

# Overview of RES state aid scheme implementation

14 January 2019 | Contributed by [Rokas Law Firm](#)

**December auctions**  
**Capacities**  
**Reference prices**  
**Competition**

## December auctions

The second regular wind and photovoltaic (PV) state aid auction held on 10 December 2018 resulted in:

- the award of all of the capacities for two of the three categories of renewable energy system (RES) projects;
- a significant (up to 26%) reduction in the reference prices compared with the initial reference prices; and
- the cancellation of the auction for large PV projects by the Regulatory Energy Authority (RAE) due to insufficient competition.

On 18 October 2018 the RAE launched the second regular competitive procedure for determining the reference prices of state aid for wind and solar energy producers in Greece (for further details please see "[RES update – competitive procedures for FiP](#)"). Regular competitive procedures have been organised for the following categories of RES projects:

- wind projects with a capacity between 3MW and 50MW;
- PV plants with a capacity between 500KW and 1MW (small PV projects); and
- PV plants with a capacity between 1MW and 20MW (large PV projects).

## Capacities

The initial tender capacity for the second auction was a total of 423MW: 94MW for small PV projects, 100MW for big PV projects and 229MW for wind projects.

In 2018 the maximum capacity of any aid provided through regular procedures was determined to be 600MW: 300MW for PV projects and 300MW for wind projects.

In order to enhance competition, the final auctioned capacity is determined by the minimum competition level, which has been set at 75%. This means that the total capacities of all of the participants in the competition should exceed the finally offered capacities for 75% of such offered capacities. For example, if the initial (ie, maximum) tender capacity is 94MW, while the total capacity of all of the participants is 70MW, the RAE will finally offer for tendering only 40MW.

The capacities applied for in the first regular auctions held in July 2018 were below the maximum provided; thus, instead of 600MW, a total of 283MW of state aid was approved in the July 2018 auctions. The December 2018 auctions initial offer included all of the remaining capacities from the July 2018 auctions, increased by an additional 100MW for wind projects (which equals one-third of the 2019 capacities). This increase was justified by the number of mature wind projects available.

The final capacities offered in the December 2018 auctions (after calculating the minimum

AUTHOR

[Mira Todorovic](#)  
[Symeonides](#)



competition level) were as follows:

- Wind projects were offered 160.94MW, of which 159.65MW was awarded.
- Small solar PV projects were offered and awarded 61.94MW.

The auction for large PV projects (totalling 86.46MW) was cancelled and is planned to be rescheduled for January 2019.

### **Reference prices**

The prices achieved in the July 2018 auctions were significantly below the initial prices:

- for small PV projects, the initial price was €85 per megawatt hour (MWh), while the awarded amounts ranged between €75.87 and €80 per MWh;
- for big PV projects, the initial price was €80 per MWh, while the awarded amounts ranged between €62.97 and €71 per MWh; and
- for wind projects, the initial price was €90 per MWh, while the awarded amounts ranged between €68.18 and €71.93 per MWh.

The prices achieved in the December 2018 auctions were further reduced as follow:

- for small PV projects, the initial price was €81.71 per MWh, while the awarded amounts ranged between €63 and €68.99 per MWh; and
- for wind projects, the initial price €79.77 per MWh, while the awarded amounts ranged between €55 and €65.37 per MWh.

### **Competition**

RAE Decision 1230/2018, issued on 14 December 2018, proclaimed the above results of the December 2018 auctions and cancelled the auction for large PV plants for the reason of protection of the public interest and competition.

During the tender procedure, two participants (one company with 13 projects and another with two projects, both with a total capacity of 65.33MW) were, during the first phase of the tender, approved to participate in the second phase of the project – the auction. However, they ultimately failed to participate or submit bids during the auction for these 15 projects, although they did participate with some other approved projects. Subsequently, while the 75% competition level was met in the first phase of the tender procedure, it was not met during the auction.

In particular, the final capacities to be offered in the auction was determined to be 86.47MW which, when increased to meet the 75% competition level, reached the approved capacities for participation (ie, 151.32MW). However, when the two companies failed to participate in the auctions, the remaining participation of 85.98MW fell below the offered capacities (instead of being 75% above the offered capacities). The tender rules did not directly regulate such situation. As such, the RAE decision triggered reactions from not only the two companies, but also winning bidders which would have been awarded state aid had the auction not been cancelled. This auction should be rescheduled for January 2019, after public consultations on the auction's rules, which is expected to be launched shortly.

*For further information on this topic please contact [Mira Todorovic Symeonides](mailto:m.todorovic@rokas.com) at Rokas Law Firm by telephone (+30 210 361 6816) or email ([m.todorovic@rokas.com](mailto:m.todorovic@rokas.com)). The Rokas Law Firm website can be accessed at [www.rokas.com](http://www.rokas.com).*

---

The materials contained on this website are for general information purposes only and are subject to the [disclaimer](#).