

# Energy Regulatory Office

<https://www.ure.gov.pl/en/communication/news/338,RES-auctions-2022-President-of-URE-summarises-the-results-of-auctions-for-sale-o.html>  
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## RES auctions 2022: President of URE summarises the results of auctions for sale of electricity from renewable energy sources

The President of URE resolved RES auctions, with only three of the seven auctions held in December having been conclusive.

The total volume of electricity from renewable sources offered for sale in this year's auctions slightly exceeded 34 TWh and was valued at over PLN 14.3 billion but only around 8.5 TWh (25 per cent) were contracted as a result of the auctions for the value just under PLN 2.5 billion (17 per cent).

*The current geopolitical situation is not without its impact on the investment decisions of companies in the energy sector. This also applies to renewable energy generators. The instability and high uncertainty of market projections of electricity prices, clear discrepancy of reference prices in individual baskets, as well as the unstable legal environment, undermine the attractiveness of auctions as a RES support scheme. It seems that we can expect a moderate interest in RES auctions in favour of long-term Power Purchase Agreements (PPAs) in the coming years - observes Rafał Gawin, President of URE.*

Fig. 1. The volume of electricity offered for sale and sold in RES auctions conducted in December 2022.

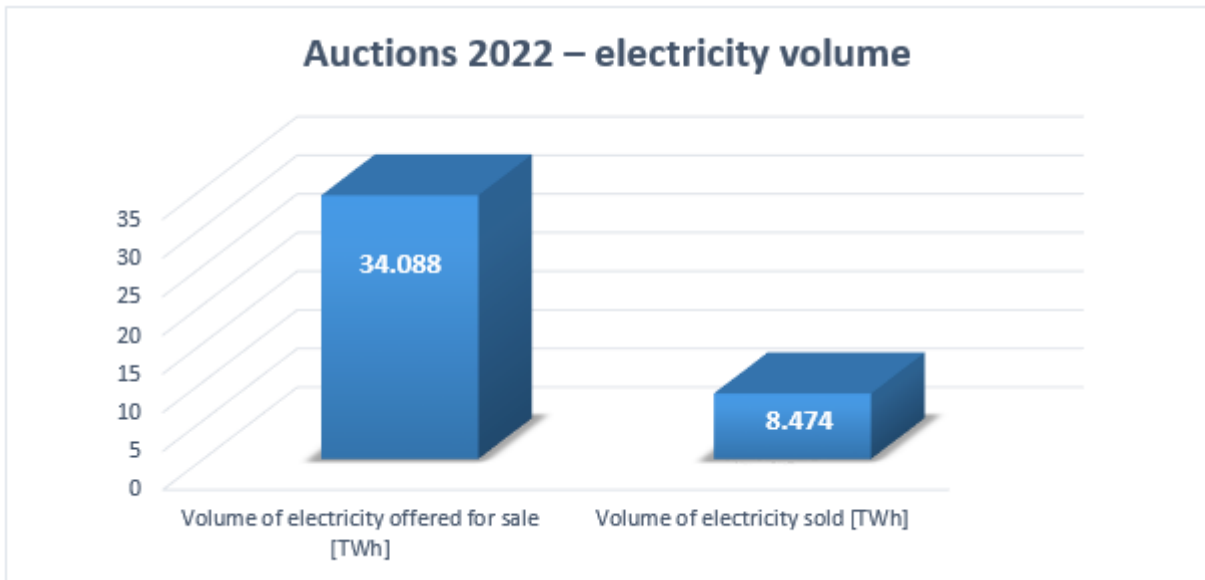
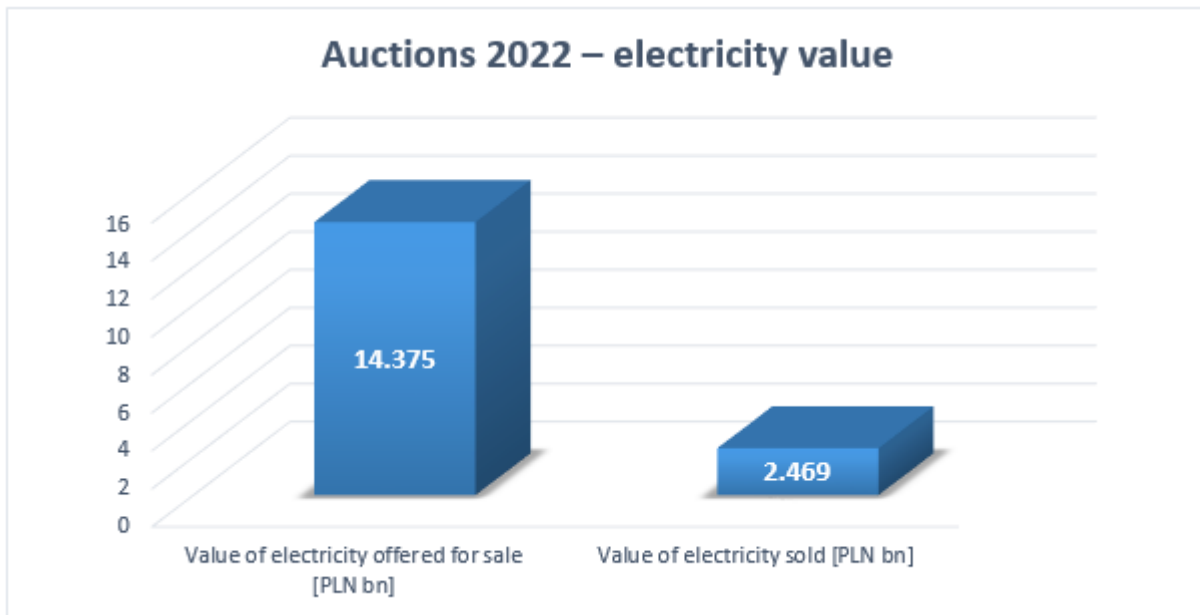


Fig. 2. Value of electricity offered for sale and sold in RES auctions conducted in December 2022.

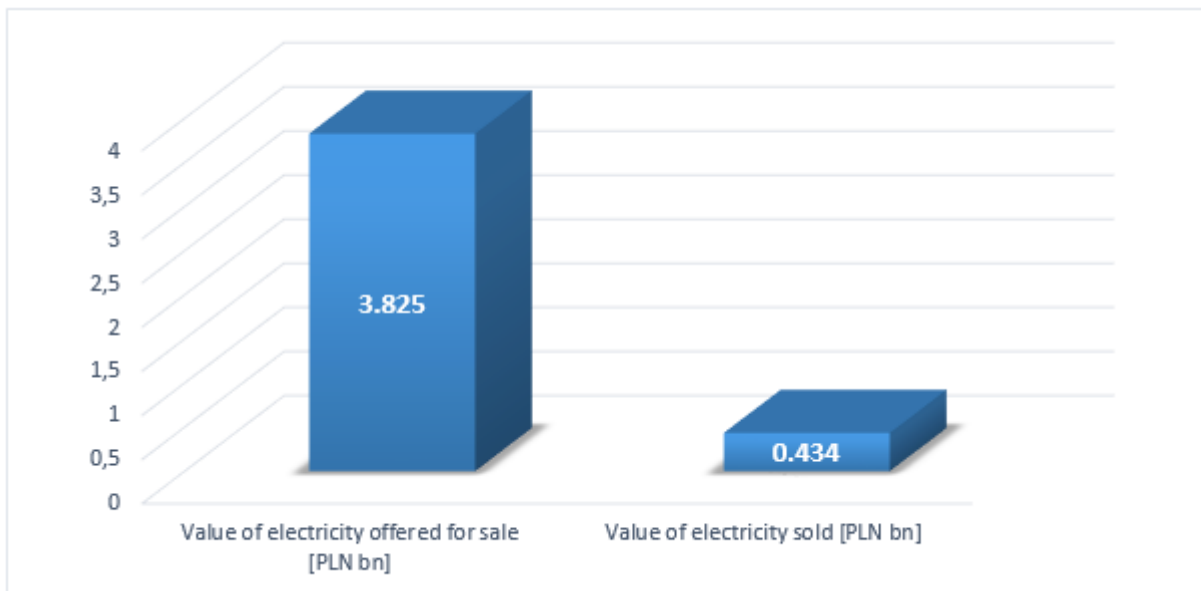


(Almost) everything for photovoltaics

Of the total winning offers (204), more than 96 per cent are photovoltaic installations (197), other winners being wind farms (5) and hydropower plants (2).

All auctions held in December were dedicated to new units. The auction dedicated to photovoltaic and wind power units with capacity up to 1 MW (designated as AZ/1/2022) attracted the most interest. In total, 88 generators joined the auction with 197 offers. All offers were made by entrepreneurs investing in PV units. Within this basket, the total electricity volume of 11.25 TWh was purchased for over PLN 3.8 billion. However, only 14 per cent of the electricity volume was sold as a result of the auction based on 156 offers made by 68 generators, with a total value of merely PLN 434 million (which corresponds to slightly over 11 per cent of the value of electricity offered for sale). The result of this auction enables the development of PV units with a total installed capacity of around 150 MW.

Fig. 3. Value of electricity offered for sale and sold in AZ/1/2022 auction (for PVA and wind units up to 1 MW).



As in previous years, the winners of the auction were determined not only on the basis of the energy sale price offered, but also the order in which the offers were submitted.

Pursuant to the RES Act<sup>[1]</sup>, in the event that multiple participants to an auction offer the same lowest electricity sale price, it is the order of precedence that determines the winner.

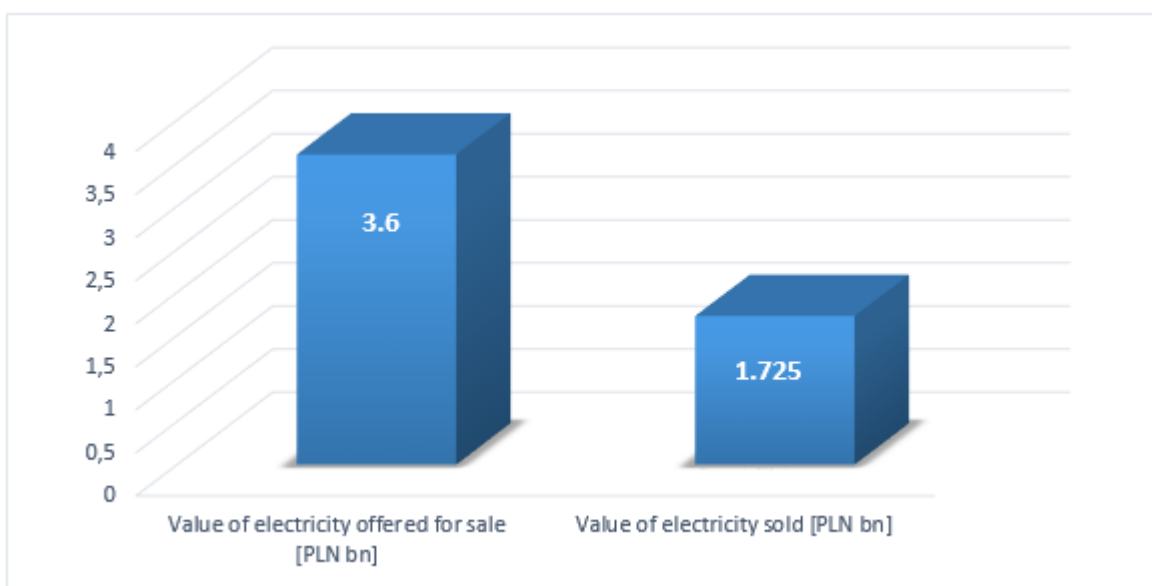
The total electricity volume offered by generators (nearly 2 TWh) represented 18 per cent of the amount in the auction notice. On the other hand, the total value of electricity offered by the generators (nearly PLN 0.6 billion) accounted for only 15 percent of the value of electricity indicated in the notice.

The reference price for photovoltaic projects in this basket was 375 PLN/MWh (wind power generators did not join the auction). The minimum price at which electricity was sold was 244.77 PLN/MWh, whereas the maximum price was 327.73 PLN/MWh.

In this year's second auction, dedicated to for larger PV and wind projects, the winning offers concerned units with a total installed capacity of around 582 MW.

The auction dedicated to PV and wind units with a capacity greater than 1 MW (designated as AZ/2/2022) attracted 51 generators that made 70 offers it total. Within this basket, the total electricity volume of 11.25 TWh was purchased for PLN 3.6 billion. As a result of the auction, slightly more than 6.4 TWh of electricity was sold (which corresponds 57 per cent of the electricity offered for sale) under 46 offers made by 37 generators, for the total value of over PLN 1.7 billion (48 per cent of the value of electricity offered for sale).

Fig. 4. The graph shows the value of electricity offered for sale and sold in the basket for PV and wind units with capacity greater than 1 MW (expressed in PLN billion) in AZ/2/2022 auction.



The outcome of this auction allows for the development of PV units with total installed electrical capacity of approx. 336 MW and total onshore wind capacity of approximately 245 MW.

The total amount of electricity offered by generators (slightly more than 8 TWh) corresponded to over 71 per cent of the amount of electricity indicated in the auction notice, while its total value (approx. PLN 2.3 billion) was equal to 63 per cent of the value specified in the notice.

The reference price in this basket was 355 PLN/MWh for solar power plants and 295 PLN/MWh for wind power plants. The minimum price at which energy was sold was 150 PLN/MWh for onshore wind farms and 236.77 PLN/MWh for photovoltaic power plants, respectively.

In the third conclusive auction (AZ/4/2022), intended for units with an installed capacity of more than 1 MW, the participation was limited to hydroelectric power plants. The auction was dedicated to hydropower plants, biofuel plants and geothermal energy plants with an installed electrical capacity of up to 1 MW. The only participating entity which intends to






generate hydropower presented three offers. The volume of electricity for that basket totalled 2.04 GWh of electric power worth PLN 1.04 billion. As a result of the auction, approx. 460 GWh of electricity was sold (22 per cent of the total volume offered for sale) under two offers for the total value of around PLN 290 million (27 per cent of the value of electricity offered for sale).

Insufficient number of offers in auctions for small hydropower plants, farm biogas plants and plants using biomass and non-farm biogas.

The remaining auctions, due to the lack of the required number of offers, were not resolved<sup>[2]</sup>. According to the provisions of the Act on Renewable Energy Sources, the auction shall be resolved if no less than three valid offers consistent with the requirements set out in the Act are submitted

Auctions are a form of support for generators to help increase the share of green energy in the energy mix in Poland. To date, almost 4,500 units with a capacity of more than 12 GW have successfully participated in the auctions, of which 1,352 units with an installed capacity of 2.3 GW have already been built (started generating energy).

Fig. 5. RES auction results 2016-2022: number and capacity of winning projects, including already completed units.

	Winning units in auctions		Units that started generating electricity/selling in the auction system	
	Total number of winning units	Total capacity of winning units [GW]	Number of plants	Total installed electrical capacity [GW]
 PV	4,164	6.78	1294	1.2
 wind power (onshore)	243	5.34	40	1.07
 farm biogas (including high-efficiency co-generation)	32	0.035	10	0.009
 biomass	4	0.026	0	0
 hydropower	17	0.022	8	0.011
<b>Total</b>	<b>4,460</b>	<b>12.20</b>	<b>1,352</b>	<b>2.30</b>

- The results of all seven auctions can be found in the [Public Information Bulletin](#).
- The auction-based support scheme has been in operation since 2016. Initially, units being already in operation were also eligible to take part.
- The auction parameters for 2022 were set out in Regulation of the Council of Ministers of 27 September 2022 on the maximum volumes and value of electricity from renewable energy sources that may be sold in auctions in individual consecutive calendar years 2022-2027<sup>[3]</sup>—
- The December auctions were conducted in accordance with the Terms and Conditions of auctions for the sale of electricity generated in RES units approved by the Minister of Climate.
- On 5 November 2022, Regulation of the Minister of Climate and Environment of 31 October 2022 on the reference price of electricity from renewable energy sources and the periods applicable to generators that have won auctions in a given year came into force.<sup>[4]</sup>—
- The auction-based support scheme will be operated in Poland until 2027.

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<sup>[1]</sup> Act on Renewable Energy Sources of 20 February 2015, (for consolidated text see: Dz.U.2022.1378).

<sup>[2]</sup> The following auctions were not resolved: AZ/3/2022 dedicated to plants with installed electrical capacity up to 1 MW using bioliquids, geothermal energy and hydropower, auction AZ/5/2022 intended for new farm biogas plants with a capacity over 1 MW, as well as auctions AZ/6/2022 and AZ/7/2022 intended for plants using only biomass for electricity generation (including dedicated biomass combustion installations, dedicated multi-fuel combustion installations, thermal waste conversion installations, hybrid systems) or only non-farm biogas (including those using only landfill biogas or only biogas from sewage treatment plants).

<sup>[3]</sup> Dz.U.2022.2085.

<sup>[4]</sup> Dz.U.2022.2247.

10.01.2023

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