



Auctions for RES support – the convincing list of pros

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RES Directive 2009/28/EC

on the promotion of the use of energy from renewable sources

Will be replaced by Clean Energy Package

European Commission Guidelines on State aid for environmental protection and and energy 2014-2020

(„EEAG“)

Extended until 2022

Article 18 EnCT

“1. The following shall be incompatible with the proper functioning of the Treaty, insofar as they may affect trade of Network Energy between the CP:

...

(c) any public aid which distorts or threatens to distort competition by favouring certain undertakings or certain energy resources.

2. Any practices contrary to this Article shall be assessed on the basis of criteria arising from the application of the rules of Articles [101, 102 and 107 TFEU] (attached in Annex III).”

Article 19 EnCT

“With regard to public undertakings and undertakings to which special or exclusive rights have been granted, each CP shall ensure that as from 6 months following the date of entry into force of this Treaty, the principles of the [TFEU], in particular Article [106 (1) and (2)] thereof (attached in Annex III), are upheld.”

European Commission Guidelines on State aid for environmental protection and energy 2014-2020

-> Market integration of RES

Means:

- Obligation to sell to the market
- Competitive bidding procedure
- Balancing responsibility

Defines standards for compliance of state support to RES with State aid acquis

Main aspects of reform of RES support



- **Competitive bidding process for determination of**
 - Privileged producers and
 - Level of support
 - Rule, with exceptions
- **Premium on top of market price**
 - Except for small producers
- **Balancing responsibility**
 - in case of liquid IDM

Competitive bidding process



- *For NEW projects*
- *For ALL technologies*
- *Except for small installations*
- *Except for limited circumstances*

Mandatory competitive bidding process

- > **predictability**
- > **market integration**
- > **driving level of support down**

Competitive bidding - Why



- Reveal costs
- „right level“ of support
- Ensures cost-efficient development
- Drives down costs for consumers
- Transparency and objectivity
- State Aid Guidelines
- Reduction of regulatory risk
- Level playing field

Multi-faceted approach



- **Create understanding for purpose of compliant support**
- **Change of attitude**
- **Promotion of market integration**
- **Process needs support by all stakeholders**

- **First step ...**

The background is a dark blue image of the Earth from space, showing the outlines of continents. Overlaid on the Earth are numerous glowing blue lines that form a complex network, representing energy transmission or a global grid. The lines are bright and have a slight glow, creating a sense of dynamic energy.

*Thank you
for your attention!*

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