



## PROJECTS AND ENERGY

# Auction of Guarantees of Origin

### 1st Auction of Guarantees of Origin in the ownership of the National Electricity System

On 6 July 2021, the Directorate-General for Energy and Geology (DGEG) published the [Invitation](#) relating to the **1st Auction of Guarantees of Origin (GO)**<sup>1</sup>, which will take place on 28 July 2021 at 10.30 am. This auction will be held on the [OMIP](#) platform, which is accessible through the use of a user name and password.

The GOs subject to this 1st Auction were submitted to the DGEG by renewable energy producers benefiting from production or investment support, in compliance with the obligation in article 9(9) of [Decree-Law 141/2010 of 31 December](#), as amended by [Decree-Law 60/2020 of 17 August](#), which established the mechanism for issuing guarantees of origin for electricity from renewable energy sources.

Under Article 9(10) of the above Decree-Law, the DGEG can sell these GOs through a competitive auction mechanism, under the rules published in [Order 6560-B/2021](#). **The net proceeds of this auction are deducted from the over costs incurred in acquiring electricity from producers of electricity from renewable energy sources**, under the terms set out in the Tariff Regulations.

Therefore, in this auction, the DGEG, through the Supplier of Last Resort (SLR) and the OMIP, will place on the market the GOs associated with the production of renewable energy under a guaranteed remuneration scheme. On 12 July, between 10 am and 12 pm, the DGEG will hold a [clarification session](#) in English to explain the rules and the general model of the auction. The session will also detail the characteristics of the products to be auctioned.

**"On 6 July 2021, the Directorate-General for Energy and Geology (DGEG) published the Invitation relating to the 1st Auction of Guarantees of Origin (GO). The auction will take place on 28 July 2021 at 10.30 am on the OMIP platform. A total of 3.42 TWh will be auctioned, divided between wind, hydro, thermal and solar technologies and produced between August/September last year and April this year."**

<sup>1</sup> On the subject of Guarantees of Origin, see our Informative Note of March 2020 entitled "Green Certificates: Market now active in Portugal", available [here](#).

A total of **3.42 TWh** will be auctioned, divided between wind, hydro, thermal and solar technologies and produced between August/September last year and April this year. This will be a marginalist, ascending clock auction, composed of a successive set of rounds, with the reserve price set at **€0.10/MWh**. After they are approved by the DGE, the results of the auction will be communicated by OMIP to the SLR (SU ELETTRICIDADE) and to the Guarantees of Origin Issuing Body (REN), for subsequent financial and physical settlement.

The auction will be operated by OMIP, which will deal with the admission of the participants. Prior registration with the Guarantees of Origin Issuing Body (REN) is compulsory. Among other things, Order no. 6560-B/2021 defined the qualification rules for participants. These include the provision of a financial guarantee by 12 noon of the 2nd (second) business day before the auction. **Legal entities registered in the EGO system that sign an agreement accepting the auction rules up to 5 (five) days before the auction can participate in the auction.**

The entities involved in the auction process are:

- **SU ELETTRICIDADE, S.A.**, as the SLR, which is the company responsible for the financial settlement and invoicing of the auction revenues;
- **OMIP - Pólo Português, S.G.M.R.** (OMIP), as the entity responsible for managing participation in the auctions and for operating them;
- **OMIP, S.A.** (OMIP SA), as the company responsible for managing the financial guarantees required for qualification to take part in the auctions; and
- **REN - Rede Elétrica Nacional, S.A.**, as the EGO, assuming the role of company responsible for the physical settlement of the guarantees of origin traded in the GO-PT Auctions.

This auction will mark the beginning of a new market, where energy suppliers will competitively bid for GOs in order to guarantee their customers that their energy is produced in Portugal from renewable sources. ■