Experiences with auctions for renewable energy support

Auctions is an increasingly popular instrument for introducing competitiveness in the support schemes for renewable energy, however, designing successful auctions appears to be a challenge. Policy makers seeking to introduce auctions are faced with a range of design choices, which may affect the auction outcome significantly. This paper investigates the past experiences with auction implementations in 13 countries. We highlight popular design choices and evaluate auction performances based on a set of assessment criteria. We find that as a market-based support mechanism auctions can help driving down support costs, however, they are also prone to design errors. Adjusting the auction design to the specific conditions (national and marked) is a key parameter for success.

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