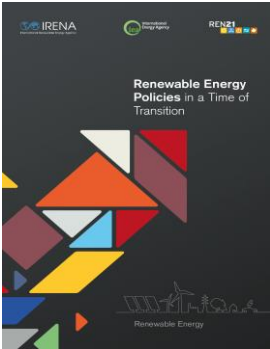
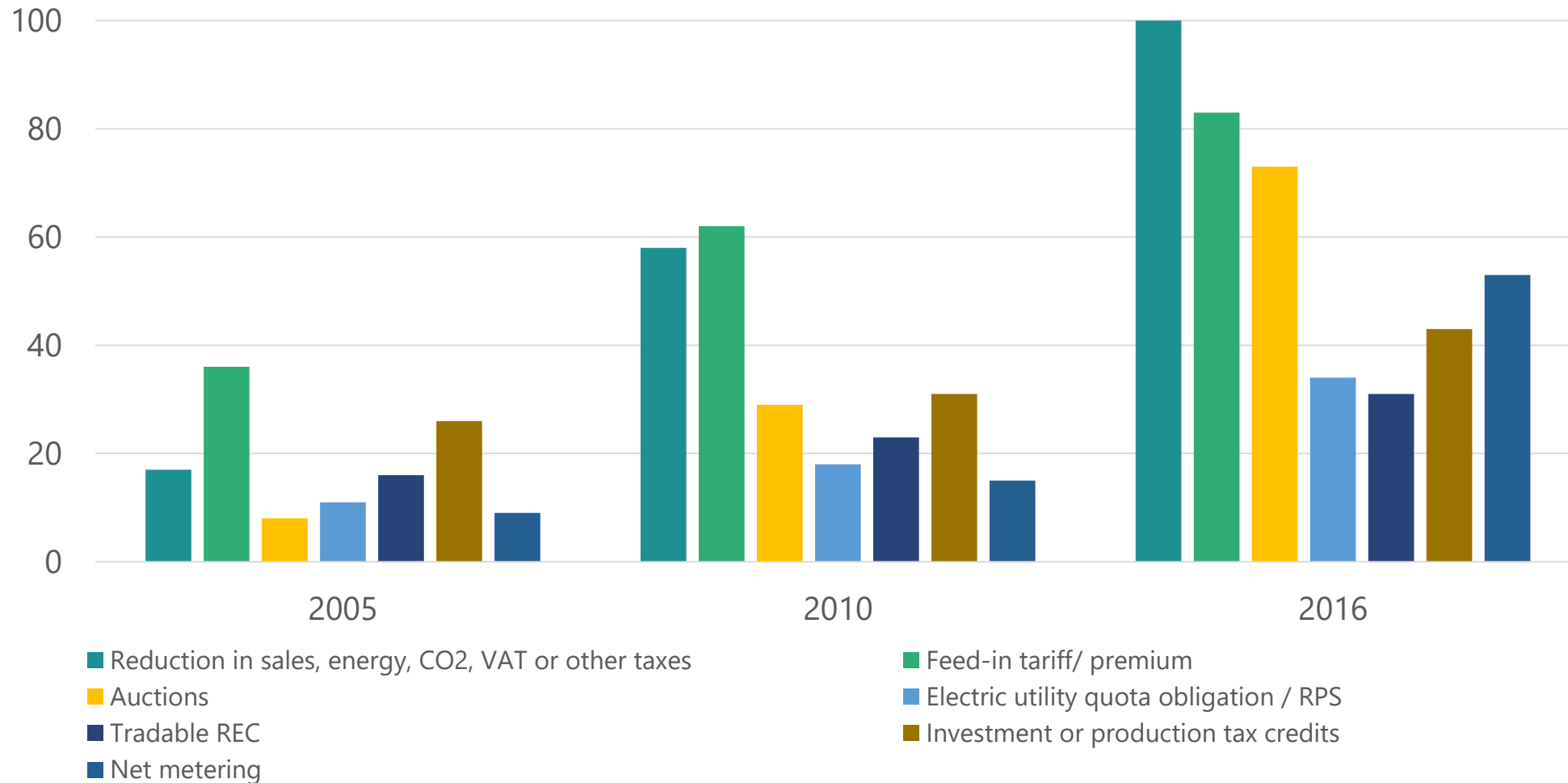


RENEWABLE ENERGY AUCTIONS: BEYOND PRICE

Bangkok • 7 October 2019

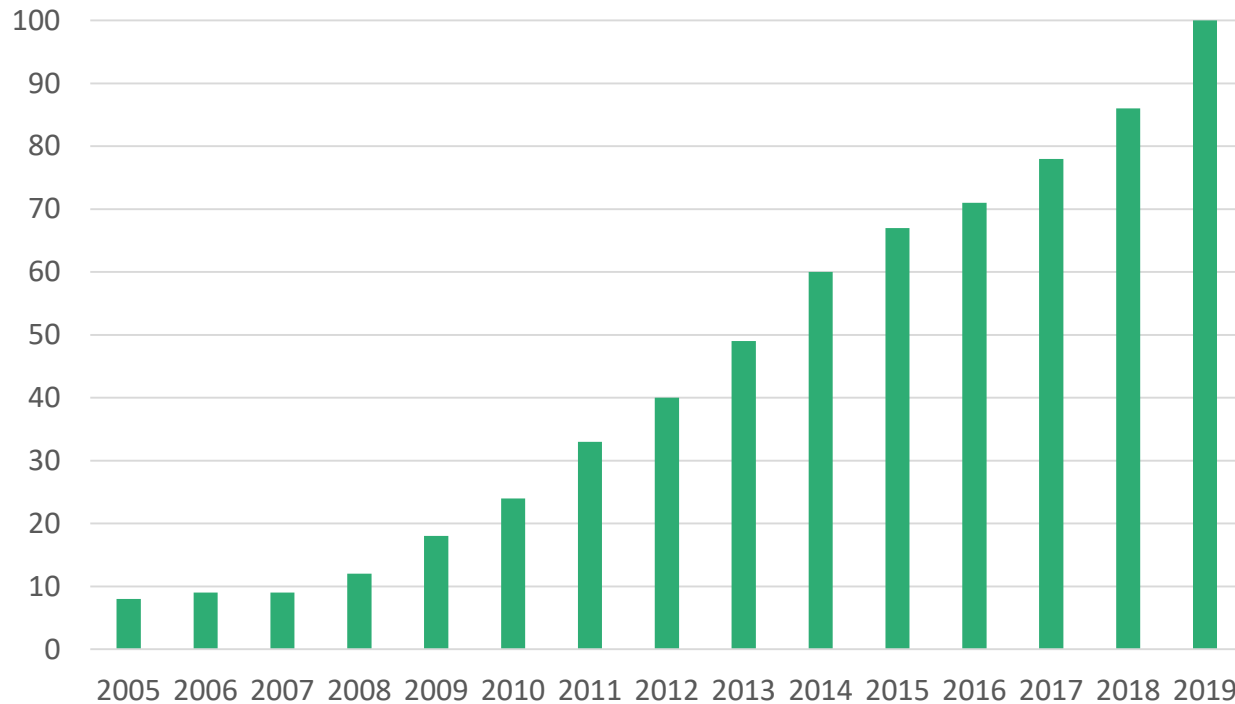
Trends in deployment policies

Number of countries that have adopted support mechanisms



Auctions trends, weaknesses and strengths

Number of countries that have adopted auctions



Based on REN21 Global Status Report (2005 to 2019)



Weaknesses

Associated with relatively high transaction costs for both developer and auctioneer

Risk of underbidding and delays

Strengths

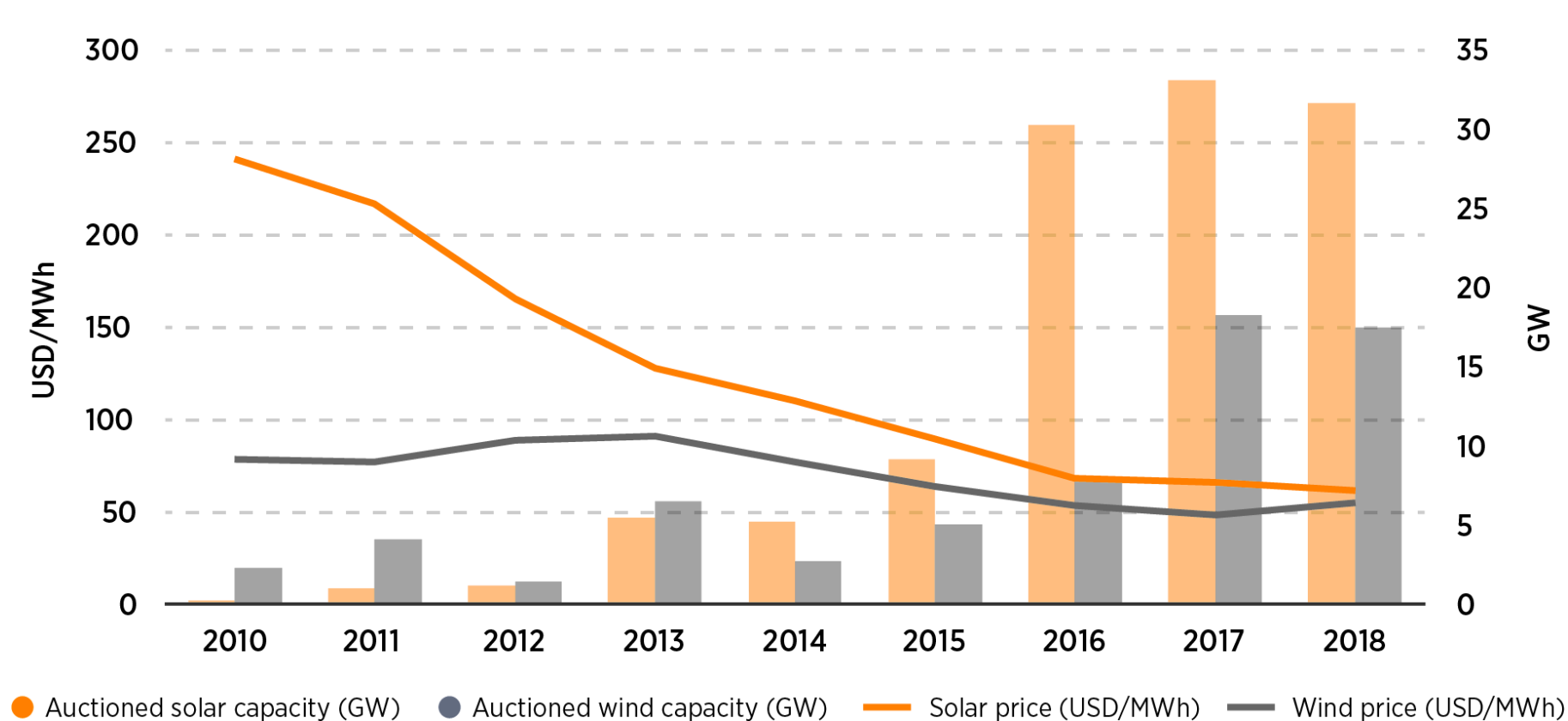
Flexibility in the design according to conditions and objectives

Enable commitments and transparency

Provide greater certainty regarding prices and quantities

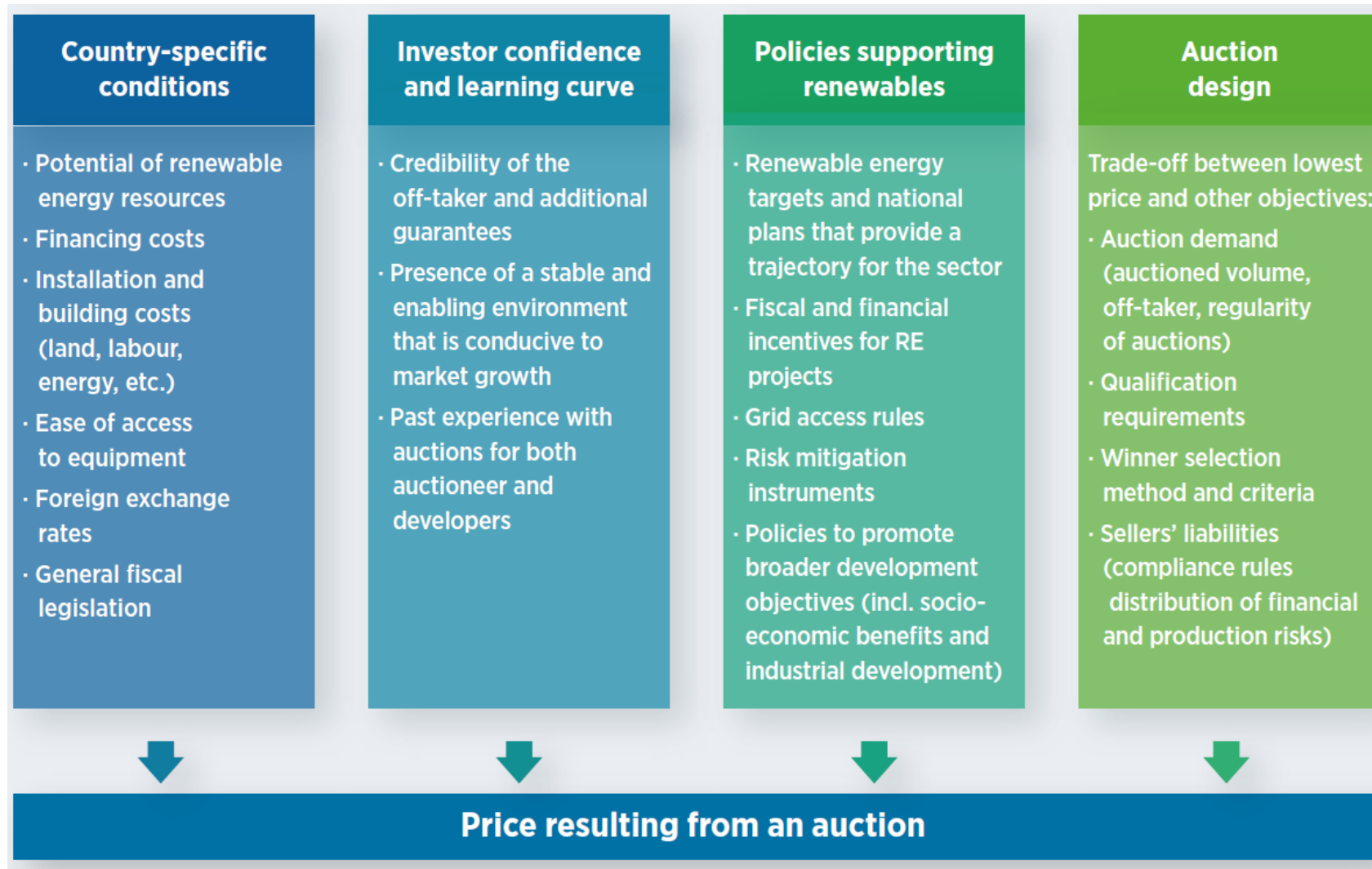
Permit real price discovery

What are the latest trends in price?



- Solar prices continues to fall, albeit at a slower rate, as PV auctions expand to newcomers
- Wind edged out, due to higher prices in countries with majority of volume auctioned

Factors that impact the price



Adapted from IRENA, 2017. Renewable Energy Auctions: Analysing 2016

Factors that impact the price: Auction design

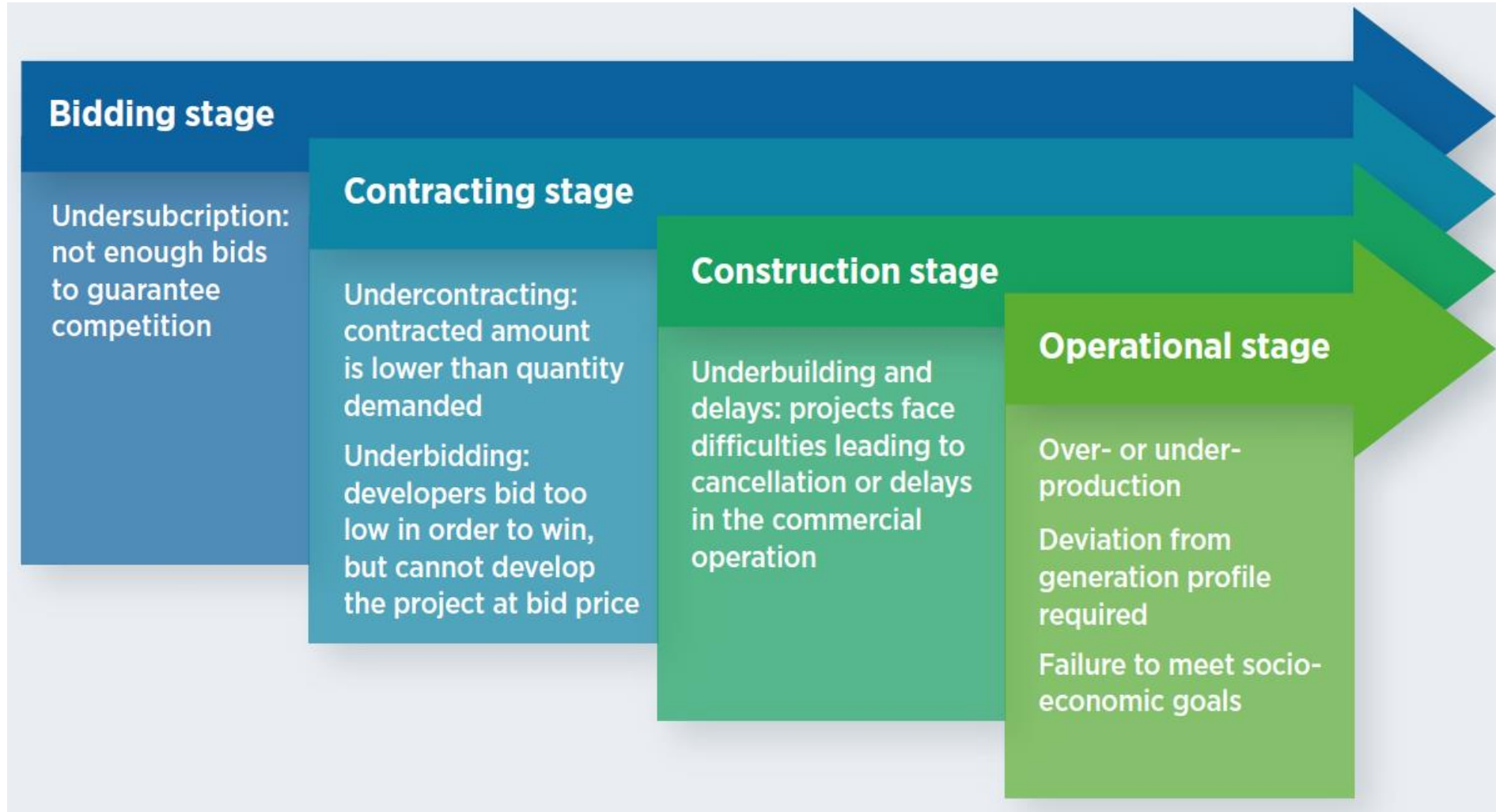




- Ensure winning projects are completed on time and deliver as per the bid
- As more projects get completed and as the share of VRE increases, support integration into the system
- Make sure the projects align with the strategy to achieve a just and inclusive energy transition



Ensuring project timely completion



Integrating high shares of VRE

Highest degree of central planning required, with centralization of roles and responsibilities

Implementation strategy

Project-based strategy

Quantity-based strategy

Adjustment-based strategy

Price-based strategy

Product-based strategy

Auction design

Project-specific auctions

Constraints-based limits

Predetermined corrections

Exposure to market risks

Product-specific auctions



Highest degree of flexibility to the developers, along with the risks and responsibilities

Ensuring just and inclusive transition

Inclusion of small and new players



Local job creation



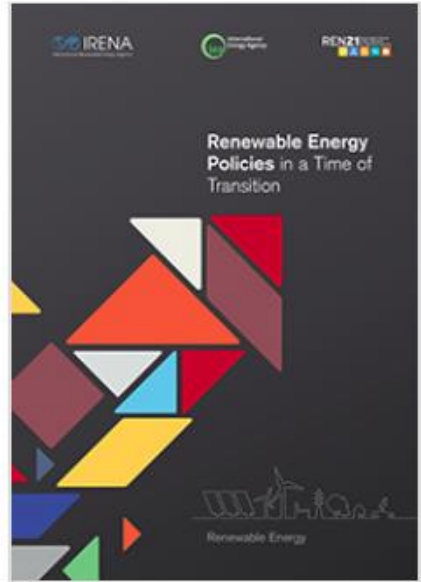
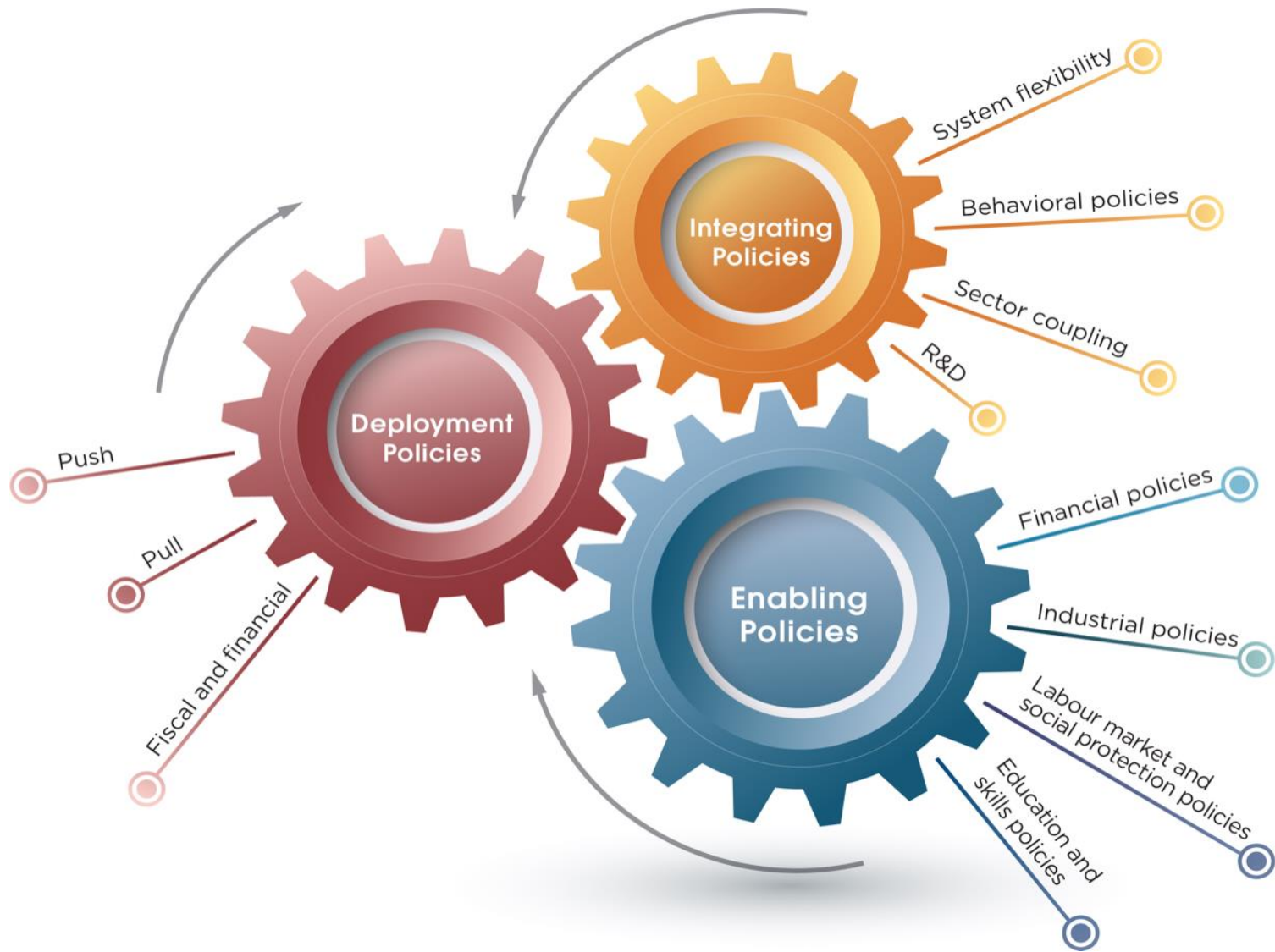
Subnational development and community benefits



Development of local industries



Policy framework for a just transition





Thank you