

CEER

**Council of European
Energy Regulators**



CEER Report on tendering procedures

Nikolas Schmitz (BNetzA), Budapest 11th October 2023

Tendering Report

- 3rd edition published in March 2023
- Update of reports published in 2018 and 2020
- This edition focuses on the years 2020 and 2021
- Data collected in Q4 2022



Methodology

- Questionnaire had been sent out to all CEER MCs
- Information provided by 17 MCs
- Answers have been the basis for the current edition
- Information collected has been compared and described in the report
- Where possible, comparisons to previous editions have been made



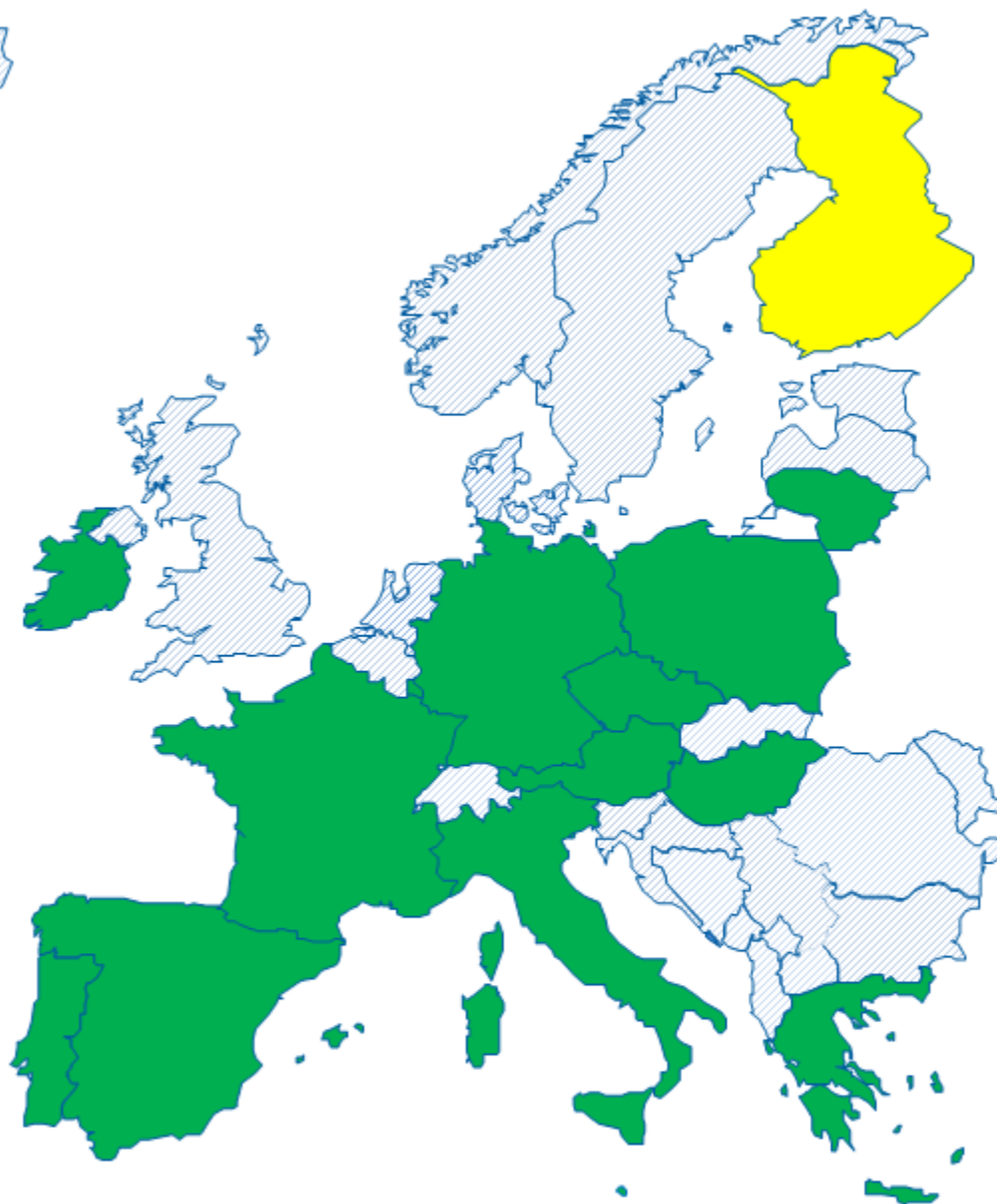
Tendering schemes (as of 2019)



- Tendering procedures in place
- Tendering legislation in place but concrete tendering rounds outstanding
- In planning in the short term
- No tendering procedures planned in the short term
- No information available (CEER member countries)



Tendering schemes (as of 2021)



-  Tendering procedures in place
-  Tendering legislation in place but concrete tendering rounds outstanding
-  No legislation for tendering procedures in place
-  No information available (CEER member countries)



Tendering schemes in place - overview

MS	Tendering procedures						
	PV	Wind onshore	Wind offshore	Biomass	Technology neutral	Cross border scheme	Other
Austria	Green	Green	Red	Green	Green	Red	Red
Cyprus	Green	Red	Red	Red	Red	Red	Red
Czech Republic	Red	Red	Green	Red	Red	Red	Green
Finland	Red	Red	Red	Red	Green	Red	Red
France	Green	Green	Red	Red	Green	Red	Green
Germany	Green	Green	Green	Green	Green	Red	Green
Greece	Green	Green	Red	Red	Red	Red	Red
Hungary	Red	Red	Red	Red	Green	Red	Red
Ireland	Red	Red	Red	Red	Green	Red	Red
Italy	Red	Red	Red	Red	Green	Red	Red
Lithuania	Red	Red	Red	Red	Green	Red	Red
Luxemburg	Green	Red	Red	Red	Green	Red	Red
Malta	Green	Red	Red	Red	Green	Red	Red
Poland	Red	Red	Red	Red	Green	Red	Green
Portugal	Green	Red	Red	Red	Red	Red	Red
Spain	Green	Green	Red	Red	Green	Red	Red
Sweden	Red	Red	Red	Red	Red	Red	Red



Key elements of PV tendering procedures

Design element	Range over all solar tenders
Number of implemented rounds p.a.	1 - 7 rounds
Tendered volume per round	Capacity: 16 - 1300 MW
Tendered volume per year	16 – 2,300
Minimum participation size (volume in kW)	1 – 10,000
Maximum participation size (volume in kW)	5000 – 180,000
Ceiling bid price (in ct/kWh)	5.9 – 123.8 ct/kWh
Floor bid price (in ct/kWh)	0
Realisation time for awarded projects	12 - 36 months





Key elements of wind onshore tendering procedures

Design element	Range over all onshore wind tenders
Price mechanism	Pay-as-bid & uniform pricing
Reference value determined through tender	FiP or investment grant
Number of implemented rounds p.a.	1 - 7
Tendered volume per round or budget	481.45 – 2,258 MW
Tendered volume or budget per year	481.45 – 4,250 MW
Minimum participation size	None or 1 kW to 751 kW
Maximum participation size	180 MW to unlimited
Ceiling bid price (in ct/kWh)	None or 6 (min) to 7 ct/kWh (max)
Floor bid price (in ct/kWh)	None or 0 ct/kWh
Realisation time for awarded projects	24 - 36 months





Key elements of biomass tendering procedures

Design element	Range over biomass tenders
Price mechanism	Pay-as-bid & uniform pricing
Reference value determined through tender	FiP
Number of implemented rounds p.a.	Minimum 1 - 2
Tendered volume or budget per year	334 – 574 MW (Germany) 500,000 – 2,500,000 MWh (Poland)
Minimum participation size	None to 1001 kW
Maximum participation size	unlimited
Ceiling bid price (in ct/kWh)	
Floor bid price (in ct/kWh)	None
Realisation time for awarded projects	30 - 42 months





Technology neutral tenders

	All	Innovative projects	self-consumption	wind and solar	wind and hydro	hydro and residual gases	Refurbishment (wind on-shore, hydro and residual gases)	bioliquid, geothermal, hydro	biomass, biogas from wastewater treatment plants, biogas from landfill site, waste incineration plant
AT					x				
DE		x		x					
EL				x					
ES	x								
FI	x								
FR			x	x					
HU	x								
IE	x								
IT				x		x	x		
LT	x								
LU				x					
MT	x								
PL				x				x	x
	6	1	1	6	1	1	1	1	1



Conclusions

- By the beginning of 2022, the large majority of CEER MCs have implemented tenders
- PV, wind (onshore and offshore) and biomass are the most common
- Ongoing harmonisation of financial prequalification across Europe
- Smaller spread of requirements to place bids
- Competitive procedures and administrative procedures both make sense to determine support levels
- Tenders as a market based instrument to determine support levels are successful, but...

Conclusions (cont'd)

- RES support systems based on tendering schemes still seem to be more vulnerable to outside influences such as permit granting systems
- Technology-specific and technology-neutral tendering procedures carried out in parallel for the same technologies impact the level of competition and the price development.
- Tenders as a market-based instrument for determining level of RES support are starting to slowly converge in general terms