



COUNTRY POLICY PROFILE

Portugal

December 2015

**LOG FILE OF CHANGES IN SUPPORT
POLICIES AS COMPARED TO LATEST
MEMBER STATE PROGRESS REPORT**

The EurObserv'ER project

The EurObserv'ER Barometers monitor the renewable energy progress in each Member State of the European Union. Every two months a barometer dedicated to one particular renewable energy technology is published. Moreover, once a year an [Overview Barometer](#) collects the main indicators published during the year and completes these with additional renewable sectors which have not been detailed in the individual Barometers. Finally, the Overview Barometer also reports on socio-economic aspects: employment and turnover in the field of renewables, and the renewable energy investment climate. The country policy reports monitor policy developments by providing an overview of policy changes compared to the Member State Progress Reports (updated until December 2015).

All Barometers are available for download at <http://www.eurobserv-er.org>. An overview of direct links to Barometers is available in the Annex.

New Barometer releases are announced on Twitter (https://twitter.com/eurobserv_er).



Co-funded by the Intelligent Energy Europe
Programme of the European Union

The EurObserv'ER barometer is a project supported by the European Commission within the DG Energy "Intelligent Energy Europe" programme. It is also supported by Ademe, the French Environment and Energy management Agency, and Caisse des Dépôts.

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Abstract

In Portugal, electricity from renewable sources is mainly promoted through a feed-in tariff (FiT). The support regime for electricity generated from renewable energy sources (except large hydropower plants) is still in place for existing installations and for micro and mini generation units. Support to new installations can be provided through specific power granting tenders. There is currently no direct support mechanism for RES-H. In the transport sector, the main incentives are a biofuel quota system and a tax exemption to small producers (PPDs). The Portuguese progress report was released by the EC in June 2014.

Abbreviations

BTL	Biomass-to-Liquids
CHP	Combined heat and power plant
EEAG	Environmental and energy aid guidelines
EU-27	European Union, 27 Member States (excludes Croatia)
EU-28	European Union, 28 Member States (includes Croatia)
FiP	Feed-in premium (scheme)
FiT	Feed-in tariff (scheme)
GHG	Greenhouse gas(es)
GHG	Greenhouse gas
ktoe	Kiloton oil equivalent
MSW	Municipal solid waste
NREAP	National Renewable Energy Action Plan
PV	Photovoltaic energy
RE	Renewable energy
RED	Renewable Energy Directive
RES	Renewable energy sources
RMSW	Renewable Municipal solid waste (renewable fraction in MSW)
RQS	Renewable quota scheme
TSO	Transmission system operator

Renewable energy mix

According to the [EurObserv'ER Bridging Report \(2015\)](#) the amount of renewable energy in Portugal for the year 2013 was 4790.6 ktoe, +795.0 ktoe (+19.9%) compared to 2012. The 2012 share of renewable energy in Portugal amounted to 25.0%, and for 2013 this share amounted to 25.7%; the target for 2020 has been defined as 31%..

In this total amount, the 2013 contribution from renewable electricity amounted to 2607.5 ktoe (30325 GWh), +873.8 ktoe (+50.4%) compared to 2012, for renewable heat the amount was 1903.7 ktoe, -69.5 ktoe (-3.5%) compared to 2012 and for renewable energy in transport the 2013 realisation was 279.5 ktoe, -9.2 ktoe (-3.2%) compared to 2012.

The most important technology in Portugal (2013) is heat from biomass (1829.3 ktoe). Second technology is hydropower (1278.5 ktoe). Third comes wind power (1033.1 ktoe). The growth rates range from -5.0% (for other biofuels in transport) to 123.3% (for hydropower).

Table *Renewable energy production in Portugal. Data have been expressed in ktoe and refer to the years 2012 and 2013. Note: the contribution from ambient heat in 2013 was 0 ktoe in EurObserv'ER Bridging Report. Value for the Policy Report has been assumed equal to 2012 (23.0 ktoe).*

Portugal		2012	2013	Difference	
		ktoe	ktoe	ktoe	Growth
Renewable Electricity	Hydropower	572.7	1278.5	+705.8	+123.3%
	Geothermal	12.6	16.9	+4.4	+34.9%
	Solar	33.8	41.2	+7.4	+21.9%
	Tidal & wave	0.0	0.0	0.0	0.0%
	Wind	882.1	1033.1	+151.0	+17.1%
	Biomass	232.6	237.7	+5.2	+2.2%
	Total	1733.7	2607.5	+873.8	+50.4%
Renewable Heat	Geothermal	1.6	1.6	0.0	0.0%
	Solar	67.4	72.8	+5.4	+8.0%
	Biomass	1881.2	1829.3	-51.9	-2.8%
	Ambient heat	23.0	23.0	0.0	0.0%
Total	1973.2	1903.7	-69.5	-3.5%	
Renewable Transport	Bioethanol/bio-ETBE	2.7	4.7	+2.0	+74.1%
	Biodiesel	267.8	255.4	-12.4	-4.6%
	Renewable hydrogen	0.0	0.0	0.0	0.0%
	Renewable electricity	14.0	15.4	+1.4	+9.7%
	Other biofuels	4.2	4.0	-0.2	-5.0%
	Total	288.7	279.5	-9.2	-3.2%
Total Renewable (calculated)		3995.6	4790.6	+795.0	+19.9%

Source: EurObserv'ER 2015

Recent RES Policy Developments

The current EurObserv'ER policy profile is listing recent policy changes in the EU Member States. Starting point for this monitoring is the situation as it has been described in the country's Progress Report (which were due end of 2013). All Renewable Energy Progress Reports are available in English language from www.eurobserv-er.org (translated versions).

Date	Technology	Policy change
January - May 2014		<No change to be reported>. The Portuguese progress report was not available yet.
June 2014		The European Commission released the Progress Report for the Portugal in June 2014. See Section 2 (page 6) to Section 4 (page 17) for a description of policy measures and support schemes.
July – October 2014		<No change to be reported>
November 2014		On 20 October 2014 a new Decree-Law 153/2014 was published. Pursuant to Articles 1 and 2 of Decree-Law 153/2014, the new regime will be introduced covering self-consumption units (UPAC) and RES generation from small production units (UPP). The new law will enter into force on 18 January 2015.
December 2014		<No change to be reported>
January 2015		The new remuneration regime for Small Production Units (UPP) enters into force and is based on a bidding model in which producers offer discounts to a reference tariff.
February - December 2015		<No change to be reported>

Note to the reader: the above overview had been compiled with care. However, in case you miss recent developments please be invited to inform EurObserv'ER on policy changes in a Member State. For communication use e-mail (policy@eurobserv-er.org) or Twitter (https://twitter.com/eurobserv_er).

Glossary

Auctions for granting renewable energy support	An auction is a process of granting production or investment support to a specified volume of eligible renewable energy (or renewable energy generation capacity), based on the lowest bids per unit of renewable energy (or renewable energy generation capacity) by eligible renewable project developers. The auction procedure is normally organised by a governmental agency responsible for promoting renewable energy.
Degression rate	See under 'Sliding feed-in tariff'.
Feed-in tariff (FiT)	A technology-specific support scheme which provides for a technology-specific remuneration per unit of renewable energy payable to eligible renewable energy producers, typically for a period of 10-20 years. The FiT level is set <i>ex ante</i> by the National Regulatory Agency (NRA). It is to cover all future production costs including a <i>normal</i> rate of return to capital invested. In many schemes priority network access is offered to eligible renewable electricity generators, whilst a designated third party - e.g. the transmission or distribution network operator concerned - is being mandated to pay the FiT remuneration due. A proper, periodic review of FiT rates is often undertaken with the aim to prevent both too high FiTs so as to minimise regulatory rents, i.e. supra-normal returns and too low FiTs to preclude below-target market uptake because of FiT levels that are perceived by market participants to be less attractive.
Feed-in premium (FiP)	A technology-specific support scheme which provides for a technology-specific subsidy level per unit of renewable energy to eligible renewable energy producers, typically for a period of 10-20 years, at a pre-set fixed or floating (see under 'Floating FiP') rate, projected by the National Regulatory Agency (NRA) to enable renewable energy generation investments deemed commercially attractive by project developers without yielding supra-normal profits.
Floating FiP	A feed-in premium, which is periodically adjusted to exactly offset the change in the average energy wholesale market price, based on a pre-specified benchmark market price. A floating FiP may move freely or may only be allowed to move within a pre-set interval.
Grants	Grants are non-repayable funds disbursed by one party (grant makers), often a government department, corporation, foundation or trust, to a recipient, often (but not always) a non-profit entity, educational institution, business or an individual. (Source: Wikipedia.org)
Green public procurement	In Green public procurement contracting authorities take environmental issues into account when tendering for goods or services. The goal is to reduce the impact of the procurement on human health and the environment. (Source: Wikipedia.org)

NRA	National Regulatory Agency.
Renewable quota scheme (RQS)	A renewable quota scheme mandates certain market actors (typically retail suppliers or large energy end-users) to respect a pre-set minimum share or amount of their total energy procurements from renewable sources of energy. Typically a tradable green certificate (TGC) scheme is operated to enable the obligated parties to prove their compliance with the prevailing renewable quota target by means of TGCs. Typically the renewable quota target is increased gradually over time. Renewable quota systems are also known under terms such as quota (obligation) schemes or renewable portfolio standards.
Request for tenders (RFT)	A request for tenders (RFT) is a formal, structured invitation to suppliers, to bid, to supply products or services. In the public sector an official fee is needed to fortify and secure the tender bid engagement/win documents, such a process may be required and determined in detail by law to ensure that such competition for the use of public is open, fair and free from bribery and nepotism. For example, a government may put a certain level of MW of offshore wind energy at a pre-defined location 'out to tender'; that is, publish an invitation for other parties to make a proposal for the construction of offshore wind farms, on the understanding that any competition for the relevant government contract must be conducted in response to the tender, no parties having the unfair advantage of separate, prior, closed-door negotiations for the contract. An evaluation team will go through the tenders and decide who will get the contract. (source: adapted from Wikipedia.org)
RD&D funding	The funding of research, development and demonstration activities and programmes. For technologies still far from commercial maturity, government grants or subsidies might be considered. For technologies close to commercial maturity which are not taken up for commercial research anyway, instruments such as fiscal instruments (tax credits, accelerated depreciation, etc.) and public-private partnerships may be considered, based on shared public and private RD&D funding.
Sliding feed-in-tariff	A FIT scheme which pre-sets technology-specific declining feed-in tariffs for certain prospective vintages in line with the technology-specific learning curve, as projected by the National Regulatory Agency (NRA). Often a depression rate is used indicating the %/annum decrease in the rate level.
Soft loans	Loans at concessional (below market-based) terms, for example at sub-market-conform interest rates, made available in several Member States to stimulate certain renewable energy technologies.
Tax credits	These are amounts a tax paying entity is allowed to deduct when declaring payable taxes, for example company tax or income tax, to the tax authorities, for example the producer tax credits (PTCs) used in the United States to stimulate among others wind energy deployment.
Tenders	See 'Request for tenders'.

References

EurObserv'ER, 2014, www.eurobserv-er.org

RES Legal, <http://www.res-legal.eu/search-by-country/portugal/tools-list/c/portugal/s/res-e/t/gridaccess/sum/180/lpid/179/>, January 2015

Annex

The EurObserv'ER Barometers are all available for download.

Links to all EurObserv'ER publications:

'The State of Renewable Energies in Europe' (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-annual-overview-barometers>

Wind Energy Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-wind-energy-barometers>

Photovoltaic Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-photovoltaic-barometers>

Solar Thermal Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-solar-thermal-and-concentrated-solar-power-barometers>

Biofuels Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-biofuels-barometers>

Biogas Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-biogas-barometers>

Renewable Municipal Waste Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-renewable-municipal-waste-barometers>

Solid Biomass Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-solid-biomass-barometers>

Heat Pump Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-heat-pumps-barometers>