

Concept Paper		
Knowledge Sharing Workshop on “Modern Techniques including Renewable Energy Auctions for Economizing Renewable Energy Tariff”		
Technology Dissemination	SAARC Energy Centre	Colombo, Sri Lanka

Background:

The rapid worldwide expansion of renewable energy (RE) in recent years has been largely driven through support policies. Typically, these aim to address market failures in an effort to promote the uptake of renewable energy while achieving a number of other objectives, including energy diversification, the development of a local industry and job creation.

Introduction:

RE auctions are also known as “demand auctions” or “procurement auctions” or “Reverse Auction Mechanism”, whereby the government issues a call for tenders to install a certain capacity of RE-based electricity. Project developers who participate in the auction submit a bid with a price per unit of electricity at which they are able to realize the project. The government evaluates the offers on the basis of the price and other criteria and signs a power purchasing agreement with the successful bidder(s).

These types of RE auctions, despite some difficulties in implementation in the past, have become quite a popular policy tool in the recent years. The number of countries relying on this type of mechanism has risen from just 9 in 2005 to at least 60 by early 2015 (REN21, 2015).

Objectives:

The objective of this workshop is to explore the developments and applications of Renewable Energy auctions in order to identify its benefits and challenges as well as the best practices for its successful applications in the SAARC Member States. The benefits include

- achieving deployment of renewable electricity in a well-planned,
- potential for real price discovery,
- managing transparency in the whole process.

Major Aspects/Topics to be covered during the Workshop:

Interactive discussion in the workshop will be focused on the design elements of different types of auctions and how these can be selected to overcome existing barriers to deployment, depending on the level of renewable energy deployment and maturity of power sector in the SAARC region.

Relevance, Coherence and Sustainability:**I. Relevance:**

The proposed activity is related with one of the goals of SEC is to promote development of new and renewable energy resources in the region as an instrument towards sustainable energy development in the SAARC Member States over the long-term.

II. Coherence:

RE Auction strategy is applied to promote the competitive procurement of products offered by RE generators; a knowledge sharing event in South Asia in this respect is part of the SEC's efforts to promote the development of renewable generation in the region.

III. Sustainability:

Renewable energy auctions are increasingly becoming a policy tool of choice to support renewable energy deployment, thus promoting sustainable use of resources. SEC, in view of its thematic areas, will continue efforts for this purpose.

Potential Professional Resource / SEC's Intellectual Contribution:

Renowned experts in Renewable Energy (RE) Sector from the SAARC region will be engaged, as the resource persons, for this knowledge sharing workshop.

Senior, decision making, government officials from the Member States are expected to join and contribute in the form of knowledge sharing to bring about policy recommendations for promotion of RE in South Asia.

Venue of the Workshop:

This 2-day Workshop will be organized in Colombo, Sri Lanka on 9-10 May, 2018.