

GB CfD Auction 2021

Our market-leading auction modelling



Paving the way to net zero

The forthcoming CfD auction in GB is an important milestone in the renewables industry. With a 40GW target for offshore wind by 2030 and up to 12GW of contracts expected to be on offer, there is the political and policy direction for a major new wave of investment in renewable generation capacity in GB.

Baringa have been at the forefront of renewable electricity investment advisory in GB for over two decades. We are pleased to offer comprehensive market advisory services for all auction stakeholders.

Pot 1:

- Onshore wind
- Solar photovoltaic
- Energy from waste with CHP
- Hydro
- Coal-to-Biomass conversions
- Landfill gas
- Sewage Gas

Other pots:

- Offshore wind
including floating offshore, remote island wind
- Wave
- Tidal
- Advanced conversion technologies
- Dedicated biomass with CHP
- Anaerobic digestion
- Geothermal

Our analysis

Our core offering is based on a project-level view of the CfD auction supply stack and bidding assumptions. We can provide project-level data, our projections of clearing prices and projects from a detailed auction simulation, and bespoke sensitivity analysis of auction outcomes. We also provide projections of the key revenue / cost line items for your project-level financial model.

Competitive assessment of auction projects

- ▶ An auction supply curve at the project-by-project level
- ▶ Project-level assumptions on all relevant costs, to allow calculation of auction bid price
- ▶ We can provide clients our project-level database (optional)

Auction projections

- ▶ In-house auction model adapted to CfD rules
- ▶ We simulate the auction and provide clients our projection of achieved prices, merit order, and cleared plants
- ▶ We can undertake bespoke sensitivity analysis on the drivers of auction outcomes and advise on expected auction dynamics

Wholesale price projections & report

- ▶ Our industry-leading wholesale electricity market projections for the period 2020-50, including capture prices for wind and solar PV
- ▶ Projections of negative pricing 2020-50
- ▶ Projections of the post-subsidy merchant tail
- ▶ Accompanying report covering historical trends, power projections, market outlook, description of our assumptions, and more

Commercial advice

- ▶ Projections over 2020-50 for other key revenues and costs: imbalance costs, curtailment, capacity market and ancillary services revenues
- ▶ Assessment of the opportunities of merchant route-to-market
- ▶ Detailed project-level assessment of transmission charging regime
- ▶ Revenue projections, CBA assessment and regulatory model reviews for new hybrid wind-interconnector projects



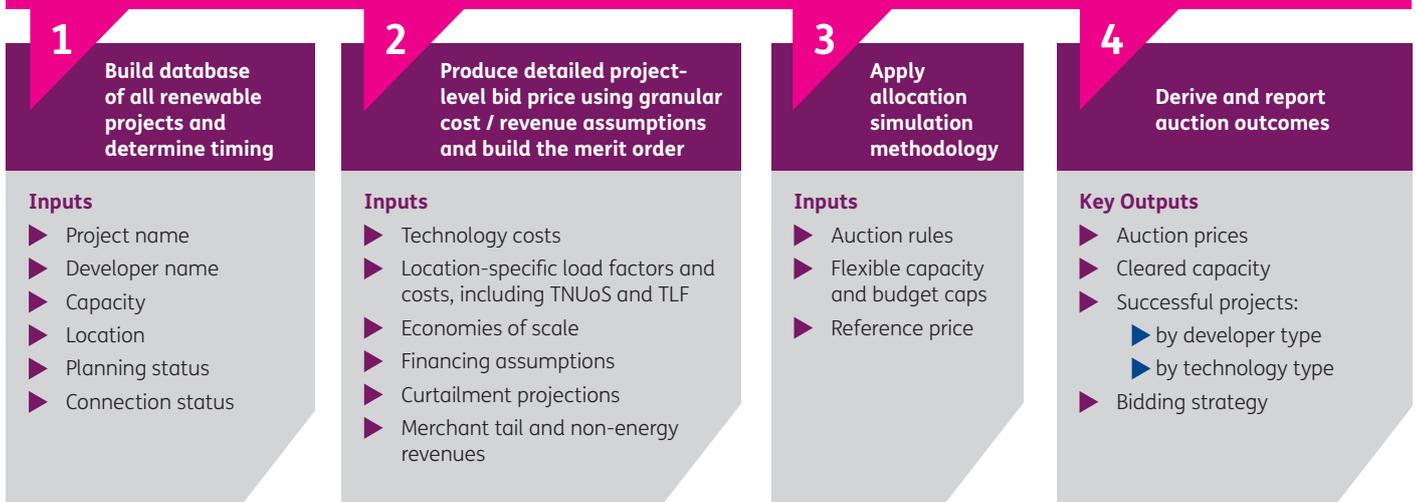
Phil Grant,
Partner

“Competitive auctions are set to be a key instrument paving the way to a net-zero power sector in Great Britain. We help make sense of the commercial drivers of auction outcomes with analysis supported by our extensive market insight and a sound understanding of economic fundamentals.”

Our approach

Our proven approach builds on our extensive previous experience with competitive auctions in GB, Ireland, Germany, France and Eastern Europe.

Overview of our modelling approach



Our modelling may also involve bespoke sensitivity analysis:



Why Baringa?



Voted No.1 management consultancy in the UK's 'Energy, Utilities and Environment' sector by clients and peers in the Financial Times poll for 2018, 2019 and 2020



We were awarded 3rd place in the UK by Great Places to Work™ (Large category, 2020) and have featured in the top ten for 12 years. We're also proud of having won the 3rd place in the UK for Best Workplaces for Women (Large category, 2020), being a Race at Work signatory, as well as for having an 'outstanding' Net Promoter Score (NPS) customer loyalty rating.

Interested? Contact us

If you would like to find out more on our CfD offering, do not hesitate to get in touch! We will discuss how we might best support your organisation and provide input into your decisions, including through bespoke analysis.



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