

## **Progress report on cogeneration in Portugal pursuant to Article 6(3) of Directive 2004/8/EC**

Directive 2004/8/EC of 11 February 2004 on the promotion of cogeneration based on a useful heat demand was adopted with a view to increasing energy efficiency and improving the security of energy supply in EU Member States.

Under Article 6(3) of Directive 2004/8/EC on "National potentials for high-efficiency cogeneration" and Article 10(2) on "Member State's reporting", the following requirements are respectively laid down:

"Member States shall evaluate progress towards increasing the share of high-efficiency cogeneration";

"Member States shall publish a report with the result of the evaluation referred to in Article 6(3)".

The current Report on progress in the field of cogeneration in Portugal, fulfils the requirement under Article 6(3) of the Directive. This Report is drawn up by reference to legislative, administrative and technical implementing steps based on the aforementioned Directive. Those steps are geared towards the further promotion of high-efficiency cogeneration in Portugal.

### ***I. Transposition of the legal text of Directive 2004/8/EC***

*1. Has your country already sent in notifications of transposition to the Commission?*

*Please indicate which document you sent on which date, and which Article was transposed in this way, and where it can be found in the document.*

*(background: there are Member States which transpose (parts of) Articles in a general energy law of many pages, making it hardly possible to do a check or specific translation)*

**The Directive 2004/8/EC of the European Parliament and of the council of 11 February 2004 on the promotion of cogeneration based on a useful heat demand, was transposed into the Portuguese law by a single legal diploma, Decree-Law n° 23/2010 of 25 March, which, however, has been amended by Law n° 29/2010 of 23 August.**

**The Commission was notified in March 2010.**

*2. What is the timeline for the remaining parts of the transposition of the Directive?*

*Please indicate how this will take place (revision of a general energy law, a specific law, decree, regulation, ....), at what stage in the legislative process your country is for this part, what the expected reasonable timeline until adoption will be, and what the obstacles are, if any.*

**See answer to question number 1.**

*3. Will your country use any option that is described in Article 12? If so, which one?*

**Portugal actually use the alternative method described in Article 12 (2) of the Directive. This option is mainly related to the characteristics of cogeneration in Portugal.**

**It is part of the licensing application process for the production of cogeneration the demonstration of the primary energy savings calculating. Cogeneration is almost entirely associated to industrial processes and that is why this method fits best and become even more beneficial in terms of licensing and the efficiency classification of those cogeneration plants.**

*4. Will (parts of) the transposition be done by regions? If so, which parts? And by which regions?*

**The transposition is National, not by regions.**

## ***II Transposition of Commission Decision 2007/74/EC on harmonised efficiency reference values and related issues***

*1. What is the timeline for the transposition of the Commission Decision of 21.12.06? Please indicate how this will take place (revision of a general energy law, a specific law, decree, regulation, ....).*

**We don't know yet when, but it will be published by an order.**

*2. Article 5 requires Member States to ensure that accurate and reliable guarantees of origin can be issued according to objective, transparent and non-discriminatory criteria not later than 6 months after the adoption of the harmonised efficiency reference values. Please indicate how your country is making progress towards meeting this deadline. Can you already indicate which will be the "one or more competent bodies" mentioned in Article 5.2?*

**According to the provision in Decree-Law nº 23/2010 of 25 March 2010, (amended on 23 August by Law nº 19/2010), the Portuguese Government entrusted the procedure for issuing Guarantees of Origin to the concession holder of the National Transport Network (NTN).**

*3. Is it already known if your country will adopt the model developed by the Commission and the European Association of Issuing Bodies?*

**REN (Rede Eléctrica Nacional), the concession holder of the NTN, is in fact, a member of the AIB (Associating of Issuing Bodies). The way in which the EEGO (entidade emissora de garantias de origem = body responsible for issuing guarantees of origin) functions are carried out will be contained in a manual of procedures to be drawn up by that body and approved by the Directorate-General for Energy and Geology (DGEG). For this reason, despite the manual not be finished, the EEGO will follow the rules of these organisms.**

*If not:*

*-Is the national scheme similar enough to allow a transition to this model in the coming years?*

*-Can you indicate how the national scheme is matching the safeguards of fraud-resistance, accuracy and reliability that are provided by the Commission model?*

*4. Will (parts of) the transposition be done by regions? If so, which parts? And by which regions?*

**The transposition is National, not by regions.**

### **III. Reporting obligations**

*Article 10 of Directive 2004/8/EC requires Member States to submit various reports. Article 10.1 suggests that there could be one big overall report. Due to the developments in the CHP Committee it could be argued that there might be a reason to have a delay in the report mentioned in Article 5.3 but this can not be a justification for a delay in the analysis and evaluations carried out in accordance with Article 9 and hardly for the one in accordance with Article 6.1.*

*1. Article 9.1 requires an evaluation of the existing legislative and regulatory framework with regard to authorisation and other procedures, applicable to high-efficiency cogeneration units. Article 9.2 requires Member States to provide indications on the stage reached in coordination between administrative bodies, on guidelines for reduced and/or simplified authorisation procedures and the reduction of barriers, as well as the designation of authorities able to mediate in disputes between applicants for cogeneration authorisation with issuing authorities. This report was due on 21.02.2006 and has no relation with the CHP Committee procedure. How far is your country with this report? When can the Commission expect it?*

**This report was sent to the Commission in December 2010, together with the report on the System of Guarantees of Origin. This report describes, in summary form, the administrative procedures applicable to high-efficiency cogeneration units, particularly for the licensing process.**

*2. Article 6.1 and 6.2 requires Member States to establish an analysis of the national potential for the application of high-efficiency cogeneration, including high-efficiency micro-cogeneration. This has to be based on well-documented scientific data. It has to identify all potential for useful heating and cooling demands as well as fuels and other energy resources, including waste heat. It also has to include a separate analysis of barriers, in particular relating to prices and costs of and access to fuels, grid system issues, administrative procedures, internalisation of external costs. Has your country already submitted this report? If so, when? If not, when can it be expected? Will the final report have taken into account the harmonised efficiency reference values as endorsed by the CHP Committee in August 2006 and officially adopted by the Commission on 21.12.2006? Will the report include an analysis of the heat demand suitable for CHP and the waste heat potential?*

**This report has been sent to the Committee in June 2010 and was prepared in accordance with the Directive.**

3. *When can the report referred to in Article 5.3 and 10.1 and related to Chapter II of this template be expected?*

**See the answer to the question number 1-chapter III**

4. *Will (parts of) the reporting obligations be fulfilled by regions? If so, which parts? And by which regions?*

**There aren't reporting obligations to be fulfilled by regions.**

#### **IV. Support schemes**

*Article 7 of Directive 2004/8/EC deals with support schemes for high-efficiency cogeneration.*

1. *Does your country already have support schemes for CHP (operational and/or investment aid)? Have these schemes been notified to and approved by the Commission (DG COMP)? If so, please give references. Until when are these schemes running? What kind of support is provided (feed-in tariffs, certificates and quota, priority access to the grid, ...)? How much money on a yearly basis has been provided in this way in the past years to the promotion of cogeneration in general and to the promotion of high-efficiency cogeneration in particular?*

**According to Decree-Law n° 23/2010 of 25 March 2010, is expected a feed-in-tariff to support the sale of the electricity produced by CHP to the electricity grid. The values to support this tariff are already calculated and waiting for approval by the Government.**

2. *Is your country in the process of developing or introducing new support schemes to promote cogeneration? Will these be reserved for high-efficiency cogeneration units based on Directive 2004/8/EC and Commission Decision 2007/74/EC? What kind of support is planned? Which sectors will be targeted (agricultural and/or industrial and/or heating cogeneration)? Will these measures be general or based on certain principles or criteria? If so, which? Have they been based on an assessment, including cost-effectiveness, of earlier support schemes in your country or elsewhere, and if so, which ones? Are they designed to provide stable long-term investment conditions? At which stage in the legislative process are these new schemes? When are these new schemes expected to be notified to the Commission?*

*How much money is expected to be made available on a yearly basis to the promotion of high-efficiency cogeneration in the coming years?*

**At the moment beyond the feed-in-tariff, there aren't more specific support measures for CHP.**

3. *Will there be regional support schemes? If so, please answer these questions for each of them.*

**Regional support schemes aren't expected.**

## **V. Statistics**

*Under Article 10.3 of Directive 2004/8/EC Member States shall submit statistics on national electricity and heat production from cogeneration, in accordance with Annex II, as well as annual statistics on cogeneration capacity and fuels used for cogeneration. Most Member States seem to be able to comply with this obligation, even without detailed guidelines being in place. Do you have any comments regarding this requirement? Does your country also submit statistics on primary energy savings achieved by cogeneration in accordance with Annex III, or does it plan to do so in the future? If so, when?*

**Since the publication of the Directive 2004/8/EC and even before its transposition, Portugal sends periodically the statistical production of CHP, according to the methodology and values laid down in Directive and in its Annexes.**

**The values are sent to Eurostat and also to the International Energy Agency.**

## **VI Concrete progress**

*Can your country already show progress in high-efficiency cogeneration since the publication of the directive on 21.02.2004 which can be ascribed to either EU or national legislation and support schemes? If so, please inform the Commission of the details (success factors, problems, risks, ....). If regions are responsible for (part of the) legislation and support schemes please specify your answer at the level of these regions as well.*

**Under Article 6(3), Member States should submit to the committee the evaluation of progress towards increasing the share of high-efficiency cogeneration. However, once the transposition of the Directive is still recent and the supporting mechanisms are not yet in force (although Portugal is already doing the calculations of CHP production in accordance with the Directive) it isn't possible to present concrete results from these measures.**