



## State aid: Commission approves Spanish support scheme for renewable electricity

Brussels, 10 November 2017

**The European Commission has found the Spanish scheme supporting electricity generation from renewable energy sources, high efficiency cogeneration of heat and power and waste to be in line with EU State aid rules. The scheme will further EU energy and climate goals whilst preserving competition.**

Commissioner Margrethe **Vestager**, in charge of competition policy, said: "*I am pleased to see the latest Spanish renewables auctions have shown the positive effects of competition: companies are ready to invest in new installations with very low levels of State support. Spain's transition to a low carbon, environmentally sustainable energy supply is important and this support scheme will help.*"

Under the scheme, beneficiaries receive support through a premium on top of the market price of electricity, so that they have to respond to market signals. This premium is meant to help these facilities compensate for costs that cannot be recovered from selling electricity in the market, and obtain a reasonable return on investment.

The scheme has been in place since 2014 and applies to new beneficiaries as well as to facilities that were benefitting from previous support. In total, the scheme has around 40,000 beneficiaries. In 2016, the annual payments under the scheme amounted to €6.4 billion.

Since 2016, support to new facilities is granted through competitive auctions. Different technologies have competed with each other in the latest auctions of May 2017 and July 2017. In total, support for capacity of slightly more than 8 gigawatts was awarded, essentially to wind and solar panel plants. As a result of these auctions, beneficiaries will receive compensation only if, in the coming years, the market price drops to a level significantly below today's market prices. This protection against an unexpectedly sharp fall in market prices helps developers to secure project financing, and therefore complete the projects on time. This will help Spain achieve its 2020 environmental and climate change objectives.

The Commission assessed the scheme under EU State aid rules, in particular the Commission's [2014 Guidelines on State Aid for Environmental Protection and Energy](#). In particular, they require competitive auctions for renewables support since 2017. They ensure that the use of public funds is limited and there is no overcompensation. On this basis, the Commission concluded that the Spanish measure will boost the share of electricity produced from renewable energy sources, in line with EU [environmental objectives](#), while any distortion of competition caused by the state support is minimised.

The scheme is accompanied by an evaluation plan to assess its impact. The results of this evaluation will be submitted to the Commission by December 2020.

### Background

The Commission's [2014 Guidelines on State Aid for Environmental Protection and Energy](#), enable Member States to support the production of electricity from renewable energy sources (including from renewable waste) and high efficiency combined heat and power plants, subject to certain conditions. These rules are aimed at meeting the EU's ambitious energy and climate targets at the least possible cost for taxpayers and without undue distortions of competition in the Single Market.

The [Renewable Energy Directive](#) established targets for all Member States' shares of energy renewable energy sources in gross final energy consumption by 2020. For Spain, that target is 20% by 2020.

More information on today's decision will be available, once potential confidentiality issues have been resolved, in the [State aid register](#) on the Commission's [competition](#) website under the case number [SA.40348](#). The [State Aid Weekly e-News](#) lists new publications of State aid decisions on the internet and in the EU Official Journal.

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