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HELLENIC WIND ENERGY ASSOCIATION

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PRESS RELEASE

The future RES auctions in Greece must be technology-specific

On Thursday May 25th RAE (Regulatory Authority for Energy) announced the results of the recent common auction for PV and wind projects in Greece: The auctioned capacity was allocated exclusively to new PV projects. The results lead to important conclusions that should be taken into consideration by the Greek Government for planning the new RES auctions in the coming years:

1. Wind and PV are the two cheapest technologies for electricity generation. They are clearly cheaper than lignite, fossil gas and other RES technologies that are exempted from the auctions.
2. PV projects have, at average, lower levelized cost for energy than the wind projects. Moreover, they face smaller bureaucratic risks and are governed by a simpler licensing process. Thus, in common auctions, they prevail over wind projects. As a result of this, wind technology is excluded, despite the fact that wind energy is always much cheaper than all the other technologies of electricity generation, except for the PVs.
3. The exclusive domination of PV projects - and in general of any kind of technology- is not the best choice. The effective achievement of the climate and energy targets, requires the combination of all technologies that complement each other based on their specific technical characteristics and generation profile. The combination of the RES technologies:
 - leads to the best economic development of the energy system,
 - ensures the optimal grids' utilization,
 - protects the investors, including the PV's investors, against the possibility of zero prices occurring in the wholesale market.
4. The existing high competition, which at the recent RAE's auction overcame the 280%, ensures fair prices that reflect the actual projects' cost. Thus, excessive and multiple regulatory interventions are not required. For example, imposing of a very low starting price is not necessary and could lead to artificially achieving unjustly low prices that may lead to future investments' abandonment. The competition must be allowed to operate as freely as possible.
5. The 30%-quota per technology on the capacity of the future common auctions is not a sufficient solution. It will hinder the optimal achievement of the targets and may create a variety of problems e.g. how to design the rule of the common starting price. On the

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contrary, the competent institutions - in particular the Regulatory Authority for Energy and the System Operator- should always have sufficient freedom to study and regulate the basic auctions' parameters for the benefit of the consumer i.e. the mix of the technologies and the starting price per technology.

For all the above reasons, **the future RES auctions in Greece should be technology-specific**, as they were until before the last auction. This is an option fully compliant with European rules and respected by the European Commission.

HWEA is at the Ministry of Energy's disposal, in order to support the preparation and the documentation of the new auctions' system, that should be notified to the competent authorities of the Commission.