

ANNEX 1 – RENEWABLE ENERGY TENDERS

The EEAG allow technology specific tenders to be carried out by Member States. These tenders have been a successful tool to deploy mature renewables on a large scale and cost effectively. However, designing tenders that deliver arrive at the desired effect, is not a science. In general, the most successful tender schemes are those which provide visibility on the rules that will be applied and the volumes that will be auctioned within a multiyear framework. Unfortunately, many Member States change the guidelines for their tender rules repeatedly. This leads to confusion for market participants and, often, unnecessary administrative procedures.

In particular, the recurring themes that arise when discussing successful tender models in Europe are as follows:

a) Should Technology neutral tenders be encouraged or not?

Not all renewable technologies are at the same level of maturity, nor at the same cost competitiveness. This means that recent technology neutral tenders in France and in Germany have confirmed the cost competitiveness of solar photovoltaic compared to other renewable technologies.

Member States can already choose to aid renewable technologies and markets they deem valuable to their energy mix via the EEAG. This helps decide what technology specific, or neutral, tenders best fit the Member State's energy and industrial needs.

However, in cases where Member States are delayed in meeting their renewable and climate targets (either 2020 or according to their National Energy and Climate Plans (NECP)) technology neutral tenders would be the fastest, and most cost-effective way of increasing momentum.

b) Should tenders value price alone, or other criteria as well?

Some Member States have decided to value criteria other than price in their renewable tenders, and this approach has been validated by DG COMP as compatible with the EEAG. Such an approach allows tenders to value the environmental performance of technologies, or the use of degraded land, as well as a competitive cost of energy.

A variety of approaches can be valuable, but only in so far as it is predictable, transparent and based on objective criteria. As further explained below, the EEAG should not be used as a proxy for local content.

c) How do we structure innovation tenders?

Tenders can be a good tool to help bring promising technologies out of the pilot phase and into wider deployment. In this case, it is important to ensure that the tender criteria are clear and objective, allowing different technologies, business models and process innovations to compete amongst themselves on their merits.

d) Not using EEAG justifications as a proxy for 'local content' aid.

There is an inherent risk that certain Member States will consider that any technology or process improvements produced by their country's industry are, by definition, 'greener.' They may then seek to justify 'protectionist aid' through the lens of the EEAG. The updated EEAG must continue to be a safeguard against such political manoeuvring.

Not only do such national initiatives harm the Single Market for goods and energy, they also artificially increase the cost of the energy transition for their citizens on spurious grounds. AmCham EU encourages DG COMP to continue to be an effective gatekeeper to prevent such actions in the future.