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## IRENA – Energy Community Workshop on Renewable Energy Auctions

8 March 2017

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Energy Community Secretariat, Am Hof 4, 1<sup>st</sup> District, 5<sup>th</sup> Floor, Vienna

### Background

European Union is at the forefront of the clean energy revolution with ambitious targets by 2020, 2030 and towards the de-carbonization of energy sector by 2050. The growth of renewable energy is significantly changing the paradigm of policies, regulations and electricity market design in Europe and beyond.

To achieve the 2020 objectives, targeted subsidies in the form of feed-in tariffs granted on a first-come first served basis were the most preferred option to ensure investors' confidence in renewable energy in early years. The implementation was not always providing the most efficient market outcomes or benefits to end-consumers and the investments were not always driven in the most cost-efficient way.

Since few years now, the policy makers shifted gears and requires the reform of the support to renewable energy by the introduction of technology neutral competition in granting the support, leading to disclosure of individual project costs and therefore, limiting the support level to the minimum needed. The European Commission Communication *State Aid Guidelines for environmental protection and energy 2014-2020*<sup>1</sup> has started to be implemented to deliver the expected results enabling a cost-effective renewable energy development for the benefit of energy consumers.

With the so-called 2016 Winter Package, the proposal of the Commission “has cleared the way to a more competitive, modern and cleaner energy system” (...) “setting the right conditions for investors, empower consumers and make energy markets work better and help meeting the European Union climate targets.”

Converging with the European Union energy and climate policies, in 2012, the Contracting Parties of the Energy Community committed to binding renewable targets to 2020 and started implementing policy measures to be on trajectory towards 2020. The reform of the existing support schemes and the introduction of market based approach in granting the support is required not only to ensure a cost-effective renewable energy development. It will enable the Contracting Parties meeting the 2020 targets with the lowest impact on electricity consumer price to end-users, regardless of the technology objectives carved in the National Renewable Action Plans few years ago.

Support for the ongoing transition towards more market-based renewable energy support schemes is also at the heart of the collaboration with the International Renewable Energy Agency (IRENA). *The Abu Dhabi Communiqué on Accelerating the Uptake of Renewables in South East Europe*<sup>2</sup>, recently adopted by the Contracting Parties and the South Eastern European Members of the European Union, recognizes importance of this process for strengthening enabling frameworks to promote further deployment of renewable energy in the region.

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<sup>1</sup> O.J. C 200, 28.06.2014 [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52014XC0628\(01\)](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52014XC0628(01))

<sup>2</sup> The Communiqué was adopted at the High-Level Meeting on Renewable Energy in South East Europe held on 13 January 2017 in Abu Dhabi by the Heads of delegation from Albania, Bosnia and Herzegovina, Croatia, Montenegro, the Republic of Moldova, Romania and Serbia to. It's available at:  
[http://www.irena.org/DocumentDownloads/Publications/IRENA\\_SEE\\_Communique\\_2017.pdf](http://www.irena.org/DocumentDownloads/Publications/IRENA_SEE_Communique_2017.pdf)

## Objectives and Participants

Participants from ministries, energy regulators, renewable energy authorities as well as key regional stakeholders from South East Europe, will gather to learn and discuss best practices regarding the design and implementation of the auction-based support schemes to enable the most cost-effective renewable energy development.

The workshop will also cover the key elements of a well-designed auction scheme, inform policy makers on the implications of different approaches to auctions and share best practices from Europe and beyond.

## Draft Agenda

09:00 – 09:15: Registration and welcome coffee

<i>Time</i>	<i>Topic</i>	<i>Speaker</i>
09:15	Welcoming remarks	Gabriela Cretu, ECS Gurbuz Gonul, IRENA

### Session I: Renewable energy support schemes: the role of auctions

09:30	Renewable Energy Auctions – an overview of pros and cons	Diala Hawila, IRENA
10:00	Panel discussion: Emerging role of renewable energy auctions in the clean energy transition Moderated by IRENA Panelists: João Herédia (European Commission), Diala Hawila (IRENA), Philip Good (European Bank for Reconstruction and Development), Viktoriya Kerelska (Wind Europe), Massimiliano Tarantino (Enel Green Power)	
10.45	Coffee break	

### Session II: Designing auctions

11.00	AURES Project – Promotion of effective use and efficient implementation of auctions on renewable energy in Europe	Fabian Wigand, Ecofys
11: 45	Practical implementation of auctions - interactive session	Fabian Wigand, Ecofys
12:05	Design options for wind energy tenders	Viktoriya Kerelska, WindEurope
12:30	Networking lunch	

### Session III: Auctions in practice

13:30	<i>Renewable Energy Auctions – Analysing 2016</i>	<i>Diala Hawila, IRENA</i>
14:00	<i>2017 German Renewable Energy Law and cross-border renewable energy tenders</i>	<i>Beatrix Massig, Federal German Ministry for Economic Affairs and Energy, Germany</i>
14:30	<i>Denmark: Experience with the first PV pilot project</i>	<i>Rasmus Zink Sorensen, Danish Energy Agency</i>
15:00	<i>Coffee break</i>	
15:15	<i>Analysis of key factors for successful auction programs: Experiences from outside of Europe</i>	<i>Massimiliano Tarantino, Enel Green Power</i>
15:45	<p><i>Panel discussion: Auctions in practice. Lessons learnt and recommendations for South East Europe</i></p> <p><i>Moderated by Energy Community</i></p> <p><i>Panelists: Rasmus Zink Sorensen (Denmark), Beatrix Massig (Germany), Fabian Wigand (Ecofys), Zoran Stanic (European Investment Bank), Massimiliano Tarantino (Enel Green Power)</i></p>	
16:45	<i>Closing remarks</i>	