

## RESULTS OF THE LARGEST RES AUCTION IN EUROPE PUBLISHED

The results of an auction dedicated for new onshore wind farms and photovoltaic power plants with a capacity above 1 MW which was held on 5 December 2019 were published on 19 December 2019.

This year's RES auctions are the largest ones announced to date by the Energy Regulatory Office (the government wants to contract electricity from new and existing RES installations with a value of approx. PLN 70 billion throughout the life of the RES support scheme).

The number of bids which won the auction was 101 and it may be expected that the vast majority, if not all of the winning bids, concerned new wind farm projects. The total connection capacity of the wind farm projects, which won the auction may even exceed 3 GW which, after their construction, will increase the installed capacity of onshore wind farms in Poland from approx. 6 GW at present to approx. 9 GW. To this one needs to add more than 1 GW of wind farms projects which won auctions organised in 2018.

The investors who won will receive support in the form of the settling of the "negative balance" between the average market price of electricity and the individual price offered in the auction by the given investor. The support will be available for a maximum period of 15 years. Investors now have 33 months (wind projects) and 24 months (solar projects) to build the installations, obtain a licence to generate electricity in the new installations and commence selling electricity under the support system.

In this year's auction the highest winning bid in the wind-solar basket with a capacity of over 1 MW (the so-called cut-off price) was PLN 233, 29 per MWh. On the other hand, the lowest offered price was PLN 162, 83 per MWh. It is worth recalling that in this auction the reference prices in this basket (i.e. the highest possible prices at which bids could be made) amounted to:

- for wind installations (> 1MW) – PLN 285/MWh;
- for photovoltaic installations (> 1MW) – PLN 365/MWh.

The prices offered in the auction will be indexed annually by the annual average consumer price index from the previous calendar year (the first indexation of the auction prices will therefore take place already at the beginning of 2020).

For comparison, in 2018 the maximum price at which electricity produced from renewable energy sources was "sold" at auction in this basket amounted to PLN 216.99/MWh. The minimum price was PLN 157.80/MWh, and the

**The list of entities** (project companies), which won the auction is published in the communiqué of the President of the Energy Regulatory Office dated 19 December 2019, available under the following link: <https://www.ure.gov.pl/pl/oze/aukcje-oze/ogloszenia-i-wyniki-auk/8608.Informacja-Nr-952019.html>

weighted average price from all of the winning bids was PLN 196.17/MWh. The number of bids which won the auction at the time was 31 (and according to market information these were only wind projects).

According to the ERO's data, the average selling price of electricity on the competitive market in 2018 was PLN 194.30/MWh. The most recent data in this respect are available for Q2 2019. The average selling price of electricity for this period was PLN 247.21/MWh.

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