

Reply to the European Commission relating to the National Renewable Energy Action Plan (NREAP)

Authorisation procedures (P4.2.1)

- Page 21 of the NREAP mentions a measure for the establishment of a single contact point that would be a one-stop shop for licensing procedures: 'Strengthen DGEG's position as interlocutor in licensing procedures, by means of a one-stop shop, coordinating the interactions between the various parties involved'. The time schedule has also been established (2010-2011), which means that the measure must be fully implemented by the end of 2011.

Micro- and miniproduction schemes already have a simplified licensing procedure. However, the miniproduction scheme (up to 5.75 kW) was recently revised by Decree-Law No 118-A/2010 of 15 October, simplifying procedures even more and making the registration procedure even more transparent for producers (FIFO system). Miniproduction (up to 250 kW) was recently approved by Decree-Law No 34/2011 of 8 March 2011, and will also, like microproduction, have a simplified procedure.

Buildings (P.4.2.3)

- Table 12 is admittedly conservative with respect to the impact of heat-pump units given that the European Commission has not yet decided on the method for calculating the fraction of renewable energy associated with the use of this equipment, a decisive aspect as far as the impact to be considered is concerned. In accordance with Directive 2009/28/EC, the Commission must decide, by the end of 2011, on the meaning of recital 31 and Article 5: 'Only heat pumps with an output that significantly exceeds the primary energy needed to drive them should be taken into account.' In particular, the Commission must establish 'guidelines on how Member States should estimate the values of Q_{usable} and SPFs for the different heat pump technologies and applications, taking into consideration differences in climatic conditions, especially very cold climates.'

In this area of the buildings, it is the impact of small-scale biomass boilers that is mostly taken into account. We admit that some biomass boilers may be replaced by heat-pump units to contribute to the heating of buildings, but this was not taken into account in this exercise. The data for 2015 were already included in the national energy efficiency action plan (PNAEE). The figures for 2020 are an estimate for the new PNAEE 2020.

- There are no statistical data enabling us to fill in Table 7 regarding the estimated quota of renewable energy in the building sector. A survey was carried out in 2010 on energy consumption in the domestic sector, which will enable us to obtain information in this field. The statistical data must first be processed, which is why we cannot submit data as yet.

Network development (P4.2.6)

- * P4.2.6.f) – The Directorate-General for Energy and Geology monitors the execution of the network development plans in the process of approving the infrastructure provided for in such plans.

This involves technical approval of projects and administrative checking of the procedure. In this phase, the compatibility of the project with all the planning measures with which it may interfere is checked.

- * P 4.2.6 i) – The development costs of transmission and distribution networks aimed at integrating the planned power generation into the national energy policy for production in ordinary or special regime correspond to the investments provided for in the plans for the development of and investment in the transmission and distribution network, which are designed to respond to the objectives of the energy policy.

As there are no special rules for peripheral areas or areas with a low population density, the specific links needed to connect generating centres to the network are the producers' responsibility.

Biofuel sustainability criteria (P4.2.10)

- * For:

'The verification of compliance with sustainability criteria shall be carried out by verification and audit firms recognised to that effect by the European Commission.'

read:

'The verification of compliance with sustainability criteria shall be carried out by verification and audit firms recognised to that effect by the Coordinating Body for Compliance with Sustainability Criteria provided for in Articles 20 and 21 of Decree-Law NO 117/2010 of 25 October 2010.'

Support schemes for the promotion of the use of energy from renewable resources in heating (P4.4)

Once put into practice, existing measures referred to in the NREAP will be appropriate to support what is provided for in Table 12 (p. 112), in particular considering the obligations relating to the installation of solar thermal systems underpinning microproduction regimes (Decree-Law No 363/2007) and the needs of the system for the energy certification of buildings (SCE).

Despite the suspension of financial support offered by the State to household consumers, new schemes were established to support solar thermal installations in city halls, in IPSSS and in SMEs through the QREN fund.

Support schemes to promote the use of energy from renewable resources in transport applied by the Member State or a group of Member States (P4.5)

- What are the specific obligations / targets per year (per fuel or technology)? Is there differentiation of the support according to fuel types or technologies? Is there any specific support to biofuels which meet the criteria of Article 21(2) of the Directive?

The new fuel support mechanism established in Decree-Law No 117/2010 of 25 October 2010, which will enter into force by the end of 2020, is based on the following general principles:

- ú Submission, by companies releasing fuel for consumption, of 'credits' (titulos) relating to the incorporation of biofuels into consumption in quantities corresponding to a specific incorporation percentage, in energy content, to be fixed for each year. In order for these credits to be issued, the biofuel released must be certified as to its compliance with sustainability criteria;
- ú Existence of mechanisms for supporting the use of biofuel produced from waste, non-food cellulose material and ligno-cellulose material as well as the use of endogenous non-food raw material as an incentive to the creation of new raw materials exerting no pressure on the food sector. Biofuels produced from endogenous agricultural raw materials will also receive support provided the raw materials come from regions involved in the Programme for the Recovery of Depressed Areas and Economic Sectors, in accordance with the Resolution No 11/2004 of 22 January 2004 of the Council of Ministers, as a form of support for rural development;
- ú Maintenance of the aid scheme for small dedicated producers.

The failure to submit the required number of credits will entail the application of monetary fee.

- What are the specific obligations / targets per year (per fuel or technology)?

Under Decree-Law No 117/2010 of 25 October 2010, the amount of biofuels released for consumption of biofuels must meet the following objectives, measured as energy content as a percentage of all fuels released for consumption:

| | |
|---------------|-------|
| 2011 and 2012 | -5% |
| 2013 and 2014 | -5.5% |
| 2015 and 2016 | -7.5% |
| 2017 and 2018 | -9% |
| 2019 and 2020 | -10% |

Note: 'all fuels' to be understood as total consumption of petrol, diesel (railway, coloured, marked), natural gas and LPG.

In the meanwhile, between 2015 and 2020, a new specific obligation will be fixed for the consumption of biofuels as a replacement for petrol i.e. an energy content of at least 2.5%.

Is there differentiation of the support according to fuel types or technologies?

The support consists in the need to present credits for incorporating biofuels into consumption, whereby the value is increased by the amount of compensation to be paid for failing to submit it. At present there is no differentiation between fuels and technology, but it is expected that in 2015 this differentiation might be introduced with the entry into force of the obligation to use biofuels in place of petrol.

Is there any specific support for biofuels which meet the criteria of Article 21(2) of the Directive?

For biofuels meeting the criteria of Article 21(2) of the Directive and complying with the sustainability criteria established therein, for each tonne equivalent of oil released for consumption two credits for releasing biofuels into consumption are issued, so that they receive double the amount of other biofuels that do not receive the bonus.

As regards investment aid schemes, some types of biofuel production projects, in particular technology innovation and demonstration projects, are eligible for the QREN, in particular for the innovation incentive scheme for technological demonstration projects and the technological research and development incentive system. These incentive systems allocate subsidies between 35% and 55% of eligible expenditure, in accordance with the respective regulations published in Order No 353-B/2009 and No 353-C/2009, both of 3 April 2009.

Biomass supply (P4.6.1):

The questions raised by the Commission on the supply of biomass in the NREAP (pp. 90 to 96) refer to:

Table 8: The columns relating to the ‘imported’ and ‘exported’ quantities and to ‘liquid quantities’ were not filled in for lack of data from the Ministry of Agriculture and Rural Development for 2006. Registration platforms and information collection routines are currently being set up which will enable us, in the near future (possibly as soon as from 2011), to process these data and make them available.

Table 7a: Of course, the data relating to the ‘Primary Energy Production (ktep)’ regarding agricultural biomass refer to the final energy contained in the biofuels and not to the gross raw material used for their production.

As regards the import of biofuels, the following must be clarified: Portugal does not expect to import biodiesel or bioethanol in any of the years between 2010 and 2020. In this period, however, it will import raw material for producing such fuels in Portugal. In this respect, the following sentence in the NREAP (p. 95) should be reformulated for increased clarity:

‘Taking into consideration the search for biomass for the various sectors – Electricity, Heating and Cooling and Transport – it is expected that the country can meet most of its

needs with the domestic supply of raw material. The only exception is in the transport sector, in particular in the production of biofuels, where imports will have to attain a significant relative value. It is estimated that in 2020 imports for this purpose must attain 431 ktep, i.e. over 90% of the raw material used for the production of biofuels. At the same time, total imports must not be more than 10% of biomass needs, at an estimated value of 11% for 2020.

It should read:

‘Taking into consideration the search for biomass for the various sectors – Electricity, Heating and Cooling and Transport – it is expected that the country can meet most of its needs with the domestic supply of raw material. The only exception is in the transport sector, in particular biofuels, where imports of raw material for biofuel production will have to attain a significant relative value. It is estimated that in 2020, imports for this purpose must amount to over 90% of the raw material used for the production of 431 ktep of biofuels. At the same time, total imports will not exceed 70% of biomass needs, at an estimated value of 11% for 2020.’

Table 13 (P5.1)

This Table on page 120 does not indicate biofuel imports and, as such, is not contradictory like that under point 4.6.1 of the NREAP, as explained above. No biofuels are imported, only raw materials which are used to produce biofuels.