

Overall
Score

15



2022
Score

15

Summary

The Spanish government has taken significant steps to promote self-consumption of solar energy, including the approval of a road map with over thirty measures aimed at facilitating its deployment and eliminating barriers. However, targets for installed capacity were initially deemed insufficient and have since been revised upward to 19 GW by 2030 in the latest NECP draft. For PV in general (39.2GW), the revised NECP draft increases 95% the target of the current NECPs in force to 76.4GW. Incentives such as simplified compensation for generation surpluses have been introduced, but the absence of a feed-in tariff or premium creates funding instability. Permitting processes have been simplified, but administrative hurdles remain, particularly for collective self-consumption initiatives.




While energy communities are growing, regulatory frameworks are still evolving. Despite a surge in solar installations, challenges such as higher interest rates and delayed subsidies hinder residential adoption and could potentially lead to a decrease of around 25% to 50% in the residential self-consumption market. The Spanish government plans to introduce more dissemination efforts and training programs aim to support customers entering into the self-consumption market. In terms of smart meter installations, Spain has almost reached a 100% penetration rate following a government mandate.

Scoring System



This country profile highlights the good and the bad policies and practices of solar rooftop PV development within Spain. 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 Spain



The Good



Promotion of Self-Consumption: The Spanish government has taken significant steps to promote self-consumption of solar energy, including the approval of a road map with over thirty measures aimed at facilitating its deployment.



Incentives: Introduction of incentives such as simplified compensation for generation surpluses and additional funding from European funds for new self-consumption facilities.



Simplified Permitting: Simplification of bureaucratic procedures and elimination of the need for certain administrative permissions for smaller installations.



Energy Community Growth: The number of energy communities that produce electricity has increased throughout Spain (291 the 4th December 2023), due basically to self-consumption subsidies and the initiative of groups of pioneering individuals



Dissemination and Training: Spain is planning to implement more dissemination measures, information campaigns, and training activities to support consumers interested in self-consumption installations.



Country Profile Spain



The Bad



Lack of transparency: Spain did not set up a Multilevel Climate and Energy Dialogue Group to discuss the NECP draft recently submitted to the European Commission as required by the Governance Regulation.



Funding Instability: The absence of a feed-in tariff or premium creates funding instability, leading to fluctuations in the rate of installation when European funds and subsidies run out.



Administrative Hurdles: Despite efforts to simplify permitting processes, administrative hurdles remain, particularly for collective self-consumption initiatives, leading to delays in activation of solar installations.



Challenges in Residential Adoption: Challenges such as higher interest rates and delayed subsidies hinder residential adoption of solar panels, leading to a projected decrease in the residential self-consumption market.



Issues with Energy Communities: Despite the growth, issues such as delays caused by electricity distributors and disproportionate administrative requirements hinder further growth of local, collective self-consumption initiatives.

2024 : Governance 3

2022 Score : 3

A road map for self consumption was approved by the Spanish Government in December 2021 after pressure from NGOs and 2 years of delay. The Road Map includes more than thirty measures to promote self-consumption (mostly solar PV) and "aims to identify the challenges and opportunities of self-consumption to ensure its massive deployment in Spain, as well as to eliminate existing barriers to its implementation and promote its development in all productive sectors ". Even originally there was a lack of ambition in the installed capacity targets for self consumption in 2030 (9 GW) (the CNMC, the Spanish energy regulator itself, warned the Government that the targets would be already reached in 2025).¹ For PV in general (39.2GW), the revised NECP draft increases 95% the target of the current NECPs in force to 76.4GW (Gigawatt) and in particular, for self consumption it increases to 19 GW.

The new draft also introduces an improved quota for citizen-led renewable initiatives and quantified objectives in terms of prosumers' engagement and investment volume for prosumers. A national round table for self-consumption has been set up by CNMC which brings together Distribution System Operators (DSO), electricity suppliers, the industry and Civil Society Organisations (CSO). On a negative note, Spain did not set up a Multilevel Climate and Energy Dialogue Group to discuss the NECP draft recently submitted to the European Commission as required by the Governance Regulation. Also the draft was shared too late with CSOs to provide meaningful input, and scenarios with additional potential policies were not presented.

1. https://www.eldiario.es/economia/cnmc-preve-autoconsumo-electrico-supere-2025-previsiones-gobierno-2030_1_8548120.html

2024 : Incentives 2

2022 Score : 3

The Royal Decree 244/2019 introduced a simplified compensation for generation surpluses which consists of a balance in economic terms of the energy consumed in the billing period with either the agreed price from a supplier or the market price; and exempted this modality of self consumption from all types of charges and tolls. The mentioned Royal Decree meant a radical change with regard to former regulations since surpluses are now compensated, but it did not include any type of feed-in tariff or premium. In this mode of self consumption, the maximum installed capacity is 100 kW and no remuneration of surpluses is possible, only compensation from the electricity bill. The government has just approved in November 2023 a line of 500 million euros more of European funds for recovery to encourage new self-consumption facilities thanks to the addendum to the Recovery, Transformation and Resilience Plan.²

In general, there is sufficient budget available and self-consumption is being encouraged to a large extent, but there is lack of stability in funding due to the absence of a feed-in tariff or premium. As a result, when European funds and subsidies run out, the rate of installation falls because users prefer to wait for new lines of aid to be opened, due to recent lower energy prices and higher interest rates. Furthermore, more than two years after the first funds began to be distributed from the central government to the autonomous communities, only 44% of the users who requested their subsidy have seen it deposited into their checking accounts according to data provided by the Ministry of Ecological Transition.³ With regard to taxes, at the municipal level there are bonuses to the Real Estate Tax that can reach 50% of it, which have been applied by 55% of Spanish municipalities according to the Renewable Foundation Report. Self-consumption can also be deducted in the income tax return. The deduction rates contemplated in the legislation are 20%, 40% and 60% of personal income tax on the tax base of the installation and depending on its nature.

2. <https://elpais.com/economia/2023-11-06/las-comunidades-tendran-500-millones-mas-de-los-fondos-europeos-para-ayudas-al-autoconsumo.html>

3. <https://www.20minutos.es/noticia/5189108/0/las-ayudas-autoconsumo-cuentagotas-mas-mitad-hogares-empresas-con-placas-no-han-recibido-todavia-subsencion/>

4. <https://fundacionrenovables.org/documento/incentivos-fiscales-para-instalaciones-de-autoconsumo-fotovoltaico-en-municipios-con-mas-de-10-000-habitantes-2022/>

2024 : Permitting 2

2022 Score : 3

The Royal Decree (244/2019) simplified bureaucratic procedures and introduced a modality of self consumption up to 100 kW in which no local tariffs or taxes for energy sharing are foreseen. There is no need to get administrative permission for connection to the grid regarding installations of 15 kW or lower in urban areas. However, for the other installations, the process of getting access to the grid is long and burdensome, even though Royal Decree-Law (14/2022) establishes a maximum time for the activation of self-consumption facilities covered by surplus compensation of 2 months. In general terms, the administrative procedure needs to be simplified and digitized. The communication processes between DSOs, energy suppliers and consumers are lengthy. There have been delays in the billing system for prosumers due to the need to adapt IT systems to the new legal regime. However, the situation is improving gradually for individual self consumption and currently the biggest problem regarding permitting concentrates in collective self consumption. Until recently, many municipalities required a construction permit which could take 6-8 months to obtain (Mckenzie Banker, 2020). Fortunately, since June 2023, all Spanish Autonomous Communities have removed such requirements and only ask for a prior notice.



2024 : Energy Sharing 2

2022 Score : 2

Collective self-consumption using the public grid is physically and geographically limited by fulfilling at least one of the following conditions:

- **It is located within the low voltage distribution grid derived from the same transformer station;**
- **It is a maximum distance of 500 meters between production and consumption points or 2 km when located on roofs, industrial land and artificial structures**
- **It is located in the same cadastral area.**

5.

In 2022, the Government increased the distance to 2 km for rooftop solar, after receiving strong criticisms for the 500m limit. It also approved a modification of the Horizontal Property Law that simplified the required majority for approval of solar PV installations in buildings. However, although 67% of Spaniards live in multiapartments and Spain has reached 5.4 GW of installed self-consumption with an increase of 1,200% since 2018, only 1% is collective. The main causes are due to the bad practices of DSOs, which can delay activation of the solar installation by more than a year. According to a recent CNMC report, "Unnecessary and unjustified administrative procedures, delays by electricity distributors and disproportionate and continuous requirements hinder the takeoff of collective self-consumption in Spain." Furthermore, CNMC is investigating Endesa and Naturgy (2 of the biggest DSOs in Spain) for allegedly introducing obstacles to the promotion of collective self-consumption and has created a national table to address this issue with more than 140 identified barriers.

2024 : Energy Communities 2

2022 Score : 1

The number of energy communities that produce electricity has increased throughout Spain (291 the 4th December 2023)⁶, due basically to self-consumption subsidies and the initiative of groups of pioneering individuals, but not because of a stable regulatory framework, which is still lacking. The national legislator has introduced the definitions for Renewable Energy Communities (REC) in 2020 and Citizen Energy Communities (CEC) in 2023 with almost the same wording given by the Directives as new market subjects. The new legislation establishes that a favorable legal framework both for citizen energy and renewable energy communities shall be established to ensure aspects such as: open and voluntary participation, the right to leave the community, non-discriminatory and proportionate treatment, be subject to fair, proportionate and transparent procedures and charges and accessibility of REC to all consumers, including those from low-income or vulnerable households, among others. However, it is still pending further regulatory development and the design of an effective and more concrete enabling framework.

In this regard, in April 2023, the Government published the “Draft Royal Decree developing the figures for renewable energy communities and citizen energy communities” which, in case of being approved, would represent a step forward. It specifies, among others, the legal forms that REC and CEC may adopt, the minimum number of partners, the proximity requirements for REC and what it means to provide environmental, economic and social benefits to its partners. The results of the national general election in July 2023 delayed the approval of this draft, which seems now more plausible due to the recent left wing coalition investiture agreement that recently made Pedro Sanchez President of the Government. As a positive note, “the “fight against energy poverty” is one of the criteria considered for receiving financial assistance under the umbrella of CE-Implementa, specific to RECs development. Nonetheless, through the involvement of (mainly) municipal administrations in specific RECs, the participation of vulnerable households is prioritised”.⁷

6. <https://informesweb.idae.es/visorccee/>

7. <https://www.rescoop.eu/policy/spain>

2024 : Additional measures 4

2022 Score : 4

According to data from Appa Renovables' annual photovoltaic self-consumption report, in 2022, 2,649MW of new photovoltaic power was installed in Spain in self-consumption facilities. This represents an increase of 120% compared to 2021, when 1,203 MW were commissioned, and which in turn already represented an increase of 101% compared to 2020. 61% of this power has been installed in the industrial sector and the remaining 39% in residential homes. However, higher interest rates, lower electricity prices and delays in the payment of public subsidies are hindering the installation of solar panels in homes after the boom that occurred in 2022. Union Española Fotovoltaica (UNEF) estimates that in 2023 the Spanish residential self-consumption market will fall between 25% and 50% compared to last year. Companies such as Holaluz, Solarprofit and Svea Solar are already negotiating Employment Regulation Files.

Several dissemination measures, information campaigns and training activities are foreseen in the Road Map. The Spanish Institute for the Diversification and Saving of Energy has implemented some of those measures: it created an assessment and information website with the aim of supporting consumers who wish to opt for a self-consumption installation, including regulations, technical guides, mailbox of doubts and questions, etc. It also opened in 2023, the first call of the program for Community Transformation Offices (OTC) with an award of 20 million euros to a total of 79 projects spread across a large part of the national territory. The program seeks to facilitate the creation of new energy communities of all kinds (citizens, business, industrial, etc.) with dissemination, advisory and support measures.^{10.}

On the other hand, Spain has reached almost 100% of smart meter installations following a government mandate.

9. <https://www.appa.es/wp-content/uploads/2023/02/Informe-Anual-Autoconsumo-Fotovoltaico-2022.pdf>

10. <https://cincodias.elpais.com/companias/2023-09-28/unef-asegura-que-el-autoconsumo-residencial-esta-cayendo-de-forma-dramatica.html>

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>

