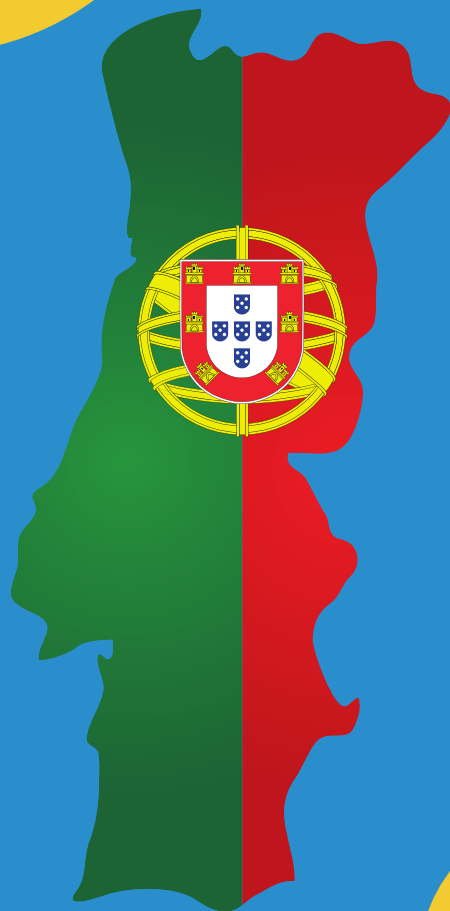


Overall  
Score

15



2022  
Score

15

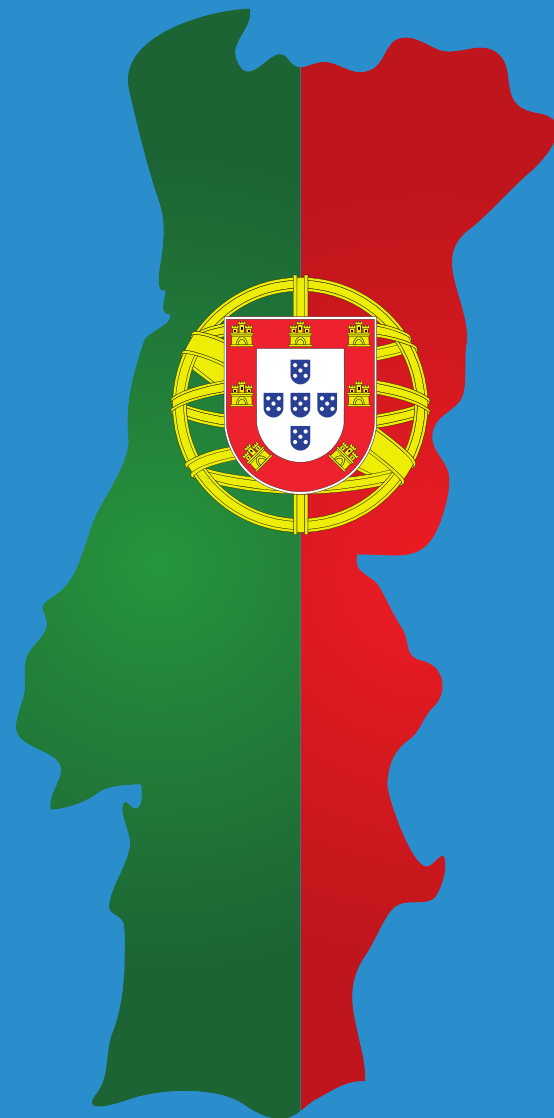
## Summary

While Portugal's revised National Energy and Climate Plan (NECP) and Long-Term Strategy for Carbon Neutrality (LTS) have raised targets for decentralised solar photovoltaic (PV) capacity, they remain below the country's solar potential. Regulatory frameworks, influenced by EU directives, lack feed-in tariffs, posing challenges for economically viable projects beyond self-consumption. Despite incentives like VAT exemptions and partial grid charge deductions for self-consumers, administrative hurdles persist, with lengthy permitting processes and slow responses from authorities.

Energy sharing initiatives allow for collective self-consumption (CSC) and renewable energy communities (RECs), but licensing delays hinder implementation. Portugal's legal framework accommodates energy community definitions, yet lacks comprehensive enabling structures, raising concerns over oversight and abuse. Financial support through government programs aims to bolster renewable energy community projects, but outcomes remain uncertain. Addressing staffing shortages in public administrations is crucial to expedite connection requests and streamline processes. Simplifying regulations and enhancing administrative capacity are essential to fully realise Portugal's renewable energy ambitions.




**Support for decentralised energy production:** Portugal's revised NECP draft provides a detailed analysis of the state of play of self-consumption and includes measures to support decentralised production, including self-consumption, and energy communities.

## Scoring System



This country profile highlights the good and the bad policies and practices of solar rooftop PV development within Portugal. It examines and scores six key areas: governance, incentives & support schemes, permitting procedures, energy sharing schemes, energy communities and additional measures to support solar PV development. For this update, we will have the 2022 score to the right as a benchmark:

The scoring system is set out below:

-  Green = 4-5 points
-  Orange = 2-3 points
-  Red = 0-1 points



## Country Profile Portugal



## The Good



**Support for decentralised energy production:** Portugal's revised NECP draft provides a detailed analysis of the stay of play of self-consumption and includes measures to support decentralised production, including self-consumption, and energy communities.



**Incentive Programs:** Initiatives such as VAT exemptions and partial grid charge deductions incentivize self-consumption of solar energy, encouraging renewable energy adoption.



**Legal Framework:** Establishment of legal frameworks for collective self-consumption and renewable energy communities provides a basis for community-driven renewable energy projects.



**Energy Sharing:** Portugal's permissive geographical boundaries for Collective Self-Consumption, along with financing options and potential business models, facilitate wider participation in renewable energy initiatives.



**Digital Infrastructure:** Progress in deploying smart meters signifies advancements in digital infrastructure, laying the groundwork for more efficient energy management.



## Country Profile Portugal



## The Bad



**Insufficient Targets:** Despite revisions, solar energy targets in Portugal fall below the country's technical and economic potential, hindering full-scale renewable energy integration.



**Regulatory Complexity:** Lack of feed-in tariffs and lengthy permitting processes pose barriers to economically viable solar projects beyond self-consumption, discouraging larger-scale investments.



**Administrative Delays:** Licensing delays for collective self-consumption and energy community projects create uncertainty and frustration among investors.



**Oversight Gaps:** Absence of authorities to oversee energy communities and ensure compliance raises the risk of abuse within renewable energy community projects.



**Staffing Shortages:** Shortages in public administration staffing slow down connection requests and administrative processes, hindering the pace of solar deployment, approvals and implementation.



2024 : Governance 2

2022 Score : 2

The current NECP (pre revision) points to 2,000 MW (Megawatt) of decentralized solar PV in 2030, as opposed to 7,000 MW of centralised, whereas the LTS (Long-Term Strategy for Carbon Neutrality) points to 13,000 MW for both centralised and decentralised in 2050 (26 GW in total)<sup>1</sup>. These objectives are far below the technical and economic potential of solar in the country. The revised NECP updated those numbers to 5,500 MW and 14,900 MW, respectively, which is a capacity share increase from ~22% to ~27%. However, the objective for decentralized PV is still far below the technical and economic potential of solar in the country according to the Joint Research Center of the European Commission<sup>2</sup>. The revised draft provides a detailed analysis of the stay of play of self-consumption and includes measures to support decentralised production, including self-consumption, and energy communities, but it lacks a quantitative assessment of the future uptake of prosumers.<sup>3</sup>

1. [https://unfccc.int/sites/default/files/resource/RNC2050\\_EN\\_PT%20Long%20Term%20Strategy.pdf](https://unfccc.int/sites/default/files/resource/RNC2050_EN_PT%20Long%20Term%20Strategy.pdf)

2. <https://publications.jrc.ec.europa.eu/repository/handle/JRC113070>

3. <https://www.solarpowereurope.org/advocacy/national-energy-and-climate-plans>

**2024 : Incentives 3**

**2022 Score : 3**

The legal regime applicable in Portugal is Decree-Law 15/2022, which also affects renewable energy communities, making the transposition into Portuguese law of the Renewable Energy Directive (EU) 2018/2001. There is no feed-in tariff or feed-in price applicable (surplus is sold at market price), which makes it difficult to make economically viable projects that use rooftops beyond production for self-consumption. There is in place a governmental fund (Environmental Fund) which includes subsidies to rooftop PV solar in the context of the Recovery and Resilience Program, with separate calls for individual units on one hand and CSC (collective self-consumption) and energy communities on the other. At the end of 2022, Portugal published the Decree Law 85/2022, exempting natural or legal persons from the payment of VAT and taxes associated with the sale of surplus electricity from self-consumption electricity production units with an installed capacity equal to or less than 1000 euros per year. Additionally, according to the legislation, self-consumption grid charges by RECs (renewable energy community) and prosumers are partially deducted for the first 7 years. Up until now, the exemption of these costs has been applied to electricity produced by RECs and through collective prosumership.



2024 : Permitting 2

2022 Score : 3

On a positive note, there are no fees up to 30 kWp under the modality of individual self-consumption PV (installed on ground or rooftop). Above 30 kWp, a registration fee and the need for an operating certificate will be required. Only installations bigger than 100 kW will need approval from the grid operator (which is still a lengthy administrative process). Also, Portugal has established a single contact point for the permitting process, and legislation provides for a positive silence for small-scale projects, according to which the absence of a reply by the relevant authorities entails the approval of the permit.<sup>4</sup> However, administrative procedures are still slow (it is taking several months/years) due to very slow responses from the energy directorate caused by a lack of resources, in particular, with the regard to the production of licenses for collective self-consumption and REC, which take more than a year to obtain (at least).

4. <https://www.solarpowereurope.org/advocacy/position-papers/res-booster-stocktake>

**2024 : Energy Sharing 3**

**2022 Score : 3**

Portugal has a legal framework that allows the use of the public grid for CSC or REC. Like France, it has a permissive geographical boundary for CSC. The perimeter is restricted to 2 km on low-voltage, 4 km on medium voltage, 10km on high voltage, and 20 km on very high voltage grids. On medium, high and very high voltage, the CSC needs to be in the same substation. Larger distances may be authorised by the National Licensing Authority (Directorate-General for Energy and Geology) on a case-by-case basis<sup>5</sup>. Furthermore, multiple financing options and potential business models facilitate the installation process for consumers, without restriction for potential participants (corporate or individuals) or regarding the owners/holders of the assets (third parties may own the assets)<sup>6</sup>.

However, there is an urgent need to simplify the processes, since production and grid connection licenses for collective self-consumption take more than a year to obtain even for small scale projects such as those of 3 kilowatts. Due to these complaints, the Ministry of the Environment implemented a new licensing platform in September 2023 to speed up the collective self-consumption process. However, the waiting list is still considerable.

5. <https://www.solarpowereurope.org/advocacy/position-papers/framework-for-collective-self-consumption>

6. <https://www.solarpowereurope.org/advocacy/position-papers/framework-for-collective-self-consumption>



**2024 : Energy Communities 3**

**2022 Score : 3**

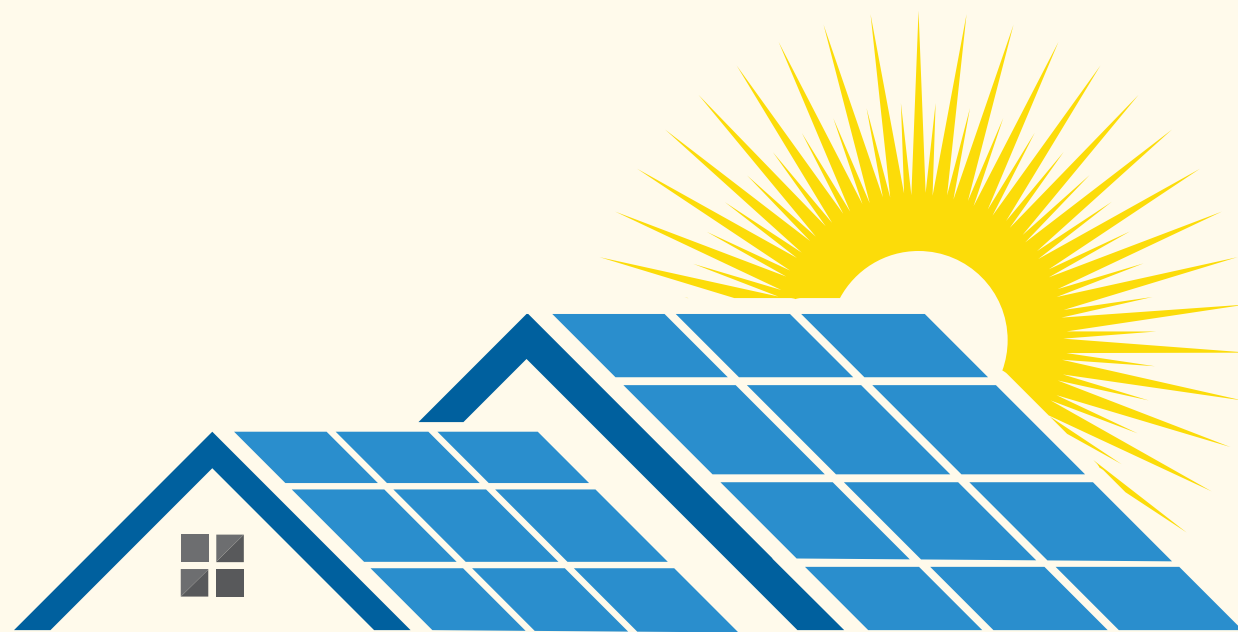
Portugal has introduced in their national legislation both the REC definition, with a very similar wording than the Directive, and the CEC definition. However, it has yet to establish a comprehensive or coherent enabling framework to allow energy communities to develop. According to REScoop, there are a number of gaps that will prevent energy communities from exercising their full rights under the EU directives.<sup>7</sup> For instance, the fact that RECs may assume any legal form provides flexibility for their development, but as there is no authority to oversee RECs or their compliance with the definitions, there is a high risk of abuse.<sup>8</sup> Additionally, up to date, RECs face considerable delays in the licensing process, causing frustration and uncertainty for investors.

The government has published calls to support the implementation of Renewable Energy Communities and Collective Self-Consumption, financed through the Recovery and Resilience Plan, the first one closed in February 2023, but the results are not yet known. The programme applied to services and commercial buildings, residential buildings and public buildings, with different financing percentages, covering the installation of RES-e generation systems, with or without storage, the performance of studies and consulting services and the acquisition of software and/or smart platforms.<sup>9</sup> Portuguese legislation states that participation in RECs is open to all consumers, including low income or vulnerable households, even though the effective implementation of this provision requires further concretisation.

7. <https://www.rescoop.eu/policy/portugal-rec-cec-definitions>

8. <https://www.rescoop.eu/policy/portugal-rec-cec-definitions>

9. <https://www.fundoambiental.pt/apoios-prr/c13-eficiencia-energetica-em-edificios/c13-i01-02-03-apoio-a-concretizacao-de-comunidades-de-energia-renovavel-e-autoconsumo-coletivo.aspx>



2024 : Additional measures 2

2022 Score : 2

Portuguese national DSO E-REDES has announced surpassing the 5.5 million smart meter mark with meters with active remote services, which corresponds to a coverage of 80% of customers in mainland Portugal. With this update, E-REDES reports being on track to achieve the goal of having 100% of smart meters installed in Portuguese homes by the end of 2024.<sup>10</sup> On the other hand, there is a need for hiring and training additional staff, particularly at public administrations (both at national and municipal level), in order to respond faster to the connection requests.

10. <https://www.smart-energy.com/industry-sectors/smart-meters/e-redes-passes-5-5-million-smart-meter-milestone/#:~:text=E%2DREDES%20reports%20being%20on,by%20the%20end%20of%202024.>

## Engaging citizens and local communities in the solar revolution

The Rooftop Solar PV Comparison Report update produced by CAN Europe and its member organisations aims to detect barriers at national level that impede a higher uptake of residential rooftop solar PV, highlight best and bad practices, and to put forward concrete policy recommendations for setting up the right regulatory framework to ensure an accelerated uptake of rooftop solar PV.

11 countries were chosen to be assessed and scored on their performance regarding the development of rooftop solar PV within their country.

For the full report, follow the link below:

<http://caneurope.org/rooftop-solar-pv-comparison-report>

