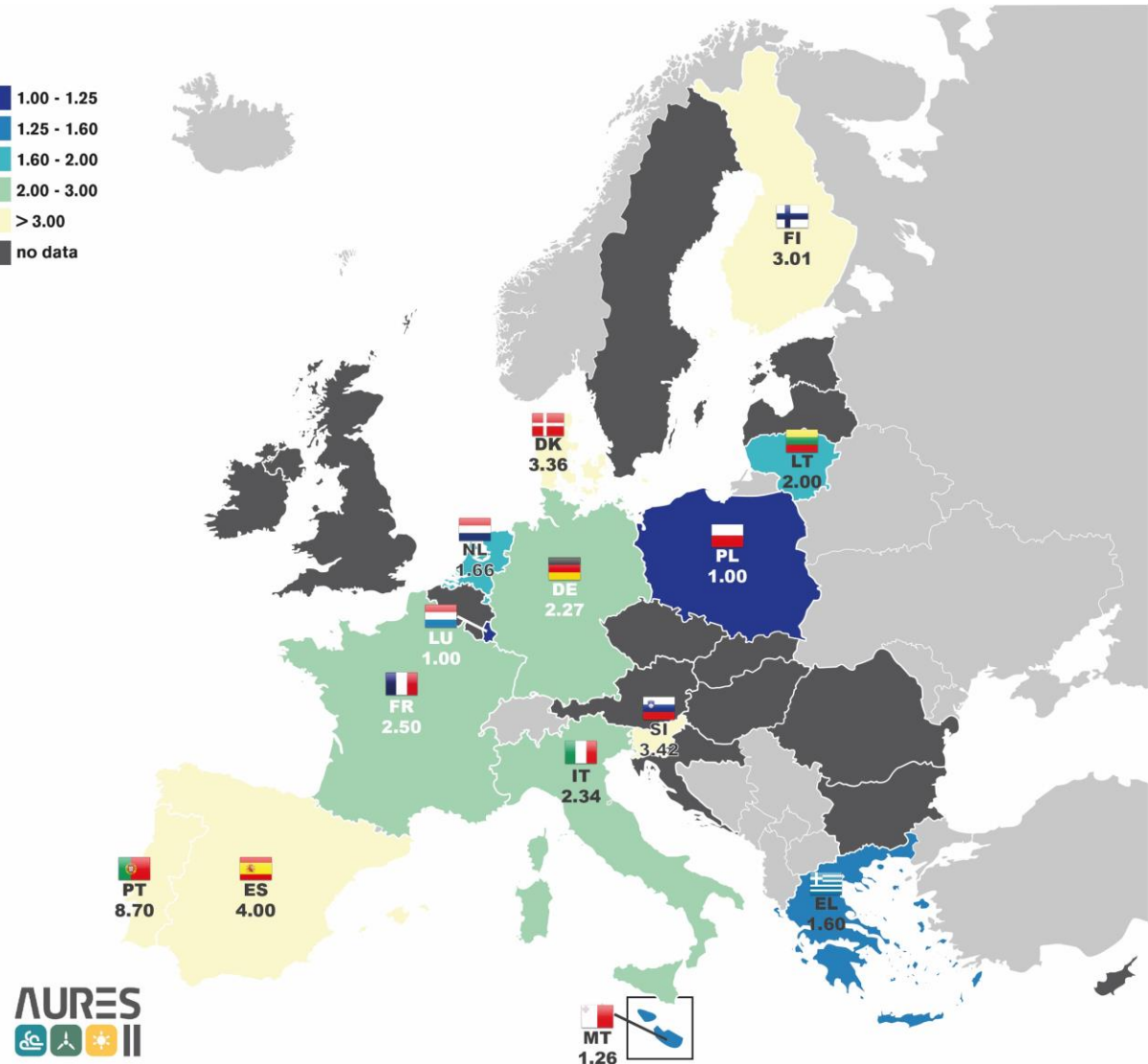
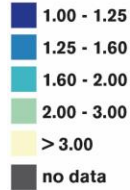
Award rate changed over years for some technologies a lot

Award rate per technology 2015-04/2019



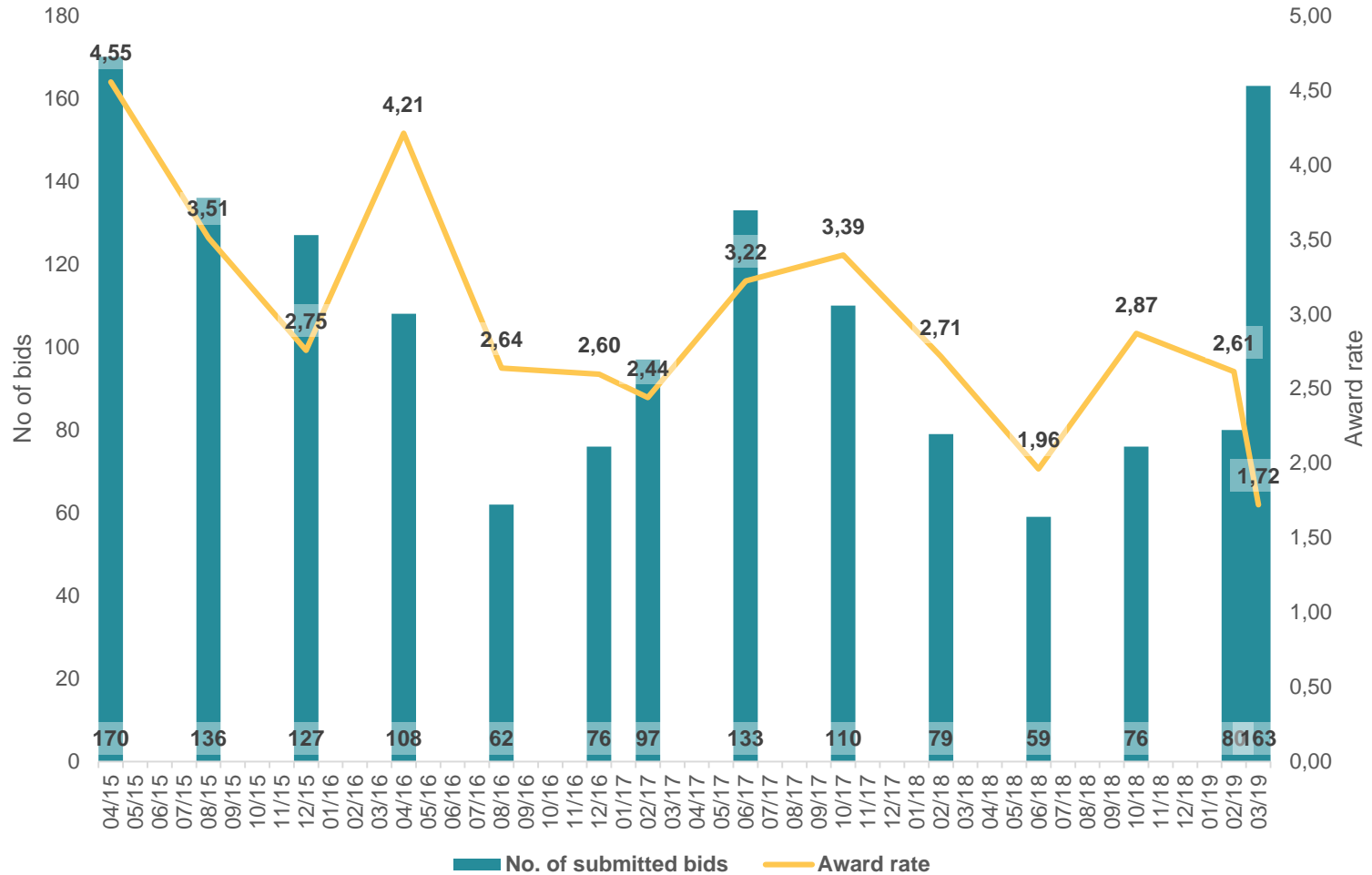
Competition across Member States varies

Avg. Award rate per country



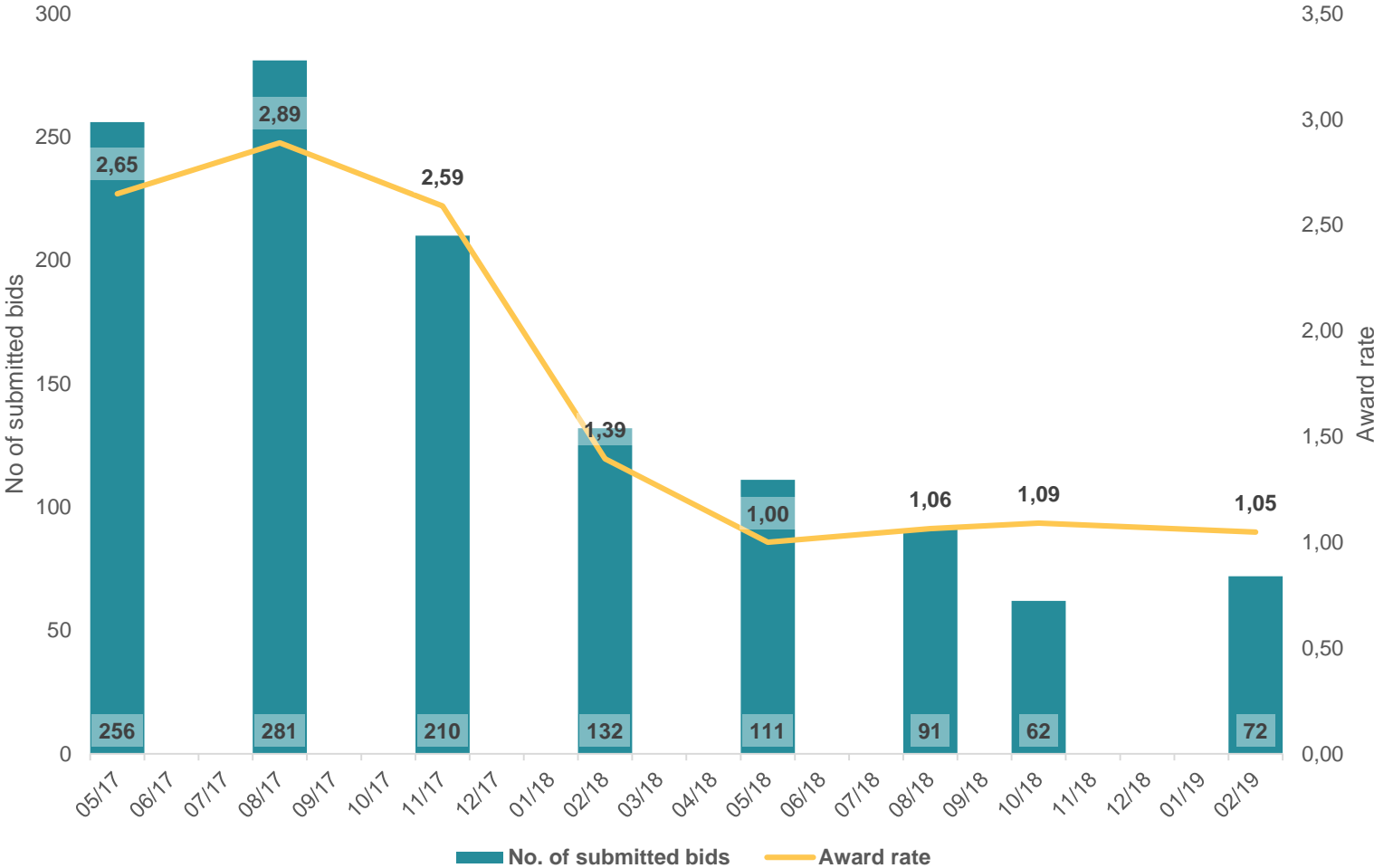
Example Germany: Inconsistent trend for solar power

Development of award rate for German solar auctions

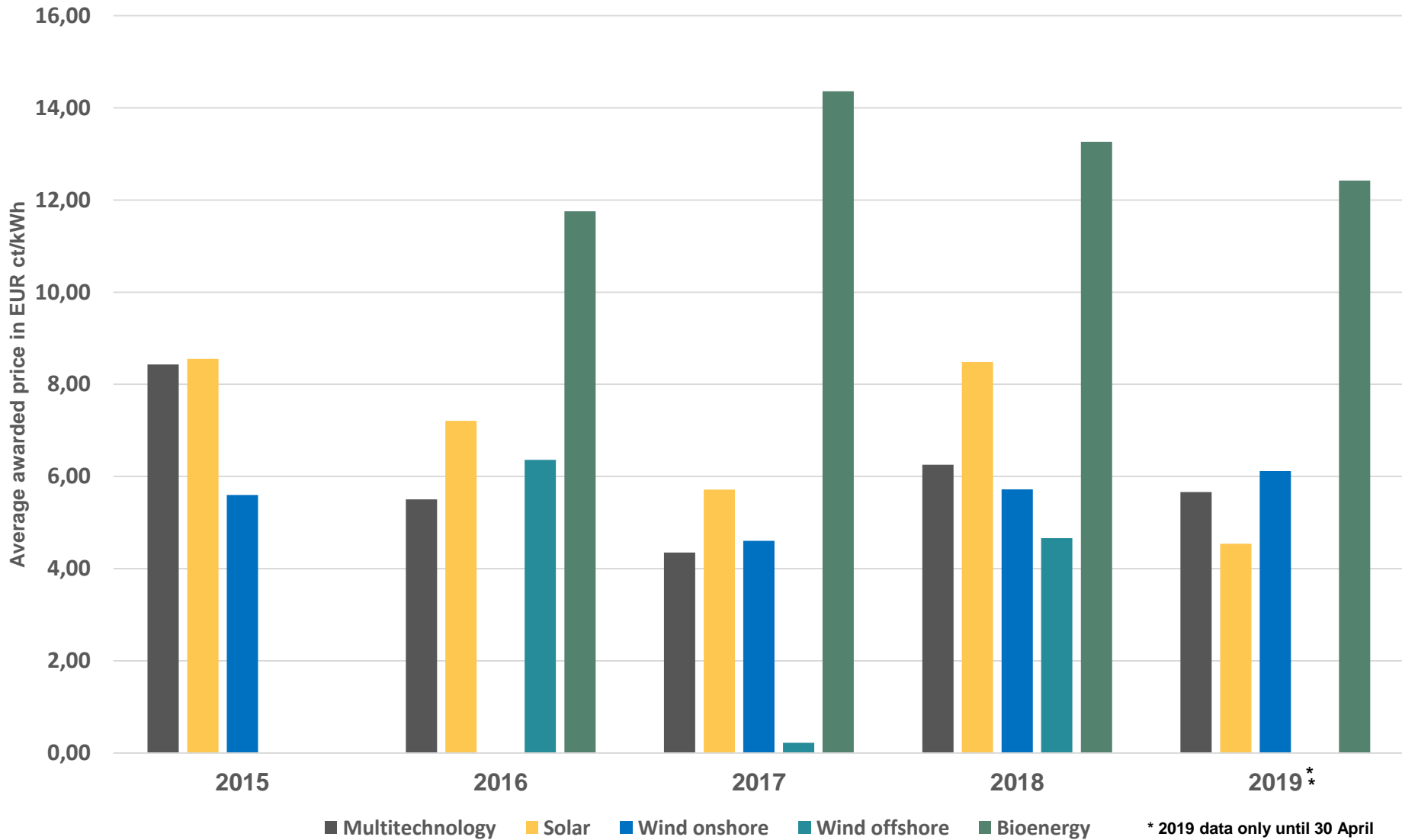


Example Germany: Consistent (and troubling) trend for wind power

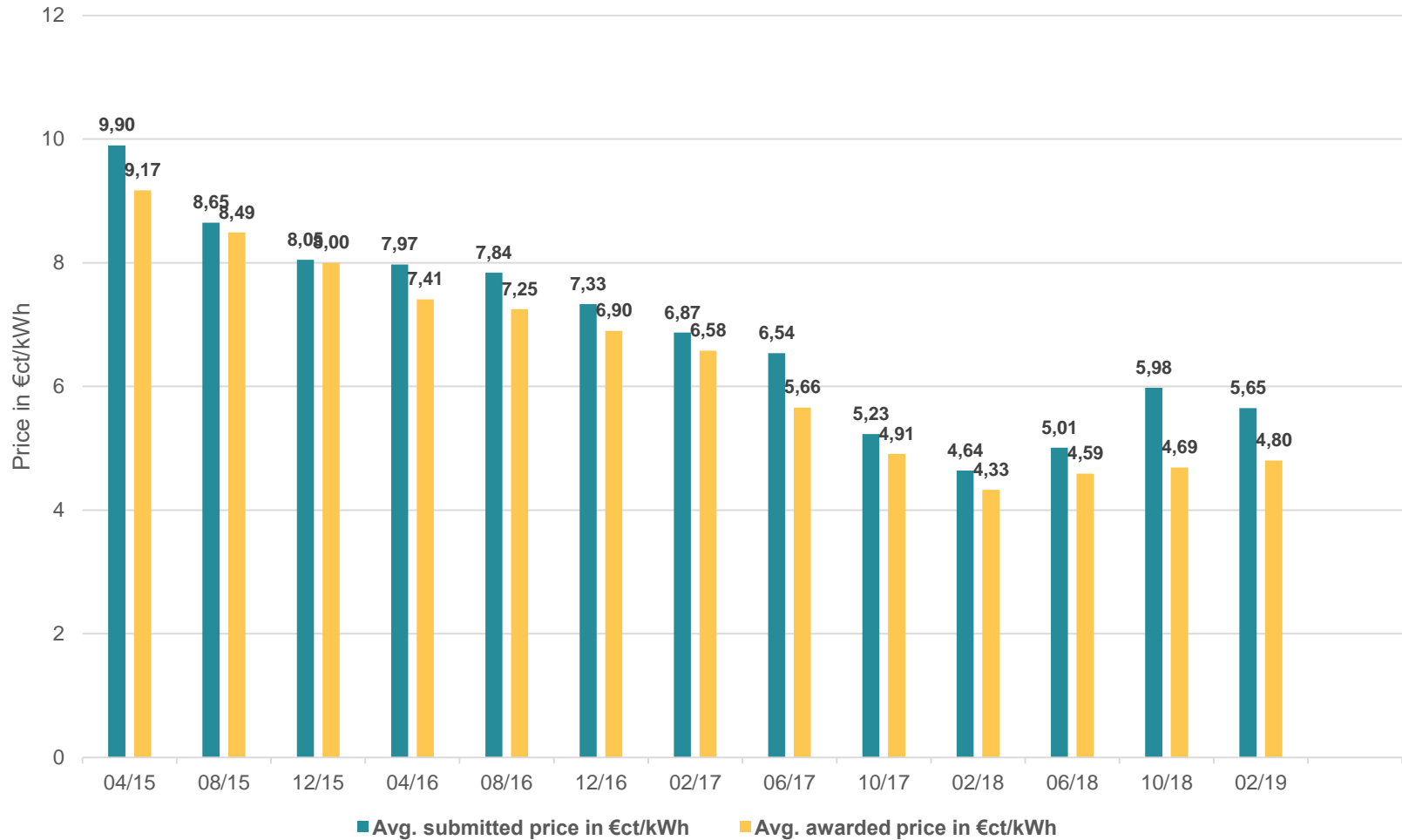
Development of award rate for German wind auctions



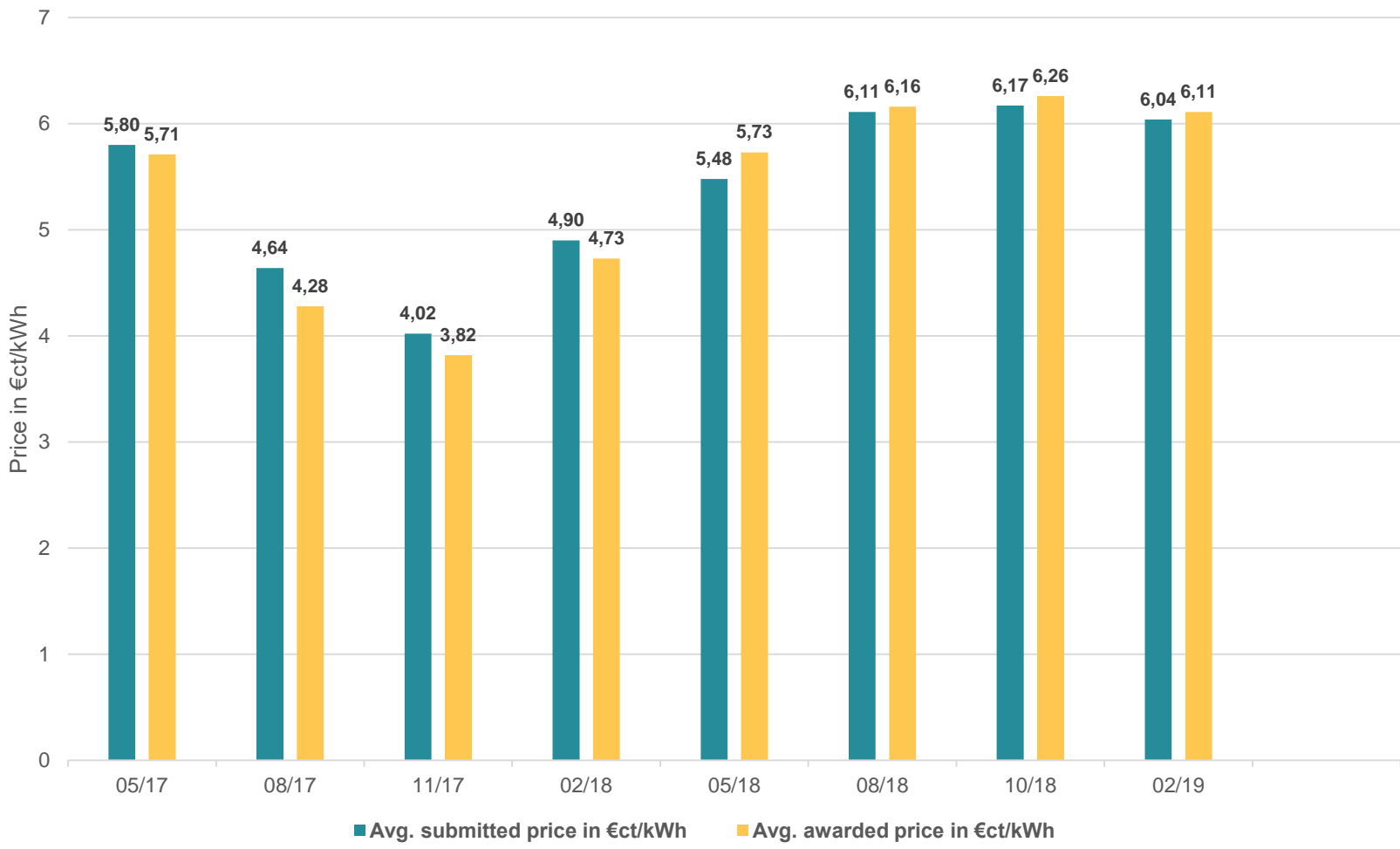
Development of strike prices inconsistent across years and all EU MS



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



Wind onshore: tendency to increasing prices



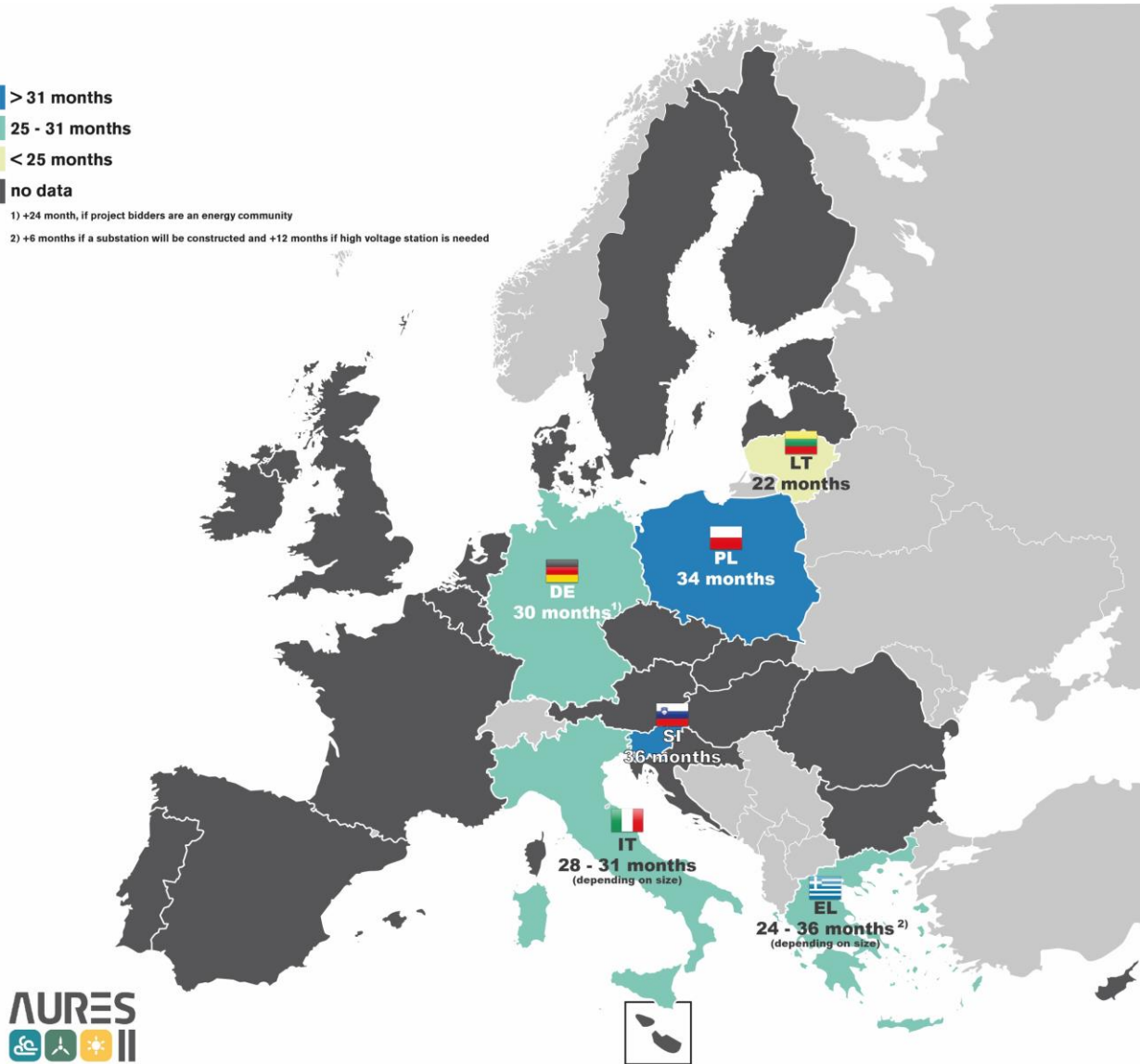
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Context: Deadlines for wind onshore project realization

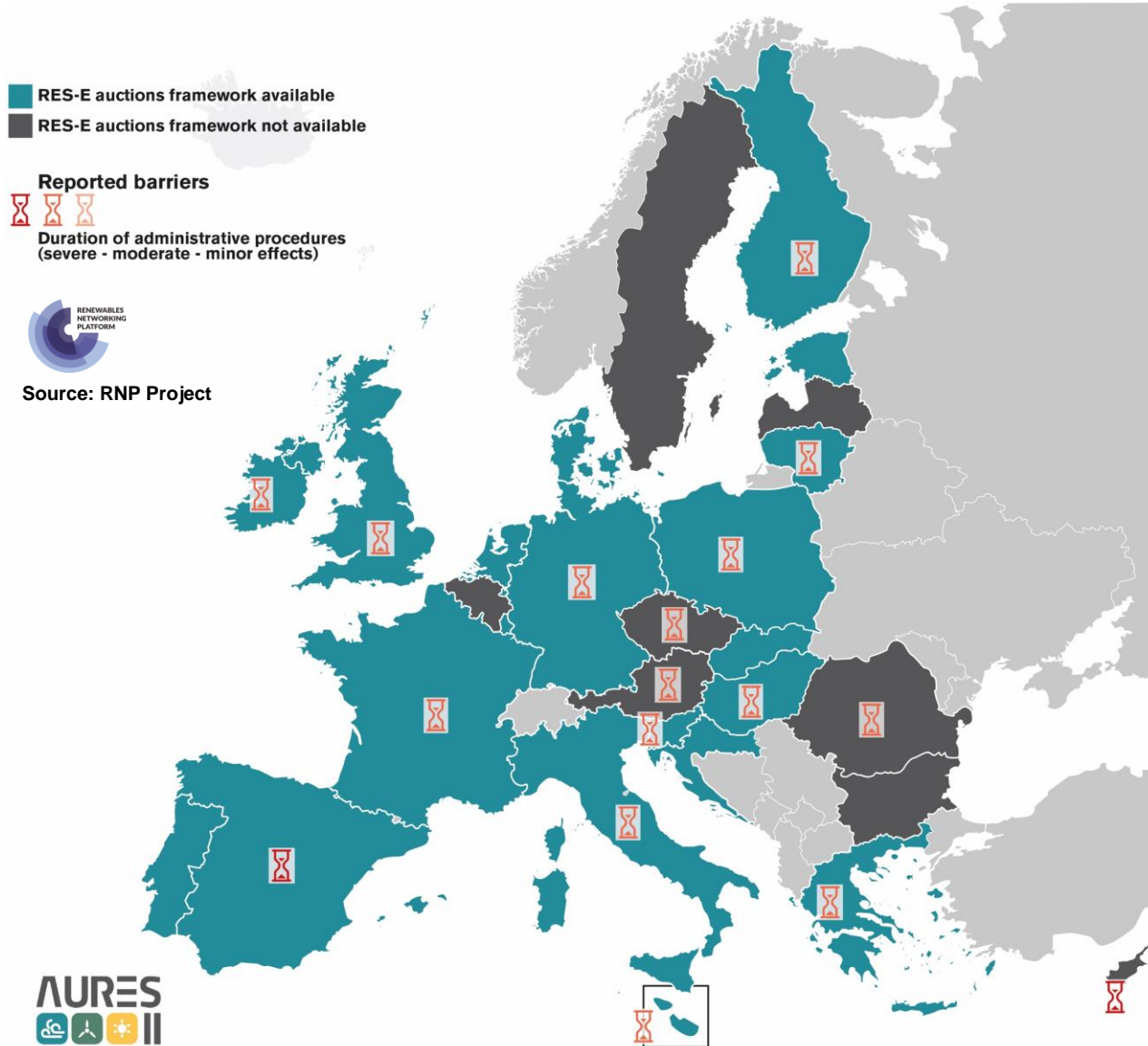
- > 31 months
- 25 - 31 months
- < 25 months
- no data

1) +24 month, if project bidders are an energy community

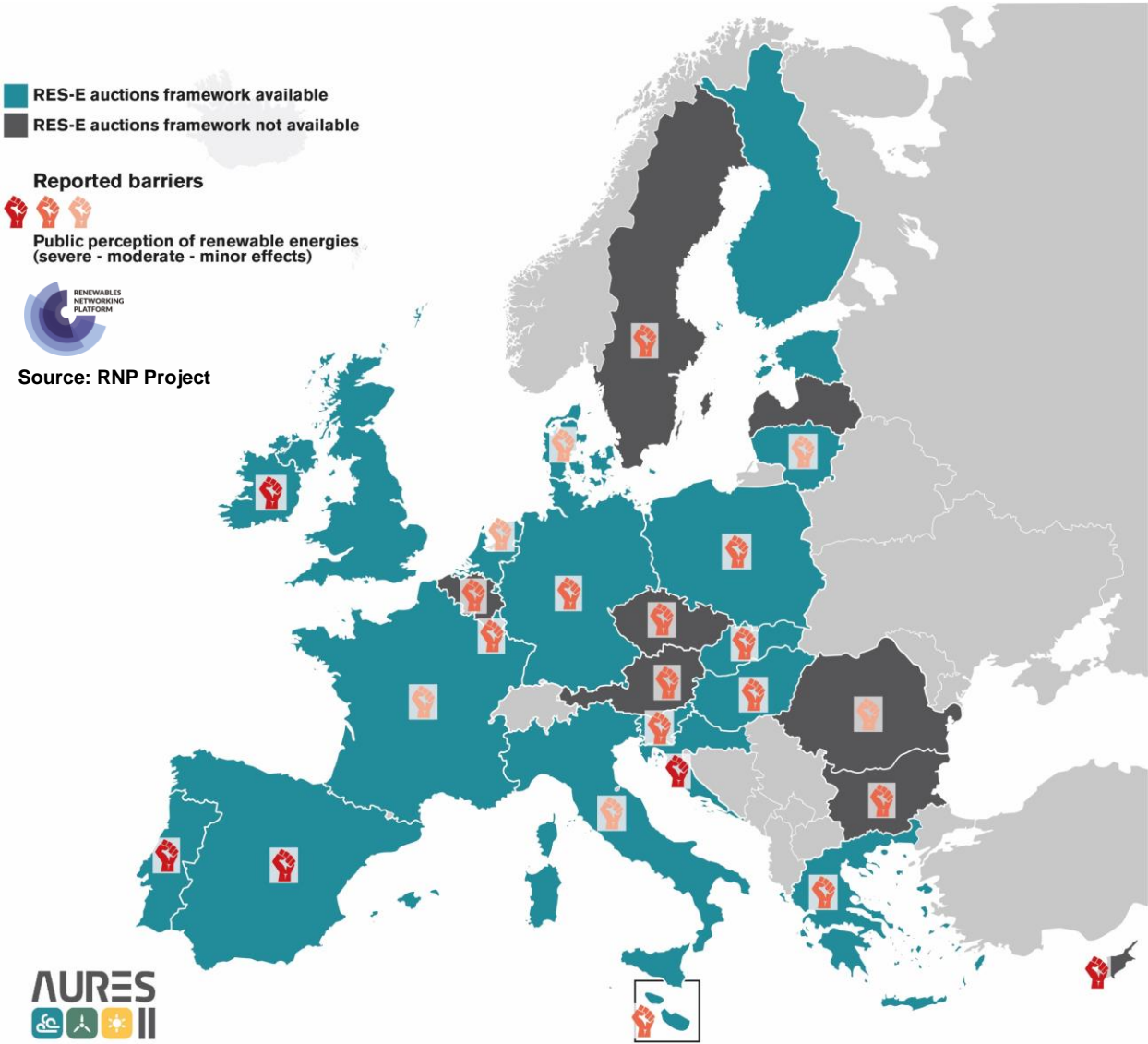
2) +6 months if a substation will be constructed and +12 months if high voltage station is needed



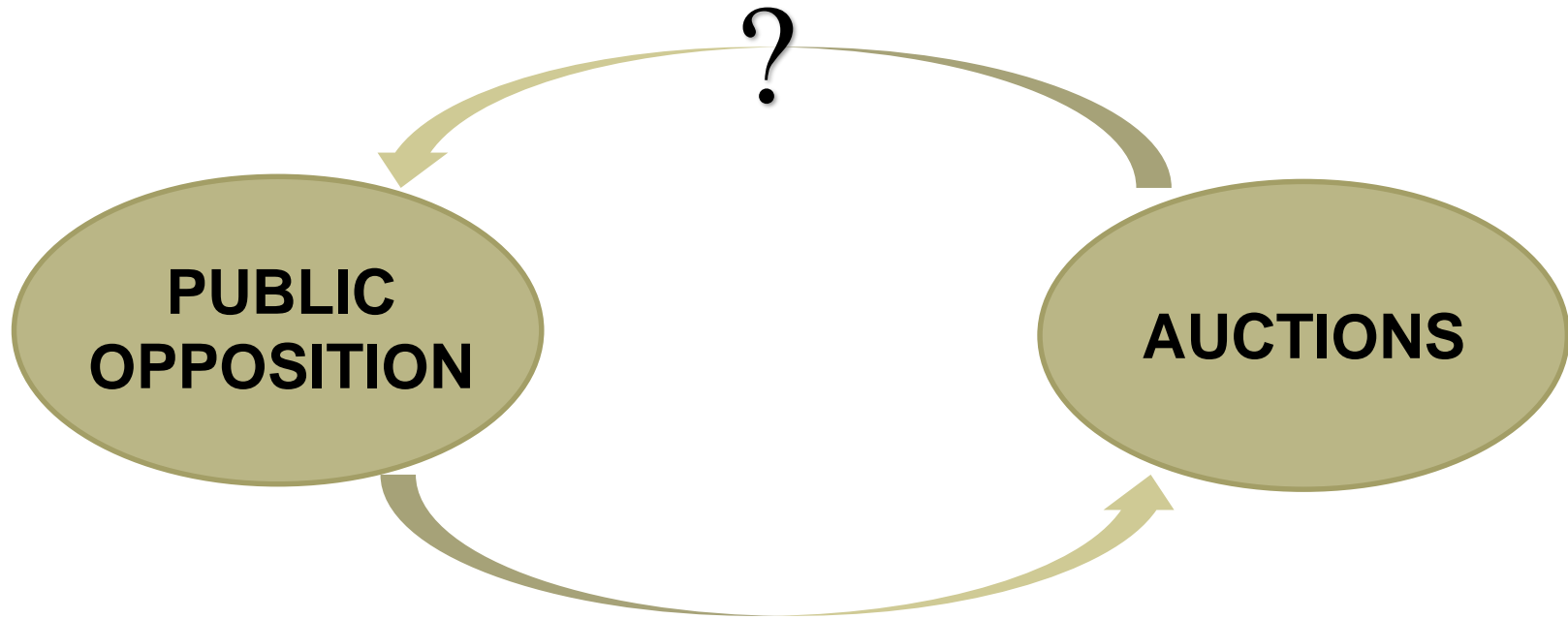
What will be the impact of long administrative processes?



Context: Public protests



What are the interdependencies between auctions & public opposition?



- **Auctions – predominant tool to decarbonize electricity production**
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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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