

Portugal

Renewable Energy Fact Sheet

Policy Background

The EU is working to reduce the effects of climate change and establish a common energy policy. As part of this policy, European Heads of State or Government agreed in March 2007 on binding targets to increase the share of renewable energy. By 2020 renewable energy should account for 20% of the EU's final energy consumption (8,5% in 2005). To meet this common target, each Member State needs to increase its production and use of renewable energy in electricity, heating and cooling and transport.

Although renewable energies are an integral part of our fight against climate change, they also contribute to growth, job creation and increase our energy security.

Country targets

The renewables targets are calculated as the share of renewable consumption to gross final energy consumption. Renewables consumption comprises the direct use of renewables (e.g. biofuels) plus the part of electricity and heat that is produced from renewables (e.g. wind, hydro), while final energy consumption is the energy that households, industry, services, agriculture and the transport sector use. The denominator for the RES share includes also distribution losses for electricity and heat and the consumption of these fuels in the process of producing electricity and heat.

Portuguese target: 31% (2005 = 20.5%)

Key issues

What has been adopted so far in Portugal in relation to renewable energy constitutes a comprehensive policy mix, complete with monitoring system. Portugal has been moving further away from its RES-E target between 1997 and 2004. In part, this is due to the fact that the target was not entirely realistic as it was based on the exceptional hydropower performance of 1997. As a consequence, Portugal is not expected to reach its target, even if measures are successful. In 2006, 74% of total RES-E production was from hydropower.

The world's first wave power plant with a capacity of 4 MW is now operating, and a licence has been awarded for a photovoltaic power plant with forecast production of 76 GWh per year.

Main supporting policies

In Portugal, the following measures have been taken to stimulate the uptake of RES-E:

- Fixed feed-in tariffs per kWh exist for PV, wave energy, small hydro, wind power, forest biomass, urban waste and biogas. For biomass, the average feed-in tariff in 2006 was €0.11/kWh
- Tendering procedures were used in 2005 and 2006 in connection to wind and biomass installations.
- In 2006, a call for tenders was launched for thermoelectric power plants using forest biomass
- Investment subsidies up to 40% can be obtained.
- Tax reductions are available.

A law was adopted in August 2007 providing the legal basis for government use of public maritime areas for producing electricity from sea-wave power.

Since January 2006, when Directive 2003/30/EC was transposed into national law, the following types of support have been available for biofuel production: total or partial exemption from excise duty up to a quota that is set annually, and total ISP exemption for biofuels produced in certain pilot projects. Besides this, there is the possibility of imposing a quota for biofuels in transport fuels, and of establishing voluntary agreements whenever the biofuel share in blends exceeds 15% in the case of public passenger transport fleets. Lastly, Portugal has seen the organisation of events, debates and demonstrations centred on biofuels.

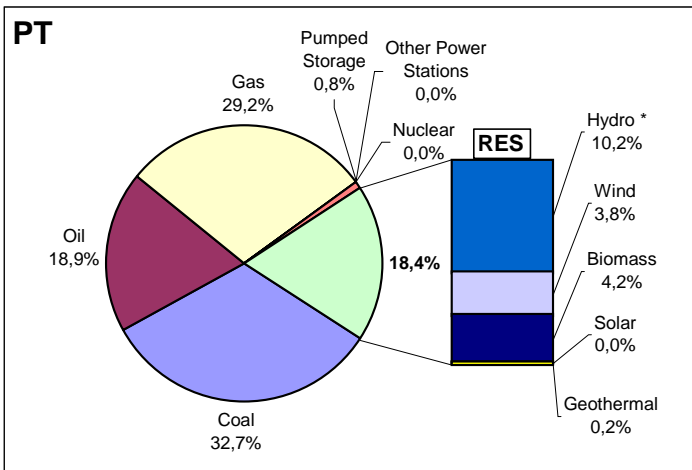
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A broad range of policy measures has been implemented to ensure the uptake of RES-H. Investment subsidies are available, and the new Portuguese building code introduces the obligation to install solar thermal systems in certain cases. On top of this, accelerated depreciation on solar thermal equipment investments has been made possible. In the region of Madeira, non-returnable grants are also available for domestic solar thermal systems (SIEST).

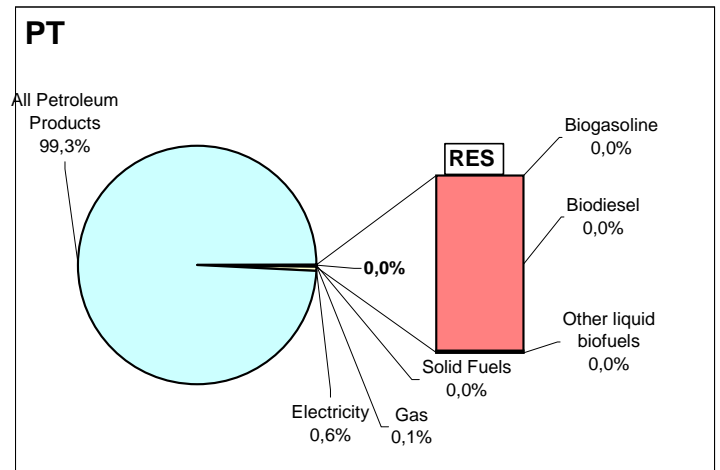
In September 2007, new incentives for the micro-generation of renewable electricity were approved as part of a package for reducing carbon emissions. The micro-generation tariff is €650/MWh for an initial five-year period. By 2015 national micro-generation capacity will be around 200 MW.

Key figures¹

Gross Electricity Generation by fuel (2005)



Final Energy Consumption by Fuel, Transport (2005)



Source: Eurostat

* Not including generation from hydro pumped storage, but including electricity generation to pump water to storage. Municipal Solid Waste, Wood waste, Biogas included.

For further information

To find out more about renewables, go to: http://ec.europa.eu/energy/res/index_en.htm

http://ec.europa.eu/energy/intelligent/index_en.html

To find out more about the current situation of renewables in the Member States, go to

http://ec.europa.eu/energy/res/legislation/electricity_member_states_en.htm

http://ec.europa.eu/energy/res/legislation/share_res_eu_en.htm

To find out more about support measures, go to

http://ec.europa.eu/energy/res/legislation/support_electricity_en.htm

To find out about a project or contact an energy agency in your region, go to

<http://www.managenergy.net/emap/maphome.html>

¹ Reliable and complete data for heating and cooling is not yet available from Eurostat

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What is meant by.....?

RES: Renewable energy sources

RES-E: Electricity production from renewable energy sources

RES-H: Production of heat and cold from renewable energy sources

Biofuels: Mainly includes biodiesel and bioethanol

Biomass: Includes solid biomass, biowaste and biogas

PV: Photo-voltaic - technology for the production of electricity from solar energy

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