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# *Renewable Energy Auctions and the Energy Community acquis*

Launching First Renewable Tenders for Large Capacities

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# *Energy Community Refresher*

- *Under the Treaty, Contracting Parties undertook to:*
  - reform energy framework in line with EU law - the acquis
  - transpose and implement the acquis within specified deadline
- *Non-transposition or non-implementation of acquis:*
  - Infringement proceedings, including upon complaints from third parties
  - Example: non-transposition of Electricity Integration Package

# Clean Energy Package – 2030 Framework

## SUSTAINABLE DEVELOPMENT DIMENSION



GOVERNANCE Regulation  
(EU) 2018/1999



ENERGY EFFICIENCY  
Directive (EU) 2018/2002



RENEWABLE ENERGY  
Directive (EU) 2018/2001



New ENERGY LABELLING Regulations

/awaiting the new  
EPBD/

ENERGY PERFORMANCE of  
BUILDINGS Directive (EU) 2018/844

# *Renewable Energy Directive (RED II)*

- *European Union: Directive 2018/2001, December 2018*
- *Energy Community:*
  - RED II adapted and adopted in 2021 and 2022
  - Transposition & Implementation Deadline: 31 December 2022
- *European Union: Renewable Energy Directive amended and recast in November 2023 (RED III)*

## *Main provisions of RED II*

- *2030 for Renewable Energy in gross final consumption*
  - Art 3 – Overall Energy Community: 31% share
  - Target share for Moldova: 27%
  - Art 25 - 14% for share of renewable fuels in transport
  - Bioenergy sustainability criteria
- *Authorisation, certification and licensing procedures - Policy Guidelines published by Secretariat in June 2024*
- *Guarantees of Origin – study on Corporate PPAs*

# Renewable Energy Support Schemes

- *Market-based and market-responsive incentives*
  - Avoiding unnecessary distortions of electricity markets
  - No Feed-in tariffs
  - Exception: small and demonstration projects
- *Support scheme to maximise integration of RES-E in the electricity market*
  - Note: no priority access or dispatch for RES-E
- *Support granted in an open, transparent, competitive, non-discriminatory and cost-effective manner*

## Article 4(6) of RED II

- *Where support from renewable sources is granted by means of a tendering procedure, Contracting Parties shall, in order to ensure a high project realisation rate*
  - establish and publish non-discriminatory and transparent criteria to qualify for the tendering procedure and set clear dates and rules for delivery of the project;
  - Publish information about previous tendering procedures, including project realisation rates

# *Assessment of support granted by auctions*

- *Energy Community Secretariat to report to Ministerial Council on performance of support granted by auctions, analysing in particular ability of tendering procedures to:*
  - (a) achieve cost- reduction;
  - (c) achieve high realisation rates;
  - (e) limit environmental impact
- *European Union:*
  - Commission Recommendation of 13 May 2024 on auction design for renewable energy
  - Staff Working Document: Guidance to Member States on auction design for renewable energy



# *Guidance on auction design*

- *Rapid, efficient and sustainable deployment of renewables:*
  - Announce long-term schedule of auctions
  - Time-line to take account of risk of delays
- *Importance of criteria to ensure competitive bidding process*
  - To be pre-defined in line with objective of process
  - Minimise risk of strategic bidding: bidders exercising market power to affect outcome of auction to obtain higher revenues
  - Excessively stringent pre-qualification requirements or very low bid ceilings may limit competition and efficiency

# *Non-price criteria for pre-qualification*

- *Can take the form of a requirement announced in tender rules, to be complied with after the project is awarded, as part of the contractual agreement with auctioning authority*
  - Compliance is checked when project milestones are achieved
  - Auction should include appropriate penalties in case pre-qualification criteria are not satisfied
- *Importance of other considerations*
  - Tender rules must be clear – lack of legal certainty is likely to result in legal challenges, particularly in less mature markets
  - “Less mature markets may also benefit from more ambitious non-price criteria to enhance the likelihood of successful implementation and achievement of the policies pursued”



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*Thank you  
for your attention!*

<https://www.energy-community.org/regionalinitiatives/EU4EnergyII.html>