

PRESS RELEASE

The Iberian Electricity Market Operator Is Working Toward the Energy and Climate Goals for 2030

Madrid, October 26, 2021

The Iberian Electricity Market Operator has successfully managed the Renewable Energy Economic Regime (REER) auction, held on October 19. This is the second auction on the schedule, as established by the Government of Spain, to meet the renewable energy goal of the Integrated National Energy and Climate Plan (NECP) for 2030.

Having held almost 70 auctions since its creation, OMEL Diversificación has contributed all its experience in managing energy markets to ensure the proper implementation and development of the new auction model. The agents' attention in the prequalification and qualification processes, the management of collateral, and the auction's execution, for just a few examples, were managed in accordance with the highest standards of quality and cybersecurity.

Carmen Becerril, President of OMEL/OMI said, *"The Operator of the Iberian Electricity Market is working toward the energy and climate goals for 2030, and at our companies, we want to make the process of decarbonizing our economy easier."*

The auctions ensure investments in new generation in a challenging price context, where a significant appetite for investment is established in our country.

The auction's results can be found at:

https://subastassreer.omeldiversificacion.es/sites/default/files/2021-10/resolucion_resultados_sreer_2.pdf

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ADDITIONAL INFORMATION

Power auctioned

A total of 3,300 MW were auctioned. Of that, 600 MW was for photovoltaic and wind facilities with accelerated availability; 700 MW were reserved for photovoltaic technology, 1,500 MW for wind technology, and another 300 MW for corresponding photovoltaic technology for facilities with locally-distributed generation.

Number of agents and allocated power

A total of 61 agents participated, submitting bids for a total of 5,100 MW, exceeding the auctioned power 1.5 times over.

Following the auction, a capacity of 3,124 MW was awarded to 26 agents; 866 MW of that capacity is for photovoltaic technology, and 2,258 MW is for wind technology. In addition, 21.95 MW was awarded to photovoltaic technology with accelerated availability, and 5.75 MW was for photovoltaic generation projects with local distribution.

Price resulting from the auction

The winning agents will collect the price offered under a “*pay as bid*” model for 12 years.

The approximate prices for each technology are shown below. They’re calculated using a weighted average of the volume of power awarded at the different prices. The minimum and maximum prices at which some of the lots of each technology were awarded are also shown.

Technologies	Weighted average price €/MWh	Minimum price awarded €/MWh	Maximum price awarded €/MWh
Photovoltaic	31.65	24.4	34.9
Wind	30.18	27.9	36.68

Next steps

The auction’s successful bidders have a period of two months to request registration on REER’s electronic registry in an advance allocation status. Once that registration takes place, they will have a period of 6 months to identify the facilities and 12 months to prove that they have administrative authorization to construct said facilities. The successful bidders will also have to present a value chain plan.

Photovoltaic facilities must be fully completed before June 30, 2023, and wind installations must be fully completed before June 30, 2024.

Photovoltaic facilities with accelerated availability must be completed before September 30, 2022, and photovoltaic facilities with locally-distributed generation must be completed before October 31, 2023.

The press release published by the Ministry for the Ecological Transition and the Demographic Challenge is available at:

https://www.miteco.gob.es/es/prensa/211020elmitecoadjudica3124mwderenovablesquerebajara_nlafacturadelaelectricidadyfacilitaranlaaccionclimatica1_tcm30-531951.pdf