

# Client Alert

## The first METÁR tender

October 2019

On September 2, 2019 the Hungarian Energy and Public Utility Regulatory Authority launched its first tender to support renewable electricity producers under the METÁR system.

Solar projects are attracting attention in the renewable energy world due to the introduction of the METÁR renewables support system on January 1, 2017. Under the new system, subsidies for photovoltaic projects with a nominal capacity of more than 1 MW AC are available solely through a tendering procedure.

The first tender is scheduled for between November 4, 2019 8:00 a.m. and December 2, 2019 12:00 p.m., with maximum support on offer of HUF 1 billion and maximum supported power of 200 GWh.

The renewable premium support is earmarked for new investment projects or existing plant units that undergo major refitting or development at a cost exceeding 50% of the initial investment cost.

Applicants can be companies with a registered office in the EU, the EEA or the Energy Community\* and Hungarian business entities or municipalities. No

consortia may participate in the tender. The tender is only available to producers producing electricity at a site located in Hungary.

Applicants can submit their proposals in two categories based on the nominal capacity of the plant units:

- units with a nominal capacity of 0.3 - 1 MW, where the maximum subsidy budget for allocation is HUF 333 million and the limit for subsidized electricity volume available for allocation is 66 GWh/year;
- units with a nominal capacity of 1 - 20 MW: where the maximum subsidy budget for allocation is HUF 667 million and the limit for subsidized electricity volume available for allocation is 134 GWh/year.
- The maximum volume of subsidized electricity available to groups belonging to the same beneficial owner is as follows:

\*The presence in Hungary of companies with a registered office abroad is to be individually examined.

- units with a nominal capacity of 0.3 - 1 MW: the maximum volume of subsidized electricity is 15 GWh/year;
- units with a nominal capacity of 1 - 20 MW: the maximum volume of subsidized electricity is 50 GWh/year.

Tenderers are to make a proposal for the initial subsidized price, not higher than HUF 26.08/kWh. Commercial operations must start within 3 years and aid scheme shall last a maximum 15 years (possibly reduced by other aids).

The tender documents are to be submitted in electronic form (through the Client Gateway, the Company Gateway or the Administrative Gateway) by using the ÁNYK form designated for such purpose. The official language of the procedure is Hungarian.

Participation in the tender is conditional on providing a bank guarantee. The tendering guarantee is 1.5% of the investment amount, which is calculated on the basis of the product of the nominal power of the concerned plant unit and the specific benchmark investment value in the tender documentation.

Want to know more? Feel free to contact us about this or any future auction.

## KEY CONTACTS



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