

# REVERSE AUCTIONS TO SCALE RENEWABLE ENERGY

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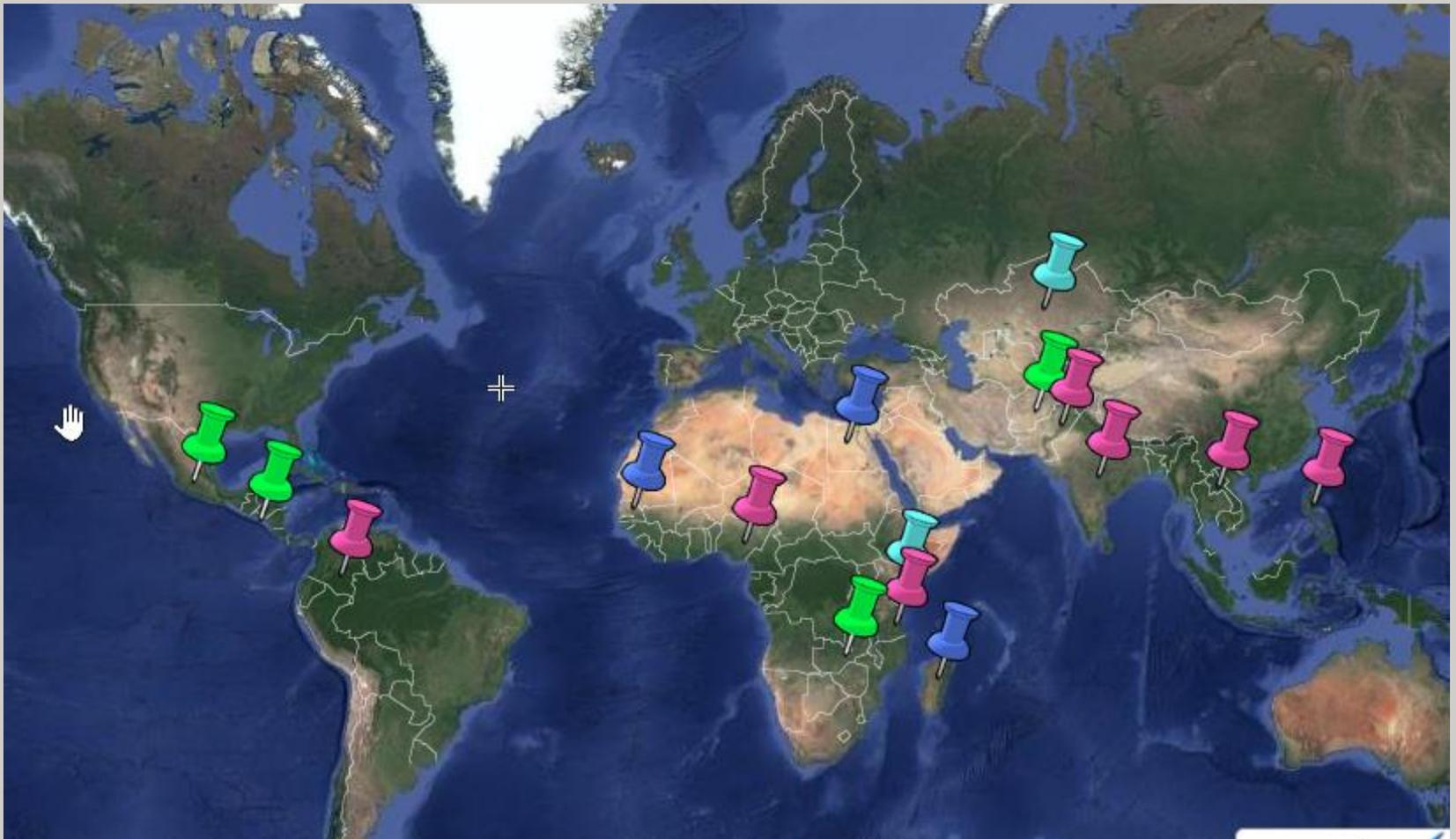
*Asia Clean Energy Forum - Deep Dive Workshop*

USAID/Sarah Fretwell, Kaheawa Wind Project, Maui, HI. First Wind

# PRESENTATION OBJECTIVES

1. Session Overview
  - What did auctions deliver so far?
  - Why are we seeing a transition towards auctions?
  - What makes a good auction?
  - What is the impact of auctions on companies and project development?
  
2. Why USAID is interested and how we assist

# USAID & AUCTIONS: A HOT TOPIC



**Green:** auctions supported; **Light blue:** workshops; **Dark blue:** Auctions planned; **Pink:** Auction interest

# MEXICO: GLOBAL BEST PRACTICE

## Results of Mexico's US\$4 billion second renewable energy auction

By Danielle Ola | Oct 03, 2016 11:22 AM BST | 1

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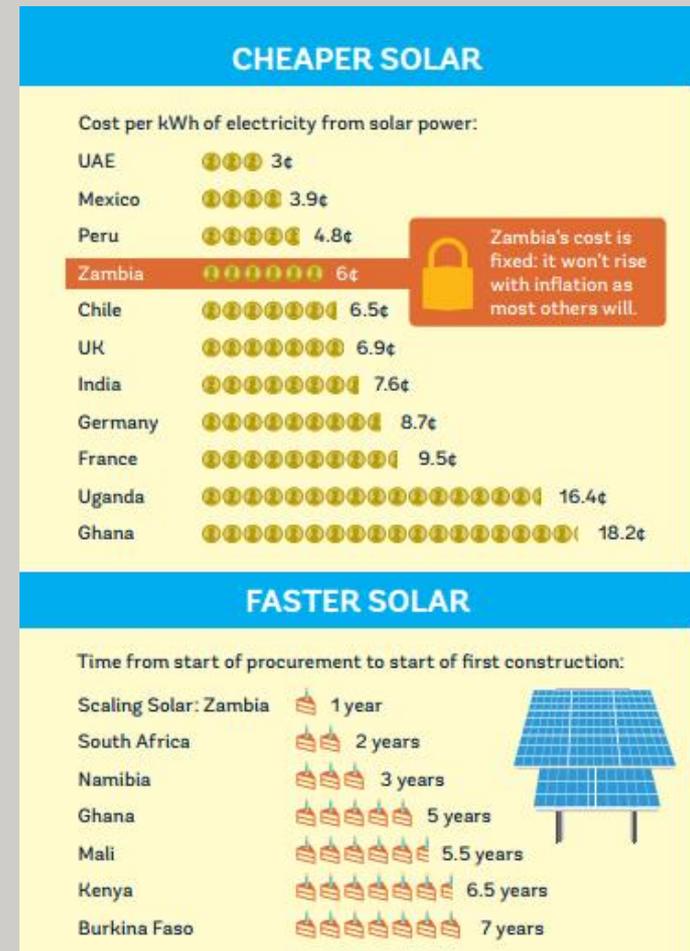


Hernández Martínez and César Hernández Ochoa at the official power auction presentation last Wednesday. Source: SENER

- GOM Target of 35% clean energy by 2024
- Contracted out 6 GW of RE capacity in 2 auctions
- 3<sup>rd</sup> auction scheduled for later this year
- **USAID:** Targeted assistance role

# IFC SCALING SOLAR

- Power Africa has committed \$6 million to IFC Scaling Solar for auctions in Zambia, Senegal, Madagascar, and Ethiopia
- Derisking package:
  - Standardized tendering; templates for key documents;
  - World Bank concessional financing
  - MIGA political risk insurance
  - Risk management & credit enhancement
- Dollar-denominated PPA



# ZAMBIA IFC SCALING SOLAR AUCTION: PILOT



President Lungu at IDC Lusaka South Solar Project

Scaling Solar provides a standardized de-risking package that includes concessional financing, standardized PPAs in USD, and political risk insurance; **USAID funded IFC**

# AFGHANISTAN

- USAID supported the first-ever tender for an independent power project (IPP) in partnership with the national electric utility, which resulted in a final price of less than \$8/kWh for the solar power.
- USAID provided a \$10 million grant in the form of a construction contract for the winning bidder.
- The 10 MW solar plant in Kandahar province is meant to be a replicable model for the Afghan government as it transitions towards the private sector taking the lead in building and operating new power plants.



## Afghanistan approves plan to deploy 65 MW of solar

The Afghan government has approved a plan for the deployment of 100 MW of renewable energy capacity. The plan includes 65 MW of solar tendered by the government in 2016.

MARCH 24, 2017 EMILIANO BELLINI

MARKETS MARKETS & POLICY AFGHANISTAN



More than 60% of the people across Afghanistan live in dark homes without access to a reliable form of electricity.

Ricardo's fotografy



Afghanistan's High Economic Council has approved a plan to deploy 100 MW of renewable energy generation capacity across the country. Local TV channel 1TV

Thank you!

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