

Results of Spain Renewable Energy Auction

Second Auction under the REER scheme

28 October 2021



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October 2021 Renewable Energy Auction Results



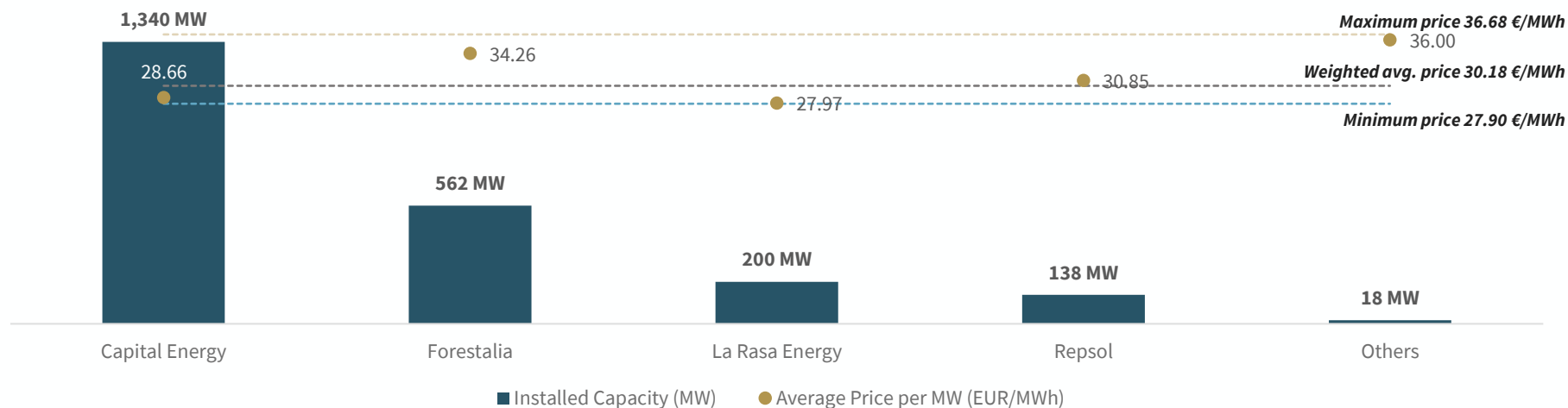
Auction Results – Onshore Wind



Capital Energy rise as the company with more MW awarded, almost 60%

Auction Results for Onshore Wind by Company

Company	Installed Capacity Awarded (MW)	Minimum Price Awarded (EUR/MWh)	Maximum Price Awarded (EUR/MWh)	Average Price Awarded per MW (EUR/MWh)
Capital Energy	1,340	27.97	29.30	28.66
Forestalia	562	32.06	36.68	34.26
La Rasa Energy	200	27.97	27.97	27.97
Repsol	138	27.90	34.43	30.85
Others	18	36.00	36.00	36.00
Total	2,258⁽¹⁾	27.90	36.68	30.18



Source: Official Resolution from the “Ministerio Para La Transición Ecológica” of the Auction held the 19th of October 2021;
 Note: (1) No capacity assigned to the Quick Entry Projects (targeted COD before September 2022)



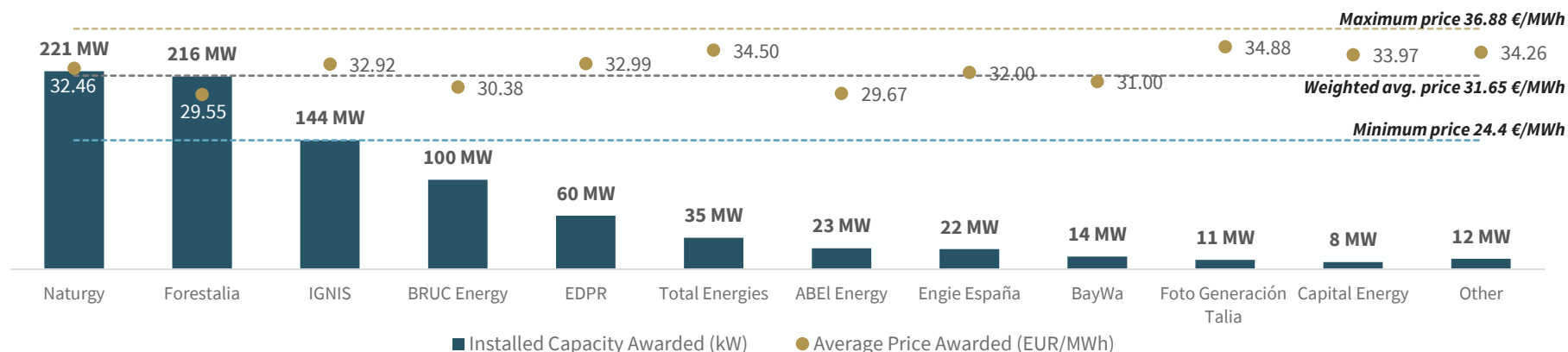
Auction Results – Solar PV



Naturgy and Forestalia rise as the companies with more MW awarded

Auction Results for Solar PV by Company⁽¹⁾

Company	Installed Capacity Awarded (MW)	Minimum Price Awarded (EUR/MWh)	Maximum Price Awarded (EUR/MWh)	Average Price Awarded per MW (EUR/MWh)
Naturgy	221	29.75	34.90	32.46
Forestalia	216	28.01	33.48	29.54
IGNIS	144	31.83	34.35	32.92
BRUC Energy	100	30.37	30.39	30.38
EDPR	60	32.99	32.99	32.99
Total Energies	35	34.50	34.50	34.50
ABEI Energy	23	29.67	29.67	29.67
Engie España	22	32.00	32.00	32.00
BayWa	14	31.00	31.00	31.00
Foto Generación Talia	11	34.88	34.88	34.88
Capital Energy	8	33.97	33.97	33.97
Others	12	24.40	36.88	34.26
Total	866	24.40	36.88	31.65



Source: Official Resolution from the “Ministerio Para La Transición Ecológica” of the Auction held the 19th of October 2021;

Note: (1) Solar PV has not covered the total amount of capacity tendered. Of the total 866 MW, 22MW belong to Quick Entry Projects and 6MW to small local projects.

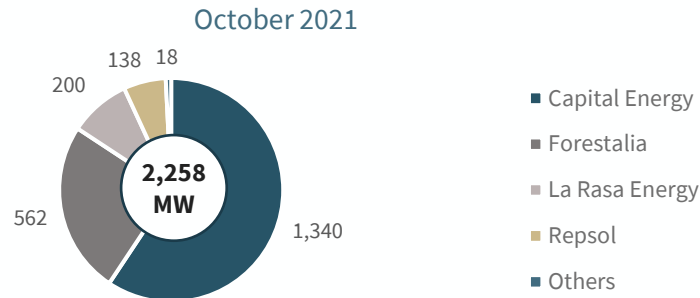
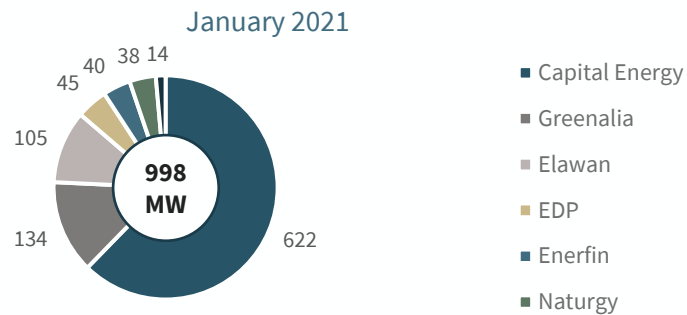


Auction Results - Comparison with January Auction

Onshore Wind



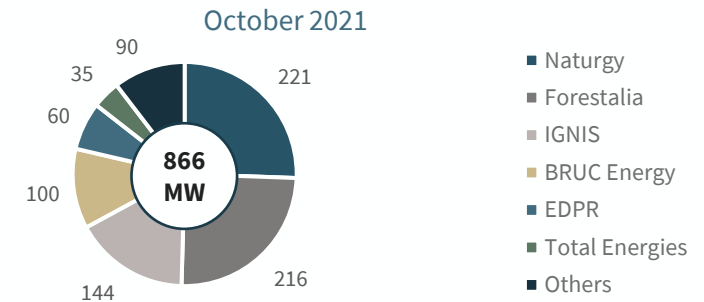
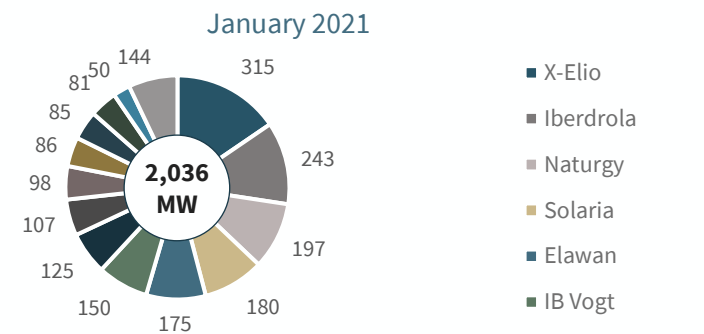
Key KPIs	January 2021 Auction	October 2021 Auction	Delta	
			%	EUR - MW
Capacity Tendered (MW)	998	2,258	126%	1,260
Minimum Price (EUR/MWh)	20.00	27.90	40%	7.90
Maximum Price (EUR/MWh)	28.89	36.68	26%	7.79
Average (EUR/MWh)	25.31	30.18	19%	4.87
Concentration ⁽¹⁾	86%	93%	7%	NA



Solar PV



Key KPIs	January 2021 Auction	October 2021 Auction	Delta	
			%	EUR - MW
Capacity Tendered (MW)	2,036	866	(57%)	1,170
Minimum Price (EUR/MWh)	14.89	24.40	64%	9.51
Maximum Price (EUR/MWh)	28.90	36.68	27%	7.78
Average (EUR/MWh)	24.47	31.65	29%	7.18
Concentration*	37%	67%	30%	NA



Note: (1) Capacity Tendered of the first 3 auction winners / Total Capacity Tendered



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Economic Regime of Renewable Energy (REER) and Auction information



Auction figures and conditions

Second Auction under the REER regime with specific capacity per technology to be auctioned

1

Main conditions of the REER

- REER is granted by auctions of **sealed bidding**, pay as bid.
- The product that is auctioned is the **installed capacity of the plant/facility**.
- Electricity prices (€/MWh) are offered** in the auction.
- The **bidder undertakes to deliver a certain amount of energy, minimum auction energy**, within a **certain timeframe**.
- The bidder will participate in the daily and intra-daily market and will receive a price for the energy that will be calculated based on the auction award price and the market price.

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Scope of Implementation

- Wind and Solar PV plants** located in the Iberian peninsula.
- New plants or extensions to existing facilities**, such as the hybridisation of existing renewable energy plants.
- If a storage system is available, it must be used for the exclusive storage of the energy produced by the installation.
- For a plant to be able to participate in the auction, its **start of execution date must be after the auction date**. Being the start of execution date the earlier of:
 - Start of construction date
 - First commitment for the supply of equipment

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Energy subject to the Auction

- It is considered **auction energy**:
 - Energy traded on the daily and intraday market.
 - Energy from adjustment and balancing services.
- It is **not considered auction energy**:
 - Energy traded before the start date of the maximum delivery period or after the end date of the maximum delivery period
 - Energy traded after the maximum auction energy is exceeded
 - Energy traded in hours when the daily or intraday market price is lower than the collection exemption price

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Auction figures

- A **total capacity of 3.300 MW** to be auctioned (**excess of 6%** established – maximum amount assigned could increase to 3.498 MW), of which **four minimum reserves** have been recognized:
 - Solar PV: 700 MW**
 - Solar PVs of local characteristics** (< 5 MW, local administration, etc.): **300 MW⁽¹⁾**
 - Onshore Wind: 1.500 MW
 - Either **Solar PV or Onshore Wind with COD before 30/09/2022 (Quick Entry mechanism): 600 MW⁽¹⁾**
 - The remaining capacity with no technology assigned

Note: (1) Heavily unsubscribed in the Auction, with only 22MW of Solar PV assigned to the Quick Entry mechanism, while only 6MW assigned to Solar PVs of local characteristics



Term and Energy to be delivered

Maximum term for the delivery of the auctioned energy of 12 years since availability date



Term for delivery of energy awarded as per the auction



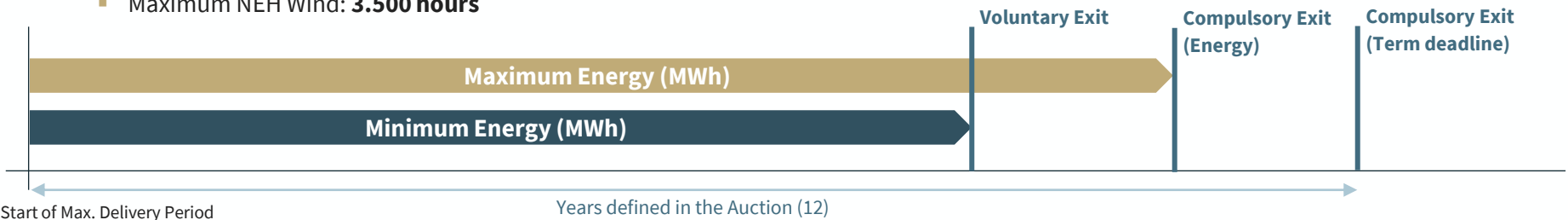
Technology / Minimum Reserve	Minimum Reserve (MW)	Limit date for availability	Initial date for maximum term of delivery	Maximum Term for Delivery (years)
Solar PV and Wind plants of accelerated availability	600	30/09/2022	31/01/2023	12
Solar PV	700	30/06/2023	31/10/2023	12
Solar PV of local characteristics	300	31/10/2023	28/02/2024	12
Onshore Wind plants	1.500	30/06/2024	34/10/2024	12



Minimum and Maximum Energy to be delivered as per the auction



- Minimum Energy** to be delivered during the auction`s term: **Capacity * Minimum NEH * Maximum Term for Delivery**
 - Minimum NEH Solar: **1.500 hours**
 - Minimum NEH Wind: **2.200 hours**
 - Penalty payment of **5 EUR/MWh * (Min. Energy – Energy delivered)** in case the Minimum Energy is not delivered in the agreed term*.
- Maximum Energy** to be delivered during the auction`s term: **Capacity * Maximum NEH * Maximum Term for Delivery**
 - Maximum NEH Solar: **2.300 hours**
 - Maximum NEH Wind: **3.500 hours**



Start of Max. Delivery Period

Years defined in the Auction (12)



Remuneration of the plants under the auction regime

The price received by the plants depends on the auction awarded price, the market price and the market adjustment percentage.

Price received for “Mercado Diario”

$$\text{Price MD} = \text{Price Awarded} + \text{Adjustment (\%)} * (\text{Market Price} - \text{Price Awarded})$$

Price received for “Mercado Intra-Diario”

$$\text{Price MI} = \text{Price Awarded} + \text{Adjustment (\%)} * (\text{Market Price} - \text{Price Awarded})$$

- The objective under this remuneration scheme is to **stimulate the production of energy in the most expensive hours of the day.**

Technology	Percentage of Market Adjustment (%)	
	Facilities with management capacity	Facilities with no management capacity
Solar PV	25%	5%
Onshore Wind	25%	5%

- Installations shall be considered to have management capacity** when they have a **storage system** that makes it possible to **store an amount of energy equal to or greater than the result of multiplying the power of the installation by two hours.**

Fee exemption price

- A **collection exemption price is established**: daily or intraday market price below which the energy sold is not counted as energy to be delivered under the auction agreements and which is remunerated at the market price itself.
- Default value of the exemption price: 0 €/MWh.**
- Objective:** To avoid incentives for facilities to bid at zero or negative prices.
- The energy traded by the plant in those trading periods in which the daily or intraday market price is equal to or lower than the exemption price is considered for the purpose of avoiding penalties for not reaching the Minimum Energy amount



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We would be pleased to get to know you better



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