

Electricity

Promotion in Portugal

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 Portugal



Further information

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- **Portal das Energias Renováveis (PER) – Information Portal on Renewable Energy**

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- **Rede Eléctrica Nacional, S.A. (REN) – Concession holder of the National Electricity Transmission Grid (RNT)**

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Summary of support schemes

- **Feed-in tariff.** In Portugal, the most important means of promotion is a feed-in tariff for existing installations and for micro and mini generation units. . The feed-in tariff consists of two elements: a guaranteed payment rate and an amount calculated by a statutorily set formula. Most of the feed-in tariffs were defined in 2007 and are applicable to renewable technologies (except large hydropower plants) for a certain timeframe (i.e., 2, 12, 15, 20, 25 or 35 years) or until an upper limit of production is reached, whichever occurs first.

Technologies

In general, all technologies used in renewable electricity generation are eligible for support.

Statutory provisions

- DL 363/2007 (Decreto-lei n.º 363/2007 de 02 de Novembro – Decree-Law No. 363/2007 of 2 November) as amended.
- DL 34/2011 (Decreto-Lei n.º 34/2011 de 8 de Março – Decree-Law No. 34/2011 of 8 March) as amended
- Ordinance 178/2011 (Portaria n.º 178/2011 de 29 de Abril) sets the fees to register a miniproduction unit.
- Ordinance DGEG of 26 December 2013 (Despacho DGEG de 26 de Dezembro de 2013) sets the annual reduction rate and the electricity tariff applicable to microproduction units in 2014.
- Ordinance DGEG of 26 December 2013 (Despacho DGEG de 26 de Dezembro de 2013) sets the annual reduction rate and the electricity tariff applicable to miniproduction units in 2014.
- Ordinance 286/2011 (Portaria n.º 286/2011 de 31 de Outubro) sets the coefficient Z for the calculation of the FiT for wind offshore projects.
- DL 35/2013 (Decreto-Lei 35/2013 de 28 de Fevereiro – Decree-Law No. 35/2013 of 28 February)

Feed-in tariff (Tarifas feed-in)

In Portugal, the generation of electricity from renewable energy sources is mainly promoted through a feed-in tariff. Currently, the FiT regime continues to apply to existing installations and to micro and mini generation units.

Microproduction units are installations that use a single production technology and have a single-phase or three-phase load operating at a low voltage, and a capacity of no more than 5.75 kW (art. 3 of DL 118-A/2010). Solar energy installations, wind power plants, hydro-electric power plants or biomass-fuelled CHP plants whose capacity is < 3.68 kW are eligible for a special tariff ("Regime bonificado") (art. 9 par. 1 b, art. 11 par. 6 DL 363/2007 as amended by DL 118-A/2010). Miniproduction units use a single production technology and have a capacity of up to 250 kW. The installed capacity of plants considered to be miniproduction units is limited to 50% of the consumption level defined in the power purchase agreement (art. 3 of DL 34/2011).

In addition, Decree-Law 35/2013 provides for alternative remuneration regimes for the electricity produced from wind plants (as defined in Annex II of DL 189/88 before the entry into force of DL 33-A/2005). These plants might choose to accede to an alternative remuneration regime for an additional period of five or seven years after the end of the period of guaranteed remuneration upon the commitment to contribute to the sustainability of the National Electric System (SEN) through the payment of a compensation (Art. 1 DL 35/2013).

Basic information on legal sources

DL 363/2007

DL 34/2011

Ordinance 286/2011

DGEG Ordinance micro

DGEG Ordinance mini

Eligible technologies

In general, all renewable energy generation technologies are still eligible for new support in case of micro and mini production units. Existing installations continue to receive the FiT.

Wind energy	Eligible
Solar energy	Eligible
Geothermal energy	Eligible
Biogas	Eligible (art. 2 DL 225/2007).
Hydro-power	Eligible
Biomass	Eligible

Amount

For existing installations, the amount of feed-in tariff depends on the source of energy used. Where statutory law does not specify a feed-in tariff for an individual technology, the amount of payment can be calculated only by using a formula (art. 2 DL 225/2007). With the introduction of the coefficient Z by Decree-Law 339-C/2001, the remuneration system for renewable energy distinguishes between several tariff levels based on the technology used. The formula is rather complex and Z is the coefficient

reflecting the specific characteristics of the resource and the technology used in licensed facilities. In case of micro and mini production units, the producer receives based on the reference tariff in place at the time of the issuance of the certification of exploitation. For microproduction units, the reference tariff in 2014 is € 218/MWh for the first period of eight years and € 115/MWh for the second period of seven years. (Despacho DGEG de 26 de Dezembro 2013). For miniproduction units, the reference tariff in 2014 is € 159/MWh (Circular DGEGde 26 de Dezembro 2013).

Wind energy	<p>Indicative average rate for existing installations is € 74-75 per MWh (DL 225/2007).</p> <p>With regards to the wind plants covered by the provisions of DL 35/2013 that accede to one of the alternative regimes provided for in the Decree-Law, an annual compensation (from 2013 to 2020) shall be paid to the National Electric System. The calculation of the compensation is based on a reference value for each MW of installed power (Art. 5 of DL 35/2013).</p> <p>For microproduction units the FiT consists of 80% of the reference tariff (art. 11(6) DL 363/2007 amended by DL 118-A/2010).</p> <p>For miniproduction units the FiT consists of 80% of the reference tariff (art. 11(7) DL 34/2011).</p>
Solar energy	<p>For existing photovoltaic installations as defined in DL 132-A/2010, the Indicative average rate of the FiT is € 257 per MWh (DL 132-A/2010).</p> <p>For existing concentrated photovoltaics (CPV) with Installations with a capacity up to 1 MW up to a limit of 5 MW of installed power on the national level. the indicative average rate of the FiT is € 380 per MWh (Ordinance 1057/2010).</p> <p>For existing Concentrated Solar Power (CSP) installations with a capacity up to 10 MW. The Indicative average rate is € 267-273 per MWh (DL 225/2007).</p> <p>For Microproduction units, the FiT consists of 100% of the reference tariff (art. 11(6) DL 363/2007 amended by DL 118-A/2010). The reference tariff in 2014 for PV is € 66/MWh for the first period of eight years and € 145/MWh for the second period of seven years (Ordinance 431/2012).</p> <p>For miniproduction units, the FiT consists of 100% of the reference tariff (art. 11(7) DL 34/2011). The reference tariff in 2014 for PV is € 106/MWh (Ordinance 430/2012).</p>
Geothermal energy	<p>For existing installations (i.e. plants up to 3 MW), the Indicative average rate is € 270 per MWh (Ordinance 865/2009)</p>
Biogas	<p>Fermentation of solid municipal waste, sewage sludge from waste water treatment, waste water and waste from the agricultural and food industries: Indicative average rate: € 115-117 per MWh (DL 225/2007)</p> <p>For existing landfill gas plants, the Indicative average rate is € 102-104 per MWh (DL 225/2007)</p> <p>For miniproduction units, the 60% of the reference tariff (art. 11(7) DL 34/2011).</p>
Hydro-power	<p>For existing traditional hydro power plants (up to 10 MW), the indicative average rate is € 91-95 per MWh (DL 126/2010)</p> <p>For existing wave hydro power plants (pilot-projects) up to 4 MW, the indicative average rate is € 260 per MWh. Plants (pre-commercial) up to 20MW: Indicative average rate: € 191 per MWh. Commercial plants: Indicative average rate: € 131 per MWh for the first 100MW and € 101 per MWh for the subsequent 150MW (DL 225/2007).</p> <p>For microproduction units the FiT consists of 40% of the reference tariff (art. 11(6) DL 363/2007 amended by DL 118-A/2010).</p> <p>For miniproduction units, the FiT consists of 50% of the reference tariff (art. 11(7) DL 34/2011).</p>
Biomass	<p>For existing biomass plants, the indicative average rate is € 119 per MWh for forest Biomass and € 102-104 per MWh (DL 225/2007) for animal biomass.</p> <p>For miniproduction units, the FiT consists of 60% of the reference tariff (art. 11(7) DL 34/2011).</p>

Entitled party. The persons entitled are the plant operators. Microproduction units: art. 9(2) DL 363/2007 amended by DL 118-A/2010. Miniproduction units: art. 9 DL 34/2011.

Obligated party. The plant operator enters a contract with the supplier, which pays for the electricity produced. Microproduction units: art. 12 DL 363/2007 amended by DL 118-A/2010 and DL 25/2013. Miniproduction units: art. 14 DL 34/2011 amended by DL 25/2013.

Procedure

<p>Process flow</p>	<p>Microproduction units: The access to the subsidised regime is requested by the plant operator during the registration at the SRM (Registration System for Microproduction) and is subject to the compliance with the provisions of art. 9 DL 363/2007 (art. 9(4) DL 363/2007 amended by DL 118-A/2010).</p> <p>Miniproduction units: The access to the subsidised regime is requested by the plant operator during the registration at the SRMini (Registration System for Miniproduction) and is subject to the compliance with the provisions of art. 9 DL 34/2011.</p> <p>Wind plants covered by the provisions of DL 35/2013 can communicate the DGEG of their decision to accede to one of the alternative regimes (i.e. additional 5 or 7 years of guaranteed remuneration) within 30 days after the entry into force of the DL on 1 March 2013. However, the possibility of requesting the accession to one of the alternative regimes provided for in Article 5 of DL 35/2013 remains for up to 2 years after the entry into force of the above-mentioned DL on 1 March 2013 (Art. 15 of DL 35/2013).</p>
<p>Competent authority</p>	<p>The Directorate General for Energy and Geology (DGEG) at the Ministry of Economy, Innovation and Development manages the SRM (Registration System for Microproduction) and the SRMini (Registration System for Miniproduction) (art. 7 DL 363/2007 and art. 7 DL 34/2011, respectively).</p> <p>Microproduction units: The information on the applicable tariff is allocated through an order of the Director-General of Energy and Geology.</p>

Degression

The tariffs for Miniproduction and Microproduction units are subject to the following degression: Microproduction units: Ordinance 431/2013 set an annual reduction rate for PV (€ 130/MWh for the first period of 8 years and € 20/MWh for the second period of 7 years) from 2013 onwards. Miniproduction units: Ordinance 430/2012 set an annual reduction rate of 30% for PV from 2013 onwards.

Cap

- Wind energy: until 33 GWh is reached (DL 225/2007).
- Solar energy (solar-thermal): until 21 GWh is reached (Annex II of DL 189/88 as amended by art 2(c) of DL 225/2007).
- Solar energy (photovoltaic installations as defined by DL 132-A/2010): until 34 GWh is reached (art. 7 of DL 132-A/2010).

The individual tariffs for microproduction units as defined in DL 118-A/2010 that are combined with heating systems are subject to the following limitations that apply to all eligible technologies (art. 11 DL 363/2007 as amended by art. 10 DL 118-A/2010):

- The annual maximum production of wind and solar electricity plants and installations is 2.4 MWh per kW installed. The generation capacity of all other technologies shall not exceed 4 MWh/year (art. 11(7) DL 363/2007 amended by DL 118-A/2010).
- The annual maximum plant capacity eligible for the tariff is 11 MW from 2013 onwards (art. 3 of Ordinance 431/2013).

The individual tariffs for miniproduction units as defined by DL 34/2011 are subject to the following limitations that apply to all

eligible technologies (art. 11 of DL 34/2011):

- The annual maximum production for solar and a wind energy installations and plants is 2.6 MWh per kW installed. The generation capacity of all other technologies shall not exceed 5 MWh/year (art. 11(8) DL 34/2011).
- The annual maximum plant capacity eligible for the tariff is 30.35 MW in 2014 (Circular DGEG de 26 de Dezembro de 2013).

Eligibility period

The duration of payment depends on the technology used:

- Wind energy: Payment during the first 15 years of operation (DL 189/88 as amended by art. 2 of DL 33-A/2005) or until 33 GWh of electricity have been generated (DL 225/2007).
- Solar energy (solar-thermal): The payment ends either after 15 years or when 21 GWh of electricity have been generated (Annex II of DL 189/88 as amended by art 2(c) of DL 225/2007).
- Solar energy (photovoltaic installations as defined by DL 132-A/2010): The payment ends either after 20 years of operation or when 34 GWh of electricity have been generated (art. 7 of DL 132-A/2010).
- Geothermal energy: Payment during the first 12 years of operation (Annex II of DL 189/88 as amended by art. 2(i) of DL 225/2007).
- Biogas: Payment during the first 15 years of operation (Annex II of DL 189/88 as amended by art 2(f) of DL 225/2007).
- Biomass: Payment during the first 25 years of operation (Annex II of DL 189/88 as amended by art 2(e) of DL 225/2007).
- Hydro-electricity: The payment ends after 25 years of operation (DL 126/2010). Wave power systems receive payments during the first 15 years of operation. (Annex II of DL 189/88 as amended by art 2(h) of DL 225/2007).

The individual tariffs for microproduction units as defined by DL 118-A/2010 that are combined with heating systems are subject to the following limitations that apply to all eligible technologies (art. 11 DL 363/2007 as amended by art. 1o DL 118-A/2010):

- The tariffs are limited to 15 years (art. 11(3) DL 363/2007 amended by DL 118-A/2010).
- The annual maximum production of wind and solar electricity plants and installations is 2.4 MWh per kW installed. The generation capacity of all other technologies shall not exceed 4 MWh/year (art. 11(7) DL 363/2007 amended by DL 118-A/2010).
- The annual maximum plant output eligible for the tariff is 10 MW from 2012 onwards (art. 2 Ordinance 284/2011).

The individual tariffs for miniproduction units as defined by DL 34/2011 are subject to the following limitations that apply to all eligible technologies (art. 11 of DL 34/2011):

- The tariffs are limited to 15 years (art. 11(4) DL 34/2011).
- The annual maximum production for solar and a wind energy installations and plants is 2.6 MWh per kW installed. The generation capacity of all other technologies shall not exceed 5 MWh/year (art. 11(8) DL 34/2011).
- The annual maximum plant capacity eligible for the tariff is 30 MW from 2012 onwards (art. 2 Ordinance 285/2011).

Tariffs to micro (DL 118-A/10) and mini generation (Art. 11(4) DL 34/11) units are limited to 15 years.

Distribution of costs

Consumers	The grid operator may pass on the costs of the feed-in tariff to the consumers through the electricity bill (art. 22 par. 2ff. DL 189/88).
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