eContract notice: OJEU S 128-186026

Invitation to tender No. TREN/D1/518/2008 concerning

"Financing renewable energy in the European energy market"

Time-limit for receipt of tenders: 25/08/2009

FREQUENTLY ASKED QUESTIONS

1. *Does the tender have to be submitted by completing a specific form (e.g. as it is the case for other EU programmes like FP7 or IEE calls) or are tenderers free to choose their own format and layout (obeying the 3 section structure as indicated in the tender specifications) ?*

   If a specific form needs to be completed could you please indicate where it can be downloaded from your website?

   Please refer to section III.2 of the tender specifications on the structure of the tender and the specific forms to be used.

2. *We are an EEIG (European Economic Interest Grouping) grouping 7 members from the EU and as such can apply for tenders but we have the following questions:*

   a) Should Annexes 1and 4 be filled up only once by the EEIG or by all the members?

   The Annexes have to be filled in by the EEIG and all its members.

   b) Regarding financial data, we can present the member's turnovers and the consolidated ones for 2006, 2007, 2008. We cannot present any balance sheet for the EEIG that has been just created. Would you request the balance sheets of all the members for 2006, 2007 and 2008?

   When selecting tenderers account will be taken not only of the capacities of the EEIG itself but also of those of its members. Therefore the members should submit their financial information in addition to any document of the EEIG providing information on its financial viability.

3. *Could you specify in more detail the methodology and focus of the ten tasks that you expect from the tenderer?*

   The methodology is left to the discretion of the tenderer.

4. *Which specific sources of data would you like to see included in the analyses that are to be carried out by the tenderer?*

   No specific sources of data have been identified; they would normally include government, Commission (and other institutions') reports on budgets for renewable energy expenditure; credible analysis and modelling results from reliable sources (e.g. for estimates of future costs/expenditure needs).

5. *Do you only mean direct financial support from the EU and Member States (such as subsidies, regional development aid and loans from state-owned banks (excluding those only temporarily under state ownership)) when referring to "financing instruments" or shall these also include indirect financial support from Member States (such as feed-in tariffs, renewables obligations or tax allowances) that do not affect the budgets of the EU and/or Member States?*

   "indirect" financial support must also be included: the intention is to get a thorough bottom-up view of the current costs of renewable energy across all Member States.

6. *What level of costs are you interested in - investment costs and/or generating costs (either way data for such costs is usually private and can in many cases only be estimated indirectly)? Do you know of specific sources of data that should be used for this part of the study?*

   Best available and reliable estimates of costs (investment and generating costs) should be used. These can be from credible and respectable analysis (e.g. IEA (e.g. ETP model) and Commission publications and project reports e.g. from published PRIMES and GREEN X modelling projects.

7. *By which unit do you require the breakdown of current support - e.g. production in kWh or per MW installed or per project or per recipient? Do you know of specific sources of data that should be used for this question?*

   A range of presentations of costs is possible but costs by kWh by technology (by Member State) should be included, together with aggregated costs (i.e. kWh cost*kWh).

8. *Current expenditure could be available for most administrative levels but how far into the future should planned expenditures be compiled? Should expenditure be compiled only for the EU and Member State budgets as well as the EIB and EBRD, or would you like to see lower administrative levels included as well? Do you know of specific sources of data that should be used for this part of the study?*

   All significant levels of expenditure should be included; minor, "de minimis" sources need not be. The time horizon is 2020.

9. *Which specific EU instruments, in addition to GEEREF, would you wish to see included in the breakdown of EU expenditure beyond the EU27? Do you know of specific sources of data that should be used for this part of the study?*

   Aid to non Member States could also be a source of financing for renewable energy development, so aid budgets, or other budgets with non domestic expenditure should be included.

10. *Do you know of specific sources of data that should be used for this part of the study?*

European and national aid budgets are one source; other possible sources include the EU Energy Initiative (EUEI), the Renewable Energy and Energy Efficiency Partnership (REEEP), the Mediterranean Renewable Energy Partnership (MEDREP), the Global Village Energy Partnership (GVEP), and the Basel Agency for Sustainable Energy (BASE)[1].

11. ***Task 2:*** *"A detailed breakdown of current per unit support offered for each type of technology in each Member State, together with aggregated data."*
What does' aggregated data mean' in this task? E.g. aggregated support costs per technology at EU-27 level?

Aggregated costs would mean kWh cost*kWh – by Member State (and eventually for the EU).

12. ***Task 3:*** *"A detailed breakdown of current and planned EU expenditure on each renewable energy in each Member State, including the EU budget and EIB and EBRD funding."*
What timeframes for 'planned' EU expenditure? Should this be according to formal announcements of future expenditure published by EC at the time of undertaking the project? E.g. 2009-2020, according to approved projects/budget lines and published EU communications on future spend.

The intention is to get a solid sense of current (this year's) expenditure on renewable energy. Some Member States have specified budgets some years into the future; most have not. *Current* period expenditure is useful information to assess current costs; planned is also useful as it can give an impression of expectations of costs (e.g. if a Member State has budgeted X million euro per year for solar power and expects to generate Y MWh per year for 10 years, expected cost trends become evident (similarly, planned feed in tariff reductions give a sense of expected cost trends).

13. ***Task 4:*** *"A detailed breakdown of current and planned EU expenditure beyond the EU, through all the instruments used by the EU (e.g. GEEREF)."*
How should 'beyond EU' be defined? E.g. EC financial instruments applied in 6 regions of non-Annex 1 countries (i.e. Asia, ACP, Accession, OCT, Latin America, EU Southern and Eastern neighbours) that receive AIDCO & other EU funding? Or should this include all non-EU countries in their entirety?

A break down of all expenditure could be useful, but focus should be on the eventual costs of achieving the 2020 targets (therefore information about expenditure in countries neighbouring the EU or otherwise eligible under Article 10 of the new renewable energy Directive (2009/28/EC) would be particularly relevant).

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1 http://ec.europa.eu/environment/climat/pdf/key_elements.pdf , http://www.euei.org, http://www.reeep.org, http://www.medrep.it, http://www.gvep.org, http://www.energy-base.org

14. *What is meant by 'detailed breakdown'? Is this per instrument, or should the breakdown be per RE technology, as DGs databases do not often reach this level of detail (per RE tehcnology) in their databases of EU funding disbursements?*

The more detailed, the better – the intention is to get a reliable picture, including by technology (where available).

15. *Should EU expenditure also cover pilot innovation projects covering RE which are not formally classified as EU funding, e.g. RE pilot projects in Jordan?*

This could also be useful information (e.g. if it informs us of costs in developing certain technologies in certain countries), but if the quantities are minor or "de minimis" significant resources should not of course be dedicated to extracting the information.

16. ***Task 6:*** *"A thorough evaluation of whether or when different financing instruments are appropriate in different circumstances."*
What does the Commission mean by financing instruments? Should this be support instruments or project financing or both?

Both. In some instances support instruments dominate, in others (e.g. tendering for offshore projects), then per-project instruments are also relevant. The main instruments of significance should be covered.

17. *What does the Commission expect from this task in terms of added value beyond existing studies?*

Is there are clear role for different instruments in different circumstances/for different technologies? Does the up scaling of costs to 2020 have implications for budget/off-budget instruments, loan schemes, feed in tariff/ green certificate schemes? Do they affect access to capital? If current expenditure is Y and planned RES growth means the same technology/instrument mix quadruples expenditure, should the Member State explore other instruments, other technologies? How much more funding should occur at European level? Are there real benefits to Member States from harmonising their support schemes?

18. ***Task 7:*** *"An assessment of the renewable energy sector's access to capital and the possible options for improving such access."*
What is meant by access to 'capital'? E.g. access to equity or access to finance?

Both: has access to both been constrained by the recession? Does it matter / is there a pattern of matching equity or debt to particular circumstances / countries / technologies?

19. ***Tasks 8&9:*** *"An assessment of the potential contribution of all existing instruments. A review of all available instruments."*
What is meant by 'existing' and 'available'? Is the focus here on financing or support instruments?

Focus is on all existing financing and support instruments. The intention, as mentioned above (8), is to assess if the existing mix of measures is optimal given the 2020 targets or whether more needs to be funded at the European level, whether reforms, coordination (even harmonisation), use of flexibility mechanisms (c.f. 2009/28/EC) can be recommended.

20. *It is mentioned several times (e.g. Task 1) that the cost of all renewable energy technologies should be calculated. Is meant with costs expenditures per actor (either private and/or public) per technology or the costs of a technology (i.e. price per kWh, investments costs, discount rates, uneconomic top, etc.).*

Both expenditure and cost data are important. A lot of the discussion is about expenditure (budgets, spending on feed in tariffs, green certificate schemes etc.) but the actual cost of the technology is also interesting (e.g. for a sense of what "wind fall profits" are around and what the "cost to taxpayers and consumers " (expenditure) could be in most efficient circumstances (i.e. when p=mc).