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# The Regulation of the auction in the field of energy projects is adopted

Based on the Presidential Decree No.UP-5614 of January 8, 2020, as well as Presidential Resolutions No.PP-4422 dated August 22, 2019, No.PP-4477 dated October 4, 2020 and No.PP-4779 dated July 10, 2019, there has been envisaged the introduction of the mechanism for the implementation of investment projects on the terms of public-private partnership (PPP) in the field of electricity generation based on renewable energy sources (RES).

This mechanism of introducing auction tenders in addition to reducing the starting price, also aimed at digitalization of the selection process and minimization of human factor in making the final decision and provides elimination of corruption factors.

According to the information provided by the International Renewable Energy Agency (IRENA), more than 100 countries practice the online auction mechanism for the implementation of renewable energy projects. In particular, due to the introduction of this mechanism in the periods from 2010 to 2018, the average prices for electricity from solar PV power plants and onshore wind farms decreased by 74% and 30%, respectively, which causes the government to refuse to subsidize large renewable energy facilities.

Another source represented by the International Energy Agency (IEA) released data from 2012 to 2017, where the total capacity of completed renewable energy projects based on auction tenders was 152 GW, while from 2018 to 2023, the capacity of implemented projects expanded up to 500 GW.

## Practice areas

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