

RESULTS OF AN AUCTION DEDICATED TO NEW INSTALLATIONS WITH INSTALLED ELECTRIC CAPACITY OF NO MORE THAN 1 MW, USING SOLELY ONSHORE WIND ENERGY OR SOLAR ENERGY

On 20 December 2019, results of an auction held on 10 December of this year, dedicated to new onshore wind farms and photovoltaic power stations with a capacity of up to 1MW, were announced.

This year's RES auctions are the largest auctions to have ever been announced by the Energy Regulatory Office (the government wants to contract electric energy worth up to approx. PLN 70 billion from new and existing RES installations in the entire support period).

The winning investors will receive support in the form of a compensation of the "negative balance" between the average market price of electric energy and the individual price offered by another investor in the auction. The support will be available for the period of no more than 15 years. The investors now have 33 months (wind projects) and 24 months (solar projects), respectively, to develop installations, obtain licences to generate electricity in new installations and commence the sale of energy under the support scheme.

In this year's auction, the number of winning bids was 759, and the highest winning bid in the wind and solar basket with a capacity of no more than 1 MW (the so-called cut-off price) was PLN 327 per MWh, while the lowest offered price was PLN 269 per MWh.

It is worth mentioning that the reference prices in this basket (i.e. the maximum bid prices) set for the auction were, respectively:

- for wind installations (with a capacity of no more than 1 MW) – PLN 320 per MWh;
- for photovoltaic installations (with a capacity of no more than 1 MW) – PLN 385 per MWh.

The prices offered in the auction are subject to annual indexation by an annual average index of total retail prices of consumer goods from the calendar previous year (the first indexation of auction prices will, therefore, be made at the beginning of 2020).

The list of entities, which won the auction is published in the communiqué of the President of the Energy Regulatory Office dated 20 December 2019, available under the following link: <https://www.ure.gov.pl/pl/oze/aukcje-oze/ogloszenia-i-wyniki-auk/8623,Informacja-Nr-1022019.html>

In comparison, in 2018, the maximum price of electricity generated from renewable energy sources "sold" in the auction in this basket was PLN 364.99 per MWh, while the minimum price was PLN 288.99 per MWh. The number of winning bids in the 2018 auction was 554.

By the end of the year, volumes for RES auctions in 2020 should be announced. The government published the proposals in October 2019. At that time, the Council of Ministers made available a draft ordinance specifying the maximum amount and value of electric energy from renewable energy sources (RES) which may be sold in the 2020 auction. The draft ordinance stipulates holding an auction in 2020 for new RES installations which, in the authors' opinions, should allow for the development of installations using:

- solar energy (with a total installed electric capacity of no more than 1 MW) – 1,000 MW;
- solar energy (with a total installed electric capacity of no more than 1 MW) – 500 MW;
- biomass in a dedicated biomass combustion installation (with a total installed electric capacity of no more than 1 MW) – 100 MW.

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