

Royal Decree-Act 23/2020, of 23 June 2020, approving the measures in the field of energy and in other spheres for economic revival, established the obligation to draw up implementing regulations for a remuneration framework for the generation of electrical energy from renewable energy sources, different from the specific remuneration regime, based on long-term recognition of a price for the energy.

In fulfilment of said mandate, Royal Decree 960/2020, of 3 November 2020, was approved, governing the renewable energy economic regime for electrical energy generation facilities, serving to establish a remuneration framework for the generation of electrical energy from renewable energy sources, known as the renewable energy economic regime, based on the long-term recognition of a price for the energy. This economic regime is open to application to electrical energy generation facilities using renewable energy sources included within category (b), in accordance with the classification established in Article 2.1 of Royal Decree 413/2014, of 6 June 2014, governing electrical energy generation activities using renewable energy sources, co-generation and waste. Such facilities may comprise more than one technology, and also have storage systems in place.

In implementation of Article 4 of Royal Decree 960/2020, of 3 November 2020, Order TED/1161/2020, of 4 December 2020, was approved, regulating the first auction mechanism for the granting of the renewable energy economic regime, and establishing the guideline calendar for the period 2020-2025.

This order governs, first of all, aspects regarding the auction mechanism, and determines that the product to be auctioned shall be the installed power. The auctions shall be open to all renewable technologies included within the scope of application of Royal Decree 960/2020, of 3 November 2020, and located within the Spanish mainland electricity system, and may include both new facilities, and expansions or modifications of those already in existence.

Said order in turn establishes the specificities and adaptations required in the general methodology for the selection of offers in order to adapt this to the characteristics of the allocation rounds. It establishes the processes comprising the auction mechanism,

including the clearing mechanism to be employed in order to take into account the existence of minimum product reserves to be allocated to one or more technologies, in addition to the restrictions regarding the guarantee of competition within the process, and the characteristics that must be fulfilled by the bids presented by agents participating in the competitive tender procedure.

The order secondly establishes the characteristics of the renewable energy economic regime applicable to the allocation rounds approved in implementation thereof. In particular, it approves the values of the remuneration parameters of the different technologies.

Thirdly, said order governs the formalities and procedures associated with the Electronic Register of the renewable energy economic regime with regard to the final deadline for the presentation of applications for registration in pre-assignment status and the amount of the relevant economic guarantee, in addition to the documentation that must be submitted for registration in said Register under both conditions: pre-assignment and operation. It likewise establishes the mechanism to monitor the viability and maturity of the projects, based on a procedure for identification of the facility and accreditation of issuance of the administrative construction authorisation or equivalent document.

Lastly, as stipulated in Article 12 of Royal Decree 960/2020, of 3 November 2020, said order approves the guideline calendar for the assignment of the renewable energy economic regime for the period 2020-2025, including guideline deadlines, expected capacity and planned technologies. In particular, it establishes that auctions will be announced in 2020 for the assignment under the renewable energy economic regime for a minimum of 3,000 MW, with plans for said year of minimum power volumes of 1,000 MW for wind technology and 1,000 MW for photovoltaic solar technology.

Article 4.2 of Royal Decree 960/2020, of 3 November 2020, establishes that the auctions undertaken within the context of said ministerial order will be announced by means of a decision issued by the Secretary of State for Energy, to be published in the "Official State Gazette". Article 4.2 of the aforementioned order likewise determines that certain remuneration parameters not approved in the order will be established in said decision.

In accordance with these regulations, this decision announces the first auction and establishes a product capacity of 3,000 MW of installed power, including two minimum product reserves, one of 1,000 MW corresponding to photovoltaic technology, and another of 1,000 MW corresponding to terrestrial wind technology, in line with the approved guideline calendar. Over the course of 2021 the relevant auctions will be announced in order to fulfil the guideline calendar approved by means of Order TED/1161/2020, of 4 December 2020.

This decision likewise approves the remaining aspects established in Article 6 of Order TED/1161/2020, of 4 December 2020, including the auction calendar, the detailed specifications and participation forms, and all other parameters required in order to conduct the auction and to apply the renewable energy economic regime.

In fulfilment of the mandate established in Article 4.2 of Royal Decree 960/2020, of 3 November 2020, this decision is approved by the Secretary of State for Energy.

By virtue, thereof, I have decided:

**One:** To finance an auction to award the renewable energy economic regime within the context of Order TED/1161/2020, of 4 December 2020, governing the first auction mechanism for the awarding of the renewable energy economic regime and establishing the guideline calendar for the period 2020-2025, and in accordance with the provisions of Royal Decree 960/2020, of 3 November 2020, governing the renewable energy economic regime for electrical energy generation facilities.

In accordance with the provisions of Articles 2 and 5 of said order, the economic regime for renewable energies granted by means of the announcement of this auction may be received by facilities that generate electricity from renewable energy sources comprising one or more technologies included in category b) defined in Article 2.1 of Royal Decree 413/2014, of 6 June 2014, governing electrical energy production activity from renewable energy sources, co-generation and waste, and that fulfil the following requirements:

- a) They are new facilities or expansions of existing facilities.
- b) They are located within the Spanish mainland electricity system.

c) They have no storage system, or otherwise the storage system must be used solely for the storage of the energy generated by the facility.

**Two-** Approve the following calendar for the auction:

Event	Date and time
Commencement of the period for the presentation of documentation for pre-qualification and qualification	15/12/2020 13:00
Closure of the period for the presentation of documentation for qualification and pre-qualification	19/01/2021 13:00
Closure of the period for rectification of errors	21/01/2021 13:00
Trial auction with the participants qualified for the auction	22/01/2021 09:00
Testing of access to the auction system and electronic signature	25/01/2021
Date to stage the auction	26/01/2021
Commencement of the period for receipt of offers	26/01/2021 09:00
Deadline for offers to be received	26/01/2021 11:00
Final deadline for the clearing process and publication of provisional results	26/01/2021 14:00
Period for claims against the provisional results by participants	26/01/2021 2 hours after the provisional results are made available to the agents
Final deadline for validation of the auction	24 hours after the period for claims ends

**Three-** Approve the product capacity to be auctioned and the minimum reserves, which shall be as follows:

1. The established product capacity is 3,000 MW of installed power, in accordance with the definition in Article 3 of Royal Decree 413/2014, of 6 June 2014, in force at the moment of closure of the period for the presentation of documentation for qualification and pre-qualification.
2. The percentage surplus beyond the capacity in the clearing process is established at 6%, such that the power ultimately assigned may not exceed 3,180 MW.
3. Two minimum product reserves are established, one of 1,000 MW assigned to photovoltaic technology corresponding to subgroup b.1.1, and another of 1,000 MW assigned to terrestrial wind technology corresponding to subgroup b.2.1, in accordance with the classification established in Article 2 of Royal Decree 413/2014, of 6 June 2014.

**Four-** Establish the maximum size of indivisible tranches offered as 180 MW.

**Five-** Establish that under the terms of Article 8.6 of Royal Decree 960/2020, of 3 November 2020, the volume of product awarded to one single company or corporate group, as defined in Article 42.1 of the Code of Commerce, may be no greater than 1,500 MW.

**Six-** Approve the deadline for availability of the facility, the date of expulsion from the renewable energy economic regime, the start date of the maximum delivery period and

the maximum delivery period, as established in Articles 16 and 28 of Royal Decree 960/2020, of 3 November 2020, as set out in the following table:

Technologies	Subgroup defined in Article 2 of Royal Decree 413/2014, of 6 June 2014	Deadline for availability of the facility	Date of expulsion from the renewable energy economic regime	Start date of the maximum delivery period	Maximum delivery period
Photovoltaic	b.1.1	28/02/2023	30/06/2023	30/09/2023	12 years
Solar thermoelectric	b.1.2	29/02/2024	30/06/2024	30/09/2024	12 years
Terrestrial wind	b.2.1	29/02/2024	30/06/2024	30/09/2024	12 years
Marine wind	b.2.2	28/02/2025	30/06/2025	30/09/2025	12 years
Other renewable technologies	b.3	28/02/2025	30/06/2025	30/09/2025	12 years
Hydroelectric power plants (Installed power less than or equal to 10 MW)	b.4	28/02/2025	30/06/2025	30/09/2025	12 years
Hydroelectric power plants (Installed power greater than 10 MW)	b.5	28/02/2025	30/06/2025	30/09/2025	12 years
Biomass	b.6	28/02/2025	30/06/2025	30/09/2025	15 years
Biogas, Bioliquids	b.7	28/02/2025	30/06/2025	30/09/2025	15 years
Biomass	b.8	28/02/2025	30/06/2025	30/09/2025	15 years

**Seven-** Approve the detailed specifications and forms to be completed to participate in the auction, as set out in Annex I, detailing, among other elements, the information and documents to be included in the auction participation request.

**Eight-** Establish on a confidential basis the reserve price regulated in Article 8.4 of Royal Decree 960/2020, of 3 November 2020, for each technology, as a fixed value expressed in euros/MWh to 2 decimal places, as included in Annex II, to be presented to the auction administrator between 07:00 and 09:00 hours on the date when the period for the receipt of bids commences.

Establish the risk price governed by Article 8.4 of Royal Decree 960/2020, of 3 November 2020, at 0.00 euros/MWh.

Technologies	Subgroup defined in Article 2 of Royal Decree 413/2014, of 6 June 2014	Reserve Price (euros/MWh)
Photovoltaic	b.1.1	In confidential Annex
Solar thermoelectric	b.1.2	In confidential Annex
Terrestrial wind	b.2.1	In confidential Annex
Marine wind	b.2.2	In confidential Annex
Other renewable technologies	b.3	In confidential Annex
Hydroelectric power plants (Installed power less than or equal to 10 MW)	b.4	In confidential Annex
Hydroelectric power plants (Installed power greater than 10 MW)	b.5	In confidential Annex
Biomass	b.6	In confidential Annex
Biogas, Bioliquids	b.7	In confidential Annex
Biomass	b.8	In confidential Annex

**Nine-** By virtue of Article 11 of Order TED/1161/2020, of 4 December 2020, an obligation is established to present, together with the request for entry in the Electronic Register of the renewable energy economic regime with pre-assignment status, a

strategic plan with the estimates of the impact on local employment and the industrial value chain, to be published on the website of the Ministry for Ecological Transition and Demographic Challenge. This plan must include at least the following:

- a) General description of the investments to be made.
- b) Purchasing and procurement strategy.
- c) Estimate of direct and indirect employment created during the process of construction and commissioning of the facilities and during the operation thereof, distinguishing between the local, regional and national levels.
- d) Opportunities for the local, regional, national and EU industrial value chain. Including an analysis of the percentage represented by the economic valuation of the manufacturing of equipment, supplies, assemblies, transport and other services provided by companies located within the aforementioned territorial spheres, in terms of the total investment to be made.
- e) Circular economy strategy with regard to the treatment of equipment at the end of its useful life.
- f) Analysis of the carbon footprint during the life cycle of the facilities, including the manufacturing and transportation of their main constituent equipment.

The aforementioned plan shall be updated and defined in specific plans for each of the facilities identified under the terms of Article 14 of Order TED/1161/2020, of 4 December 2020. This shall be submitted to the Directorate-General for Energy Policy and Mines within a maximum period of 3 months from the end date of the period for identification of the facilities as set out in Article 14.2 of said Order, to be published on the website of the Ministry for Ecological Transition and Demographic Challenge.

**Ten-** By virtue of Article 16 of Order TED/1161/2020, of 4 December 2020, an obligation is established to present, together with the request for entry in the Electronic Register of the renewable energy economic regime under operational status, the definitive plan which must set out the level of fulfilment of the forecasts made in the plan presented following identification of the facility.



This decision shall take effect from the day following publication hereof in the "Official State Gazette".

This decision, which marks the conclusion of the administrative channels, may be challenged by means of a public-law litigation appeal to be heard by the Public-Law Litigation Chamber of the Supreme Court within a period of two months of the day following publication of this decision, pursuant to Act 29/1998, of 13 July 1998, governing Public-Law Litigation Jurisdiction.

A petition for reconsideration may also optionally be lodged with the Secretary of State for Energy within a period of one month of the day following publication of this decision in the "Official State Gazette", and accordingly, in the event that a petition for reconsideration is lodged, no public-law litigation appeal may be lodged until an explicit decision has been issued as to the petition for reconsideration or it is assumed to have been rejected, by virtue of the provisions of Act 39/2015, of 1 October 2015, on the Common Administrative Proceedings of Public Authorities.

Madrid, 10 December 2020. The Secretary of State for Energy, Sara Aagesen Muñoz.

## **ANNEX 1**

### **DETAILED SPECIFICATIONS OF THE AUCTION**

This document describes the Detailed Specifications of the auction, or hereinafter the "auction rules". Appendix I includes a definition of the terms employed.

#### 1. Auction administration entity.

In accordance with the provisions of Article 10 of Royal Decree 960/2020, of 3 November 2020, governing the renewable energy economic regime for electrical energy generation facilities, the auction administration entity shall be OMI-Polo Español S.A. (OMIE), acting through its subsidiary OMEL Diversificación, S.A.U.

Within the scope of said competence, the auction administration entity shall fulfil the following functions, in addition to those derived from the applicable regulations:

- a) Confirm the conditions and documentation required in order to be able to participate in the auction on the terms established in the pre-qualification and qualification guides ("Appendices II and III").
- b) Proceed to perform pre-qualification and qualification of the interested parties, as set out in greater detail in the pre-qualification and qualification guides ("Appendices II and III").
- c) Receive and process the bids from participants in the auction.
- d) Verify that the bids comply with the procedure established in the auction rules.
- e) Notify the representatives designated by the supervisory entity and the Director-General for Energy Policy and Mines, as applicable, of any breach of the auction rules by the participants.
- f) Determine the results of the auction.

- g) Inform each participant of the value of the installed power awarded to it and the award price, which shall match the price offered.
- h) Directly provide to the representatives designated by the supervisory entity and the Director-General for Energy Policy and Mines the information requested by them as required for them to fulfil their functions in connection with the auction.
- i) Guarantee the secrecy of any confidential information of the participants to which it might have access.
- j) Maintain due confidentiality at all times in conducting the auction.
- k) Issue instructions for the proper execution of its functions, communicating the contents to the participants, to the representatives designated by the supervisory entity, and to the Director-General for Energy Policy and Mines.
- l) Keep the participants informed as to the dates and deadlines of the planned auction milestones.
- m) Promote and publicise the auction announcement.
- n) Keep the participant database updated.
- o) Conduct training and test sessions for the systems and procedures.

The auction administration entity will be entitled to:

- a) Receive the necessary information from the participants in order to fulfil its obligations.
- b) Perform all actions required in the event of a breach of the terms of these rules.
- c) Receive the costs attributable to performance of the functions described in these rules, on the terms established in Article 7.3 of Order TED/1161/2020, of 4 December 2020, governing the initial auction mechanism for the granting of the

renewable energy economic regime, and establishing the guideline calendar for the period 2020-2025, hereinafter the "Order".

## 2. Mechanism and Subjects of the auction.

As established in Article 7 of the Order, the auction mechanism shall comprise the following processes:

- a) Pre-qualification
- b) Qualification
- c) Auction

Natural or legal persons who fulfil the requirements established in the Order may request participation in the auction. For the purposes of the auction procedure, a distinction is made among the following subjects, depending on the phase of the qualification procedure corresponding to the interested party:

- a) Subject interested in the auction: A natural or legal person interested in participating in the auction.
- b) Pre-qualified participant: An Interested Subject that fulfils all the requirements established in subsection 3 and in the Pre-qualification Guide ("Appendix II").
- c) Qualified participant: A Pre-qualified Participant that fulfils all the requirements established in subsection 4 and in the Qualification Guide ("Appendix III"). A Qualified Participant may present bids in the auction.
- d) Awardee: A Qualified Participant that participates in the auction and obtains an auctioned product.

### 3. Pre-qualification process.

Those subjects initially interested in participating in the auction must present a request for pre-qualification to the auction administration entity. Pre-qualification will entail the right to receive information connected with the auction, to participate in any training sessions that might be conducted, and subsequently to request qualification.

Pre-qualified participants shall maintain said status as pre-qualified participants for all auctions conducted within the context of Royal Decree 960/2020, of 3 November 2020, governing the renewable energy economic regime for electrical energy generating facilities. In any event, those pre-qualified participants that so wish may waive their status as pre-qualified participants at any time.

Those interested in pre-qualification for the auction must, by the deadlines indicated in the announcement decision, electronically complete the following documentation according to the Pre-qualification Guide (Appendix II):

- a) Basic information on the applicant.
- b) Request for the auction system access certificate.
- c) Documented accreditation of the powers of the person signing as attorney-in-fact.
- d) Anti-collusion undertaking.
- e) Non-disclosure undertaking.

In general, one single natural person cannot be empowered to act as the representative of more than one participant. Nonetheless, those natural persons who explicitly request empowerment to act on behalf of more than one participant shall be understood to do so because they represent entities that belong to a corporate group on the terms established in Article 42.1 of the Code of Commerce.

Following pre-qualification, the participant may access the private information for qualification for the auction and proceed to conduct the qualification process.

#### 4. Qualification process.

Those pre-qualified participants that ultimately have an interest in participating in the auction must apply for qualification in accordance with the rules for conducting the auction, by the deadline indicated in the announcement decision. Those interested parties that have obtained due qualification will acquire qualified participants status and may therefore participate in the auction.

Participants that have pre-qualified for the auction in which they intend to participate under the auction mechanism must present the following documentation and information as established in accordance with the Qualification Guide ("Appendix III"):

a) Maximum qualification volume. As established in Article 7.2(b) of the Order, the maximum qualification volume of each participant shall be the limit on the maximum quantity for which it may bid for each of the auctioned products. The maximum qualification volume of each participant must be no greater than the amount to be auctioned for each product capacity.

b) Document of acceptance of and adhesion to the auction rules.

c) Guarantees duly lodged. Under the terms of Article 7.1 of the Order, as part of the auction participation process the pre-qualified participants must lodge guarantees of an amount to be calculated on the basis of the maximum qualification volume and the amount established in Article 12.1 of the Order.

d) Document of responsible declaration as to membership of a corporate group.

Once the procedure established in the Qualification Guide is complete, the participant shall be considered to be qualified.

During the qualification process, the auction administration entity shall provide all persons authorised to submit bids with a digital certificate allowing them to access the

auction website. In order for an authorised person to be able to submit bids during the auction, they must electronically sign the corresponding initial usage declaration.

## 5. Qualified participants.

For the purposes of the announcement decision, qualified participants will enjoy the following rights:

- a) Participate in the auction by submitting bids in accordance with the terms of these auction rules.
- b) Be duly informed by the auction administration entity with regard to all matters connected with the functioning and the rules of the auction.
- c) Be declared awardees in the event that theirs is a winning bid in the auction.
- d) The awards made in the auction will, once the guarantee has been submitted as established in Article 12.2 of the Order and once all other requirements established in the Order have been verified, entail the right to entry in the Electronic Register of the renewable energy economic regime with pre-assignment status, as established in the Order.
- e) Receive information as to the outcome of the auction, with sufficient information as to their awarded power and the award price, which shall match the price bid in each tranche awarded.
- f) Have access to all non-confidential documentation and information connected with the auction, and specifically their involvement therein.

The participants will likewise have the following obligations:

- a) Respect the auction procedure, in particular the obligation that the bid must be made as established in these auction rules. To this end, the participant declares that it is aware of and accepts in full the contents of these rules, being likewise

familiar with the applicable standards in particular, and any decisions issued in this regard.

b) Accept the results of the auction on the terms established in the auction rules. The participants acknowledge that the auction rules do not grant them any right to interrupt, terminate, delay or repeat the auction.

c) Maintain the confidentiality of any information they might have obtained through their participation in the auction or via the auction administration entity.

d) Have in place the necessary information technology and communication equipment in order to be able reliably to participate in the auction. It is the responsibility of the participant to ensure that the equipment it is to use to access the auction functions correctly, in addition to the proper installation of the software and devices needed, and the proper functioning of the infrastructure for communication with the auction administration entity.

e) Perform the pre-qualification process in accordance with the terms established in the auction rules.

f) Perform the qualification process in accordance with the terms established in the auction rules.

g) Make payment of the auction price to the auction administration entity, if awarded a lot in the auction, as established in Article 7.3 of the Order.

## 6. Participation guarantees.

In accordance with Article 8 of Royal Decree 960/2020, agents with an interest in participating in the auction must present the auction administration entity with the guarantees for participation in the auction.

As established in Article 12.1 of the Order, the amount of the economic guarantee governed by Article 8 of Royal Decree 960/2020, of 3 November 2020, requested as a



prerequisite for participation in the auction, shall be 60 euros/kW for the power for which the bid is to be presented.

Failure to lodge the required guarantees will prevent agents from participating in the auction, under Article 7 of the Order.

Given the above, those pre-qualified participants wishing to qualify must lodge said guarantees for the maximum qualification amount, in the name and for the benefit of OMEL DIVERSIFICACIÓN, S.A.U., which shall manage said guarantees for the qualification process. The lodging, coverage, formalisation and, where applicable, enforcement of the guarantees shall be performed in accordance with the terms established in subsection 4 of the information and documentation to be presented in the qualification process, as set out in the Qualification Guide ("Appendix III").

## 7. Auction process.

### 7.1. Bid receipt phase.

Those natural or legal persons that fulfil the requirements established in the Order and have successfully completed the pre-qualification and qualification processes established in the auction rules may participate in the auction.

The auction administration entity shall provide all participants with the User Manual for participation in the auction, including instructions for the submission of bids.

By application of Article 7 of the Order, communications between a participant and the auction administration entity must be conducted by electronic means in accordance with the User Manual with regard to the contents of the message, its format and the form of communication. To this end, the participants must have in place the necessary means of communication and IT equipment so as to be able reliably to participate in the auction, as specified in said User Manual.

The phase for bids to be received shall commence at 09:00 official Spanish time and last for 2 hours.

Should any incidents arise that would alter the normal course of any of the mechanisms comprising the auction process, the auction administration entity will be entitled to modify the timings established for the different phases of the auction, in all cases serving prior notice on the participants by means of the auction information system messaging application.

One single valid bid may be submitted for each or for several technologies, distinguishable by their specific features, as established in the announcement decision, for each of the products for which the participant wishes to bid, and in accordance with the maximum qualification volumes declared by the participant.

The bid shall comprise one or several tranches. Each bid shall include the product quantity (in blocks of 1 kW) and the price of each tranche, which may be different for each of the tranches comprising the bid.

Through application of Article 9 of the Order, during the bid presentation phase, the participant shall establish in each bid the tranches for which it is prepared to bid as follows:

- a) The tranches bid shall include a number of blocks and a price. The minimum amount to be bid per tranche is 1 block, equivalent to 1 kW.
- b) The price of each bid tranche shall be established in euros/MWh to 2 decimal places.
- c) Each bid may have up to a maximum of 100 tranches.
- d) It must be established as a condition whether each tranche bid is divisible or indivisible.
- e) An indivisible tranche cannot be partially accepted.
- f) Each bid may comprise different divisible and indivisible tranches.

g) A divisible tranche in addition to an indivisible tranche may be bid at the same price.

h) There shall be a maximum quantity limit which may be bid within an indivisible tranche for each product, as established in the announcement decision.

i) The auction information system shall verify that the bids sent comply with these requirements, with the offer otherwise being rejected.

For a bid to be deemed valid, it must comply with the requirements established below, as it shall otherwise be deemed invalid:

a) The bid must be received during the bid presentation phase.

b) Each quantity of product included within a bid tranche must be expressed as a non-negative integer.

c) The price declared in each bid tranche must be greater than or equal to 0 euros/MWh.

d) The sum total of the quantities included in the tranches of all bids submitted for a product by one participant must be no greater than its maximum qualification volume for that product.

e) The sum total of the quantities included in the tranches of each bid submitted for a product by one participant must be no greater than the limitation on the maximum volume that may be awarded to one single company or corporate group.

f) In the event that the offer includes tranches at different prices, they must be declared strictly in ascending order with the tranche number, unless there are N consecutive indivisible tranches or a combination of N indivisible tranches with one divisible tranche, in which case they may have the same price. No more than one divisible tranche will be permitted at the same price.

g) Only one valid bid may be included in the clearing process for each participant, product and one or several technologies distinguishable by their specific features, as established in the announcement decision. The participants may submit different bid versions, with the last valid bid being included in the auction clearing process, all previous bids being cancelled.

In the event that a participant presents an invalid bid, the system shall automatically serve notice of the reasons for rejection in the response to the submission.

During the bid presentation phase, the participant may proceed to cancel a valid bid that was previously sent.

The contents of the bids presented by the individual participants within the context of the auction shall be deemed confidential and be handled as such.

## 7.2. Auction clearing process.

Once the bid reception period has ended, the auction administration entity shall proceed to conduct the clearing process separately for each product auction, through application of Article 10 of the Order, comprising the following steps:

- a) Elimination of those tranches the price of which is greater than the reserve or lower than the risk price, if such prices have been defined.
- b) Review of the product capacity, and of any minimum product reserves that might exist, to ensure fulfilment of the minimum ratio required between the volume of product bid and the volume of product auctioned.
- c) Formation of the aggregate supply curve.
- d) Acceptance of the blocks to fulfil any established minimum product reserve condition.
- e) Assignment to each participant of the corresponding number of blocks in order to fulfil the product capacity without exceeding any surplus percentage beyond said capacity.

f) Assignment of the bid price to each of the bid tranches awarded.

#### Confirmations of reserve price and risk price

All those participants bid tranches the price of which is greater than the reserve price or lower than the risk price shall be discarded, if such prices have been defined.

#### Review of product capacity and minimum product reserves

Once the tranches referred to in the above subsection have been eliminated, the following actions shall be taken with regard to the product capacity and minimum product reserves so as to ensure competitiveness:

- a) The number of blocks bid by all the participants shall be totalled.
- b) It shall be ascertained whether the total number of blocks bid by all the participants divided by the product capacity is greater than or equal to the minimum ratio required between the volume of product bid and the volume of product auctioned.
- c) If this ratio is not fulfilled, the capacity shall be reduced so as to fulfil the ratio, giving a new reduced capacity, rounded down to the integer below in the event that the number of blocks obtained is not an integer. If the product capacity is reduced, the minimum product reserves, if any, shall be reduced by the same proportion, likewise rounding down to the integer below in the event that the number of blocks obtained is not an integer, to give the new reduced minimum reserves.
- d) For those tranches affected by the same minimum product reserve, the number of blocks bid by all participants within said tranches shall be totalled.
- e) It shall be ascertained whether the total number of blocks bid in said tranches, divided by their minimum product reserve, is equal to or greater than the minimum ratio required between the volume of product bid and the volume of product auctioned.

f) If this ratio is not fulfilled, said minimum product reserve shall be reduced until the ratio is fulfilled.

#### Formation of the aggregate supply curve

One single aggregate supply curve shall then be calculated for all the participants, as follows:

a) The bid tranches shall be ordered, irrespective of the technology, from the lowest to highest price value entered in the bid.

b) For existing bid tranches at the same price, the tranches shall first be initially ordered by increasing size (number of blocks), and if they are of the same size, the tranches shall be placed in the order in which the bids to which the tranches belong arrived, with the tranches from the earliest bids being chosen first, and if there is no difference under the aforementioned criterion, if the tranches belong to one single participant, the tranches shall be ordered in accordance with the ascending tranche number entered by the participant.

c) Once the prior tranche ordering has been performed in segments with tranches at the same price, definitive ordering shall be performed in each segment, on the basis of selecting first the tranche positioned at the midpoint of the prior ordering in the event of an uneven number of tranches, or the last tranche of the first half of tranches in the prior ordering in the event of an even number of tranches. The next tranche of the prior ordering shall then be selected, provided that this exists and has not already been selected. The previous tranche in the prior ordering shall be selected next, provided that this exists and has not already been selected. The process shall continue by selecting the next tranche and the previous tranche until the prior ordering list has ended, giving rise to the definitive ordering within each segment of tranches at the same price.

### Acceptance of blocks to fulfil the minimum product reserve condition

For any minimum product reserves that might be established, or if they have been reduced, the reduced minimum reserves, acceptance of blocks shall be performed in accordance with the following steps:

a) The minimum product reserves shall be ordered in accordance with the criterion of the greatest power quotient bid in tranches affected by said minimum reserve with regard to the minimum reserve value in question.

b) Respecting the order defined in the above subsection, for each minimum product reserve the aggregate supply curve shall be followed from the start point (from lowest to highest tranche price) by selecting only tranches affected by said minimum product reserve. The steps for acceptance of these tranches shall be:

i) In the event that the tranche is no greater than the limitation on the maximum volume awarded to one single company or corporate group, the tranche shall progress to the next step with all its blocks. If it is exceeded and is a divisible tranche, the tranche shall progress to the next step with the number of blocks required to fulfil the limitation. If the limit is exceeded and the tranche is indivisible, said tranche shall not be accepted and the process shall continue with the next tranche.

ii) In the event that the tranche, taking into account the number of blocks with which it progressed from the previous step, does not exceed the minimum product reserve, the number of blocks with which it progressed from the previous step shall be accepted, and if this acceptance is exactly equal to the minimum product reserve, the process is concluded. If the minimum product reserve is exceeded and the tranche is indivisible, said tranche shall not be accepted and the process shall continue with the next tranche at the same price. If there are no further tranches at the same price, the process is concluded. If the minimum product reserve is exceeded and the tranche is divisible, the tranche shall be accepted in part for the number of blocks required to fulfil the minimum reserve, and the process is concluded.

c) Those tranches accepted in whole or in part shall be eliminated from the aggregate supply curve with regard to the quantity of blocks accepted. If a tranche is accepted in part, the quantity not accepted shall remain on the aggregate supply curve at its current position.

#### Determination of the accepted blocks

Following deduction of the quantity required to fulfil the minimum product reserves, or if they have been reduced, the reduced minimum reserves, acceptance of the remaining blocks shall be performed by following the aggregate supply curve from the start point (from lowest to highest tranche price). The steps for acceptance of these tranches shall be:

a) In the event that the tranche does not exceed the limitation on the maximum volume awarded to one single company or corporate group, the tranche shall progress to the next step with all its blocks. If it is exceeded, and the tranche is divisible, the tranche shall move on to the next step with the number of blocks required to fulfil the limitation. If the limit is exceeded and the tranche is indivisible, said tranche shall not be accepted and the process shall continue with the next tranche.

b) An evaluation shall be conducted of the product capacity, or if this has been reduced, the reduced capacity, taking into account the number of blocks with which the tranche progressed from the previous step, as follows:

i) In the event that acceptance of the tranche would not serve to exceed the product capacity, the tranche shall be accepted. If acceptance equals the product capacity, the assignment process is concluded, or shall otherwise continue with the evaluation of the next tranche.

ii) In the event that the tranche is indivisible, and acceptance thereof would serve to exceed the product capacity and the surplus beyond the capacity (if any such surplus is defined), the tranche shall be rejected. If there are no



further tranches at the same price, the assignment process is concluded. It shall otherwise continue with evaluation of the next tranche.

iii) In the event that the tranche is indivisible, and acceptance thereof would serve to exceed the product capacity, but not the surplus beyond the capacity (if such a surplus is defined), the tranche shall be accepted, and the assignment process is concluded.

iv) In the event that the tranche is divisible, and acceptance thereof would serve to exceed the product capacity, but not the product capacity increased by the surplus percentage, the tranche shall be accepted in full, and the assignment process is concluded.

v) In the event that the tranche is divisible, and acceptance thereof would serve to exceed the product capacity and the product capacity increased by the surplus percentage, the tranche shall be accepted in part for the number of blocks required to fulfil the product capacity increased by the surplus percentage, and the assignment process is concluded.

#### Determination of the award price of each tranche

For each tranche accepted under the previous two subsections in whole or in part, an award price shall be assigned equal to the price bid by the participant in that tranche.

#### 7.3. Determination of the auction result.

The auction shall result in the installed power awarded for each product and one or several technologies, distinguishable by their specific features, as established in the announcement decision and the award price, corresponding to the price paid by the participant in each tranche awarded to it, in accordance with the procedure described above.

#### 7.4. Confirmation and communication of the auction result.

Through application of Article 7 of the Order, following conclusion of the auction, the auction administration entity shall inform each participant that the auction has ended, pending validation of the results by the auction supervision entity.

At this point, the auction administration entity shall provide each participant with the following information, for each product and one or several technologies, distinguishable by their specific features, as established in the announcement decision and as awarded to them:

- Amount awarded.
- Power and award price of each bid tranche awarded.

A two-hour complaints phase shall then begin. The auction administrator shall analyse and respond to the complaints received during the established period.

For supervisory purposes, the administration entity shall submit the results of the auction to the supervisory entity and the Director-General for Energy Policy and Mines, indicating for each product and one or several technologies, distinguishable by their specific features, as established in the announcement decision:

- The awardees.
- Amount awarded to each participant.
- Power and award price of each bid tranche awarded to each participant.

This information shall be confidential and shall be handled as such.

Within a maximum period of 24 hours from receipt of the aforementioned results, the auction supervisory entity must validate the results and the procedure followed in the auction. It shall to this end submit a report to the Director-General for Energy Policy and Mines, and to the auction administration entity.

The auction administration entity shall then serve notice on each participant subject of the result of the pronouncement of the supervisory entity as to the validity of the auction, pending a decision by the Director-General for Energy Policy and Mines to resolve the auction process.

If the auction is declared by the auction supervisory entity not to be valid, the auction mechanism shall be declared null and void by decision of the Secretary of State for Energy.

If the auction is declared valid, the Director-General for Energy Policy and Mines shall issue a decision resolving the auction, to be published in the "Official State Gazette", indicating the results of the auction for each product and one or more technologies, distinguishable by their specific features, as established in the announcement decision:

- a) Name of the awardee participants.
- b) Amount awarded per participant.
- c) Power and award price of each bid tranche awarded to each participant.

The administration entity shall provide the supervisory entity and the Directorate-General for Energy Policy and Mines with all data regarding the course of the auction, which shall be deemed confidential.

#### 8. Communication between the auction administration entity and the participants.

Communication between the auction administration entity and the participants shall be conducted via the means and formats determined by the auction administration entity, to be sent to the persons and addresses of the participants declared in the corresponding request during the pre-qualification process, which shall be recorded in the database. In the event of the unavailability of the regular means of communication, the auction administration entity shall indicate alternative means at the earliest possible opportunity.

All communications conducted during the auction must be issued in Spanish. Any communications conducted by the auction system shall be stored within said system. Telephone communications shall be recorded.

The auction administration entity shall provide all participants with access to the User Manual for participation in the auction. Said Information shall be available at least 5 business days prior to the date of the auction.

Communications between a participant and the auction administration entity must be conducted via electronic means and in accordance with the User Manual with regard to the contents of the message, its format, and the form of communication. To this end, the participants must have in place the necessary means of communication and IT equipment so as to be able reliably to participate in the auction, as specified in said User Manual.

All communications to be addressed by participants to the auction administration entity in its capacity as auction administration entity shall be sent to:

OMEL Diversificación, S.A.U.

For the attention of 'Renewable Energy Economic Regime Auctions'

Calle Alfonso XI, 6, 4

28014 Madrid

Telephone 91 659 89 00

Fax: 91 524 08 06.

Email: [subastasSREER@omie.es](mailto:subastasSREER@omie.es)

Public website: <https://subastassreer.omeldiversificacion.es>

Auction website: <https://www.subastasSREER.omie.es>

9. Communications between the auction administration entity and the auction supervisory entity.

The auction administration entity and the representatives designated by the supervisory entity shall hold any meetings they might see fit to clarify or improve on any term with regard to fulfilment of their activities in the auction.

The auction administration entity:

- Shall notify the representatives of the supervisory entity of any breach or incident regarding the auction rules on the part of the participants.
- Shall serve notice of any instructions that it issued in performing its functions.
- Shall inform the designated representatives of the supervisory entity of the contents of the bids presented for the auction.
- Shall report all notices served on the possible participants, with pre-qualification and qualification.
- Shall serve notice of any modification of the auction rules.
- Shall provide the representatives of the supervisory entity with any information that they might request as required in order to perform their functions.
- Shall issue a certificate to the supervisory entity once the deadlines for pre-qualification, qualification and the staging of the auction have expired. Said information shall be sent to the representatives of the supervisory entity by persons entitled to represent the auction administration entity.

Following conclusion of the qualification period, the auction administration entity shall inform the representatives designated by the supervisory entity of any incidents occurring in the qualification process and the qualified participants, likewise indicating for each qualified participant the maximum amount of product for which it may bid, and the persons authorised to bid.

10. Communications between the auction administration entity and the Ministry for Ecological Transition and Demographic Challenge.

The auction administration entity and the Ministry for Ecological Transition and Demographic Challenge shall hold any meetings they might see fit to clarify or improve on any term with regard to the fulfilment of their activities in the auction.

The auction administration entity shall specifically issue the following communications:

- Serve notice of any breach of the auction rules by the participants.
- Issue any information requested by the latter as required to perform its functions in connection with the auction.
- Serve notice of any instructions issued in order properly to perform its functions.
- Serve notice of any modification to the auction rules for validation and, if so decided, approval by decision of the Secretary of State for Energy.
- Submit the list of qualified participants and the maximum qualification volumes.
- Serve notice of the list of awardee participants, indicating for each of them and for each product and one or more technologies, distinguishable by their specific features, the power and award price.
- Serve notice of data regarding the course of the auction and the bids presented.

## **APPENDIX I. Definition of terms.**

<b>Term</b>	<b>Definition</b>
Awardee	To be understood as a participant that has a quantity of product other than zero when the auction is concluded.
Block	To be understood as the minimum unit of product which may be bid in the auction. 1 block is equivalent to 1 kW.
Quantity	To be understood as the volume of product measured in kW bid by a participant at a price within a bid.
Capacity to be auctioned	For each product, this shall be understood as the total volume of product to be auctioned for the granting of the renewable energy economic regime for electrical energy generating facilities, governed by Royal Decree 960/2020, of 3 November 2020, governing the renewable energy economic regime for electrical energy generating facilities.
Reduced capacity	To be understood as the quantity to be auctioned following application of the reductions set out in Articles 8.2 and 8.3 of Order TED/1161/2020, of 4 December 2020, governing the first auction mechanism for the granting of the renewable energy economic regime, and establishing the guideline calendar for the period 2020-2025.
Aggregate Supply Curve	List of participant bids in order of precedence beginning with the bid tranche of the lowest price, and

continuing up to the bid tranche of the highest price.

Business day	To be understood as any day that is not a Saturday, Sunday, bank holiday or non-working day in Madrid, Spain.
Bid Presentation Phase	To be understood as the period for the presentation of bids, expressed as a real-time period defined by a start and end time expressed as Central European Time (CET).
Auction date	With regard to the auction, this shall be understood as the date when the auction is scheduled to be held.
Official Spanish time	This shall be understood as Central European Time in winter (CET) and in summer (CEST).
Limitation on the maximum volume awarded	Maximum product quantity that may be awarded to one single company or corporate group, as established in Article 8.6 of Royal Decree 960/2020, of 3 November 2020, governing the renewable energy economic regime for electrical energy generating facilities.
User Manual	To be understood as a document issued by the auction administration entity including detailed instructions for the participants as to the holding of the auction, in particular with regard to the form and content of communications between participants and the auction administration entity.
Participant bid	To be understood as the set of installed power tranches and the prices requested by each participant for each of the products and one or several



technologies offered (distinguishable by their specific features, as established in the announcement decision).

Installed power	This shall correspond to the installed power as defined in Article 3 of Royal Decree 413/2014, of 6 June 2014, governing electrical energy generation activity using renewable energy sources, co-generation and waste, in force at the moment of conclusion of the period for the presentation of documentation for qualification and pre-qualification.
Website for the Auction	To be understood as a website indicated by the auction administration entity in the User Manual, via which the participants shall submit their bids.
Participant	To be understood as any subject that has presented a request to the auction administration entity to qualify for the auction and has successfully completed the entire qualification process.
Minimum reserve	To be understood as the amount to be awarded for each product and for each one or several of the technologies, distinguishable by their specific features, on the terms established in Article 10 of the Order, in the decision announcing the auction, and in the auction rules.
Reduced minimum reserve	To be understood as the minimum reserve following application of the reductions set out in Articles 8.2 and 8.3 of Order TED/1161/2020, of 4 December 2020, governing the first auction mechanism for the granting of the renewable energy economic regime, and establishing the guideline calendar for the period

2020-2025.

Segment	To be understood as the set of tranches bid at the same price.
Tranche	Divisible or indivisible set of blocks bid during the bid submission phase at the same price by one participant.
Technology	Understood as the type of electrical energy generating facilities using renewable energy sources, co-generation and waste, as established in Order TED/1161/2020, of 4 December 2020, governing the first auction mechanism for the granting of the renewal economic energy regime and establishing the guideline calendar for the period 2020-2025.

