

THE FIRST PORTUGUESE FLOATING SOLAR AUCTION

A new Portuguese floating solar capacity auction has been launched today comprising 7 lots in a total capacity of 263 MVA.

After a [public announcement session](#) held on November 24, the first Portuguese Floating Solar Auction launched [last Friday](#) and includes 7 lots with capacity from 8 MVA (Salamonde) to 100 MVA (Alqueva), in a total of 263 MVA. The auction is two folded as it comprises the allocation of:

- Reserve capacity for injection into the grid; and
- Private use titles over public water domain of the seven reservoirs dams that make up the auction lots.

This auction is organized in three phases:

- Eligibility phase: From January 29, 2022 until March 2, Promoters shall first register in the online platform <https://leiloes-renovaveis.gov.pt/> and provide basic corporate information regarding to the company bidding for the auction and its legal representative, as well as a provisional deposit in the amount of 10.000€/MW calculated in accordance with their bidding intentions;
- Bidding phase: Following the admission and exclusion of applications, the jury will notify Promoters with a prior notice of 5 days from the start date of the bidding phase. In this phase, Promoters submit a bid through the online platform applying for one of the following remuneration schemes that will remain valid for a period of 15 years from the entry into operation of the project: (i) a fixed compensation where promoters bid for a contribution to be paid to the National Electric System (SEN) in €/MWh, or (ii) a variable fee, where promoters will be entitled to receive a variable fee equal to the auction closing price in €/MWh.
- Allocation phase: Within 5 days from the closing of the bidding phase, the winning bidders will be awarded with the reserve capacity title by the Portuguese energy authority, *Direção-Geral de Energia e Geologia* (DGEG), with the right to use public water resources of the relevant reservoir, on a provisional basis, by the Portuguese environmental agency, *Agência Portuguesa do Ambiente* (APA). Then, those promoters must provide two performance bonds: (i) one in the amount of €20,000/MVA to DGEG upon the award of the reserve capacity titles, and (ii) another in the amount of €40,000/MVA to APA upon execution of the concession contract of the reservoir dam and the granting of the production license by DGEG.

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After the awarding of the bids, promoters must meet a strict deadline regarding licensing obligation, under penalty of execution of the performance bond and expiration of the titles. Counted as of the allocation of the reserve capacity title, promoters shall:

- Obtain the production license and the approval of the execution project of the project within a period of 18 months, or 24 months (if the plant requires environmental analysis);
- Obtain the operation license within a period of 42, or 48 months, as applicable; and
- Start operation of the power 30 days after the award of the operation license.

Auction rules and specifications are available on the online platform and requests for clarifications may be submitted by Promoters through the email address jurisolar@dgeg.gov.pt until 1:00 p.m. (GMT+1) of January 10, 2022.

Launching this auction under the present market circumstances is a challenge to the outgoing Portuguese government energy price strategy, where the auctions of capacity have been used as an instrument to lower the energy prices to end-consumers.

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