

Imminent call for applications for ‘specific remuneration’ (subsidy payments) to renewable energy (wind and biomass) facilities

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Publication of Royal Decree 947/2015, of 16 October, setting out a call designed to confer the specific remuneration (subsidy payment) scheme to new facilities producing electricity from biomass on the mainland grid and to wind-technology facilities.

Pursuant to the Electricity Sector Act 24/2013 of 26 December, exceptionally, the Government can offer a specific remuneration scheme to encourage production from renewable energy sources, high-efficiency cogeneration and waste (art. 14(7)).

As stated in the Explanatory Notes to the aforementioned Royal Decree passed by the Cabinet last 16 October, which approved in the same meeting the *Energy Planning and the Electricity Transmission Network Development Plan 2015-2020*, it became apparent whilst drawing up said planning that the installed power of technologies producing electricity from renewable energy sources had to be increased. In this context and with the aim of advancing the attainment of the mandatory targets set out in Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources, Royal Decree 947/2015 sets out a call designed to confer the specific remuneration scheme to new facilities producing electricity from biomass on the mainland grid and to wind-technology facilities.

The new Royal Decree lays down the conditions, technologies and facilities that may submit competing applications for specific remuneration.

1. Recipient facilities: types and power quotas

Royal Decree 947/2015 sets out a call designed to confer the specific remuneration scheme to new facilities producing electricity from biomass on the mainland grid and to wind-technology facilities.

The following electricity-production facilities may apply for the specific remuneration scheme, in accordance with the classifications set out in arts. 2 and 4 of Royal Decree 413/2014, of 6 June, regulating the production of electricity production from renewable energy sources, cogeneration and waste:

- a) *New biomass facilities* under b.6, b.8 or hybrid type-1 groups, provided that the latter do not use c.2 group black liquor as fuel, located on the mainland grid.

- b) *New b.2.1 subgroup (wind) facilities or alterations* to existing facilities.

For these purposes, it will be deemed that a facility is new when it is formed by new and unused main equipment and has not been definitively registered with the administrative register of electricity-production facilities prior to 18 October 2015 (date of entry into force of the new royal decree). It will be deemed that an alteration is carried out on an existing wind facility when altering a facility that has been definitively registered with the administrative register of electricity-production facilities, provided that the alteration involves at least the replacement of the turbines for other new and unused ones, and that the alteration has not been definitively registered in the aforementioned register by the date on which this royal decree comes into force. The alteration may affect the entire facility or a part of the same.

The following power quotas according to technology are approved in the call conferring the specific remuneration scheme, regulated by Royal Decree 413/2014, of 6 June:

- a) For certain biomass facilities, up to 200 MW.
- b) For certain wind facilities, up to 500 MW.

2. Exclusions: non-mainland biomass facilities

Biomass facilities on non-mainland grids (fourteenth additional provision of Royal Decree 413/2014) are not eligible.

Nor can the specific remuneration scheme be offered to wind facilities on non-mainland grids that are owned by a company or group of companies - within the meaning of art. 42 of the Code of Commerce - where the share of electricity production on the grid held by such company or group of companies is higher than 40 per cent (art. 1(3) and second additional provision of the Mainland and Non-Mainland Grids (Guarantee of Supply and Increase of Competition) Act 17/2013 of 29 October).

3. Pending a ministerial order

The specific remuneration conferred under the scheme and the standard value of the initial investment will be determined by a competitive application procedure. The call will be announced by an Order of the Minister of Industry, Energy and Tourism, with the agreement of the Delegated Government Committee for Economic Affairs, which will approve the mechanism granting the specific remuneration under the scheme and will set remunerative parameters applicable to the call and other aspects necessary for the correct application of the remuneration scheme.

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