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## **Algeria is getting prepared for its renewable energy auctions scheme**

*Algiers, 3 October 2018*

The progressive decline in the cost of renewable energy technologies and the integration of variable renewable energy into the grids have led to the adoption of renewable incentive public policies.

Among these policies, auction schemes have become increasingly popular with a growing number of countries adopting it over the past decade, including in the Mediterranean region.

In particular, Algeria is implementing its new strategy for renewable energy development, consisting, notably, in introducing tenders as a method to determine their renewable energy selling price. In this framework, the Algerian regulator CREG\* will contribute to the process of validating renewable energy selling prices resulting from investors' response to tenders and from auctions. As a first step of this implementation, CREG will launch, soon, an auction with 150 Mw of PV.

In order to support CREG in this process, MEDREG\*\* organised a technical workshop involving experts from organisations at the forefront of the analysis of renewable energy auctions and who developed an expertise on diverse auctioning experiences throughout the world. Taking into account the Algerian legislative framework, the workshop is looking at how to include stakeholders' view in the design of auctions, define appropriate requirements to participate in the auction and select a winner that effectively implements the project.

*“Thanks to experiences of RES auction systems implemented in various developing regions of the world, shared in the MEDREG support framework, I think that we have now, a clear idea on the priorities to take into consideration in order to evaluate and endorse the fairest and most economical viable RES electricity prices in Algeria”* said Mr. Rimouche, CREG Tariff Director.

Central to our activities is our support of national reforms in the Southern and Eastern shore of the Mediterranean region, by deploying different tools and reinforcing the expertise of our regulators. This tailored-made activity for Algeria follows a report that has been developed for the Palestine Energy Regulatory Commission (PERC), which evaluates the possibility and draws recommendations to establish a net metering system in the country. MEDREG is also supporting its Jordanian regulatory member to improve its electricity licensing procedures through a peer review.

Partially based on the expertise shared in the Algerian workshop, a report providing an analysis of auction mechanisms to promote RES will be issued by MEDREG in 2019.

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**\*\*CREG** is the Algerian Commission for Electricity and Gas Regulation, created under the law N° 02- 01 of 22 Dhu El Kaada 1422 corresponding to February 5<sup>th</sup>, 2002 relative to Electricity and Gas distribution by pipes. CREG is an independent body with a legal status and a financial autonomy. Its three main missions are:

- Realisation and control of the public service of electricity and distribution of gas by pipe
- Advising public authorities on matters relative to the electricity market organisation and the functioning of the electricity market and the national gas market.
- A general mission of supervision and control over related laws and regulations

**\*\*MEDREG** is the Association of Mediterranean Energy Regulators, which brings together 25 regulators from 21 countries, spanning the European Union (EU), the Balkans and North Africa. Mediterranean regulators work together to promote greater compatibility of the regional energy markets and legislation, seeking progressive market integration in the Euro-Mediterranean basin. Through constant cooperation and information exchange among members, MEDREG aims at fostering consumer rights, energy efficiency, infrastructure investment and development, based on secure, safe, cost-effective and environmentally sustainable energy systems. MEDREG acts as a platform providing assistance to its members as well as capacity development activities through webinars, training sessions and workshops as well as personalised hands-on initiatives. The MEDREG Secretariat is located in Milan, Italy. MEDREG is co-funded by the European Union.

For more information, visit [www.medreg-regulators.org](http://www.medreg-regulators.org)

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