

# Polish renewable auction analysis – May/June 2021

Baringa's perspective and offering

April 2021

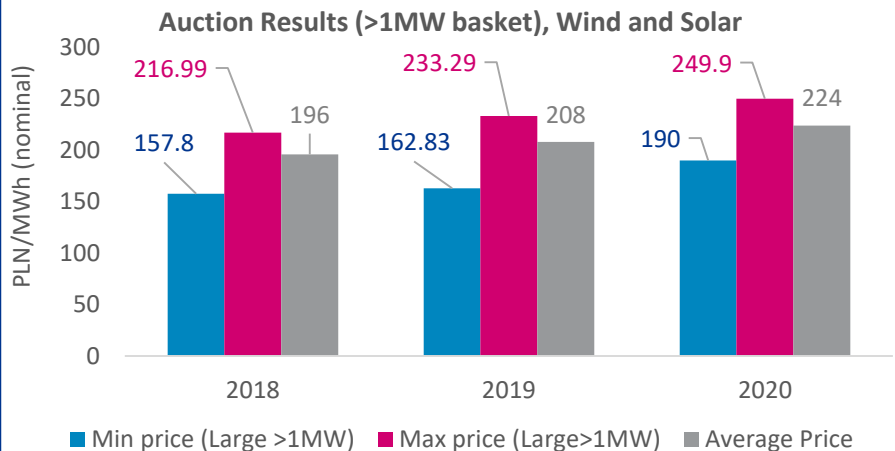


# Baringa Polish CfD auction modelling for renewables



Our auction simulation tool will help you understand the merit order for the upcoming auctions in May and June 2021, thereby supporting the formation of a sound bidding strategy and optimising outcomes

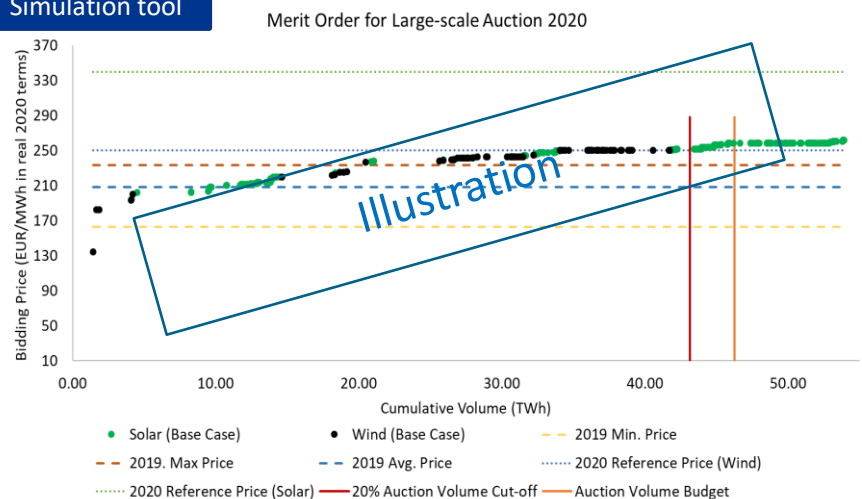
## Historic results



## Market developments

- ▲ The 2021 renewable auctions are set to take place during May and June 2021. The 2020 auction was the first time with significant solar PV capacity clearing in the large scale auction (800 MW solar PV vs 900 MW onshore wind). Both the average and maximum clearing prices offered by the winners of the 2020 auction were around 7% higher than the 2019 auction prices whereas the minimum bid was around 17% higher
- ▲ Similar to 2020, there are several elements which bidders need to account for in their bid strategies:
  - We have seen a decrease in the LCOEs of both onshore wind and solar PV since the 2020 auction, which will put downward pressure on prices
  - Both the budget and maximum volumes, as well as reference prices, for onshore wind and solar PV are lower in this year's auction which can put downward pressure on prices due to higher degree of competition
  - This is the last auction where onshore wind projects with building permits issued before the 10H rule came into effect can participate - some of these projects can strategically bid lower to clear in the auction
  - More solar PV participation can push prices higher
  - Given the continuing increase in power prices, some participants may choose to bid only some part of their capacity in the auction, which can pave the way for some less cost competitive projects to clear in the auction
- ▲ We have a proven existing model for simulating the Polish renewable auctions, helping you to understand potential auction outcomes and refine your bid strategies. Our modelled min/max/average clearing prices have been within close proximity of the outturn prices so far (illustrative 2020 auction simulation in lower left hand side)

## Simulation tool



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