



USAID
FROM THE AMERICAN PEOPLE

USAID GLOBAL AUCTIONS SUPPORT

U.S. Agency for International
Development (USAID)

ENERGY PROCUREMENT OPTIONS



Bilateral Negotiated Contracts



May be needed where limited competition

May be needed for unique or complex technologies



Higher prices

Lack of transparency



Feed in Tariffs (FiT)



Provides price guarantees for nascent industries



High prices common

Bureaucratic process that cannot keep up with price trends.



Auctions



Choice of the auctioned volume
Ensuring project delivery and price

Fulfilling development goals and price

Encouraging small/new players and price

Can promote technology neutral competition



Upfront planning required to ensure desired results



Wholesale Markets



Maximum price competition



Expensive to establish

Expensive to operate

Not feasible for small markets

Challenging for clean energy financing

MEXICO'S AUCTION RESULTS

\$9 BILLION

Total investment in Mexico's first three auctions

Record low prices

in energy projects for Latin America

Investors from **12 countries**

~\$1 MILLION in USAID support

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

USAID AUCTION SUPPORT

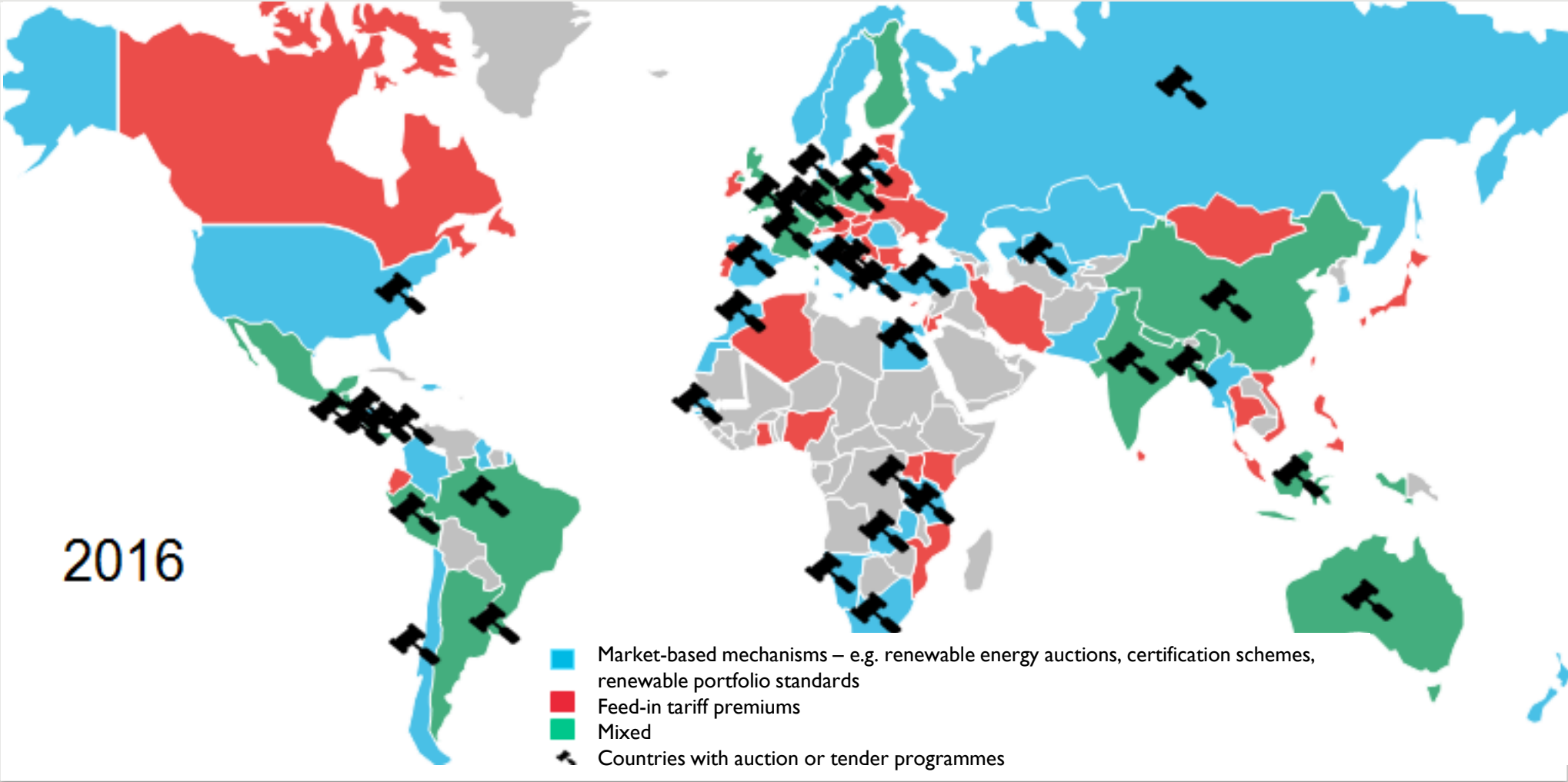
- USAID support for **South Africa's** PPP program has attracted US\$14 billion in investment through a series of clean energy auctions
- Assisted **Zambia** and **Senegal** IFC Scaling Solar with bidders' success fee
- Supported first-ever 10 MW solar tender for an independent power project in partnership with the national electric utility in **Afghanistan**
- Providing regional lessons learned to upcoming technology-agnostic auction in **Colombia**
- Ongoing technical support for **Kazakhstan** in the design and implementation of their first auctions in 2018, and supported exchange for Kazakh development to visit **Mexico** to learn best practices
- Assisting MEM with the design of its solar auction pilot in **Lao PDR**



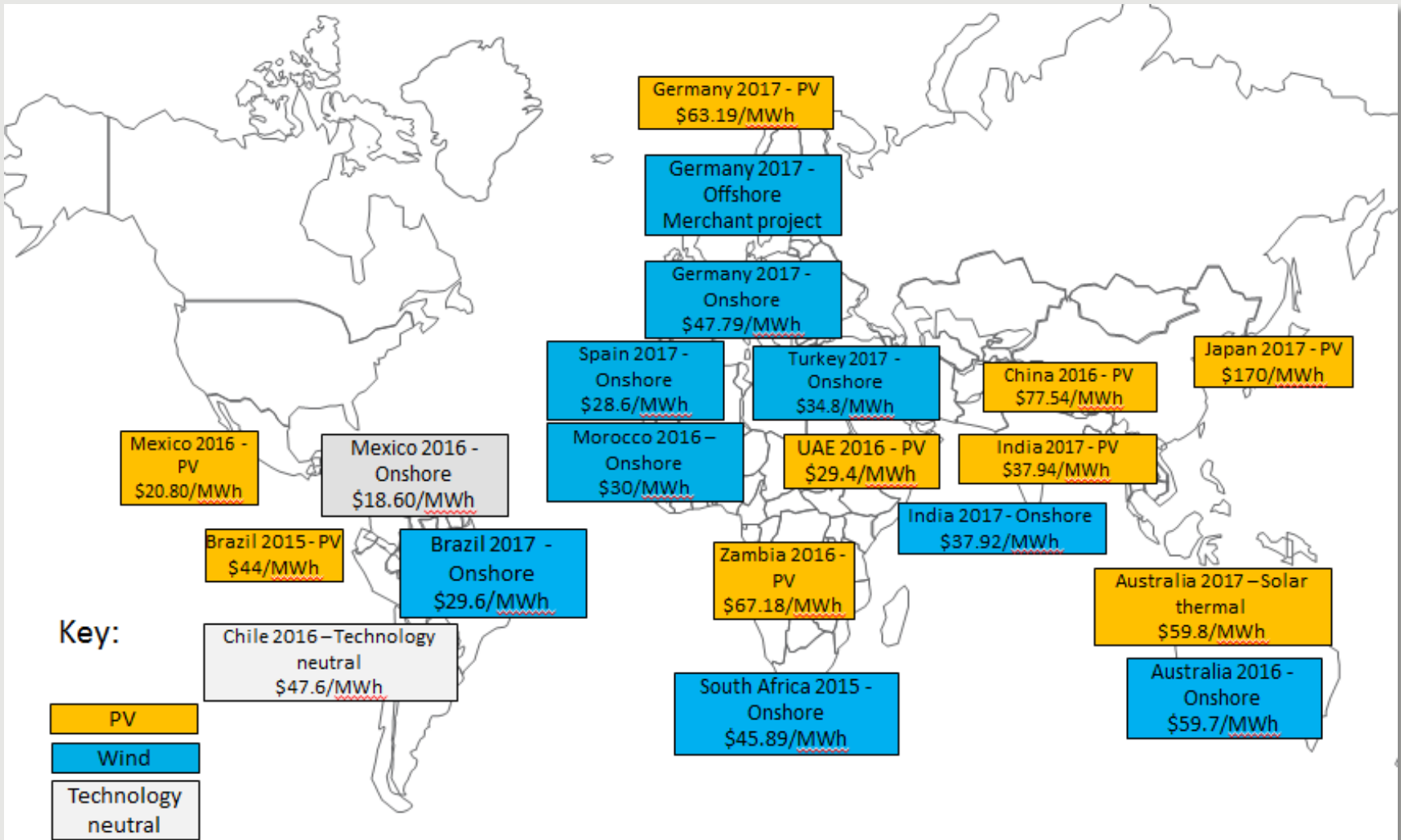
THANK YOU!

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TREND #1: GLOBAL TRANSITION TO COMPETITIVE PROCUREMENT



TREND #2: DECLINING PRICES FOR RENEWABLE ENERGY



Source: Bloomberg New Energy Finance. Note: Most tariffs will include adjustments for inflation and other factors that will influence the final bid. For a full explanation on comparing nominal versus levelized bids, see pp6 in 1H 2017 EMEA LCOE Update ([web](#) | [terminal](#)).