

Research RES LEGAL – Promotion system

Country: Spain

1. Summary of support system

Overview of support system	In Spain, the generation of electricity from renewable sources is mainly promoted through a price regulation system. System operators may choose between two options: a guaranteed feed-in tariff and a guaranteed bonus (premium) paid on top of the electricity price achieved in the wholesale market. Furthermore, investments in systems and equipment required for the generation of electricity from renewable sources may be deducted from tax.
Means of support	<ul style="list-style-type: none">• Price regulation. In Spain, the generation of electricity from renewable sources is promoted through a price regulation system. System operators may choose between a feed-in tariff and a bonus, which is paid on top of the electricity price achieved in the wholesale market (arts.1, 24 RD 661/2007). This system only applies to those amounts of electricity that are within the statutory maximum production capacities set for each individual technology (arts. 37 to 42 RD 661/2007; arts. 10, 5 RD 1578/2008). Both the feed-in tariff and the bonus are regulated by RD 661/2007 and are thus subject to similar legal provisions.• Tax regulation mechanisms. Between 1 May 2011 and 31 December 2012, all entities whose income is below € 71,007.20 per year are entitled to a tax credit equal to 20% of all investments related to the use of renewable energy or similar measures in their building of residence.
Technologies	In general, all technologies are eligible.
Statutory provisions	<ul style="list-style-type: none">• Plan de Energías Renovables en España 2005-2010 (Renewable Energy Plan)• Real Decreto 661/2007 (promotes all renewable energy sources)• Real Decreto 1578/2008 (feed-in tariff for photovoltaic systems)• Real Decreto 436/2004 (promotes all renewable energy sources; may still be applied during a transition period)• Ley 54/1997 (Electricity Sector Law)• Ley 35/2006 (Law on the taxation of companies)• Real Decreto 1955/2000 (use of the grid)• Real Decreto 2019/1997 (sale of electricity)• Real Decreto 2017/1997 (cost of use of the grid)

2. Basic information on legal sources

Name of legal source (original language)			
Full name	Real Decreto 661/2007, de 25 de mayo, por el que se regula la actividad de producción de energía eléctrica en régimen especial	Real Decreto 1578/2008, de 26 de septiembre, de retribución de la actividad de producción de energía eléctrica mediante tecnología solar fotovoltaica para instalaciones posteriores a la fecha límite de mantenimiento de la retribución del Real Decreto 661/2007, de 25 de mayo, para dicha tecnología	Ley 54/1997, de 27 de noviembre, del Sector Eléctrico
Name (English)	Royal Decree No. 661/2007 of 25th May 2007 on the Regulation of Electricity Production through a Special Feed-in System ("Régimen Especial")	Royal Decree No. 1578/2008 of 26th September 2008 on the Payment for Electricity Generated by Photovoltaic Systems that were Registered after the Deadline for Eligibility for Payment under Royal Decree no. 661/2007 of 5th May.	Law No. 54/1997 of 27 th November 1997 on the Electricity Sector
Abbreviated form	RD 661/2007	RD 1578/2008	Ley 54/1997
Entry into force	01.06.2007	28.09.2008	29.11.1997
Last amended on	31.03.2011	19.11.2010	29.03.2011
Future amendments			
Purpose	Establishing legal and economic provisions on electricity producers under "Régimen Especial".	Regulating photovoltaic electricity generation.	This Act aims at regulating legal and economic aspects of the generation, transmission, distribution, marketing, import and export of electricity.
Relevance for renewable energy	This Decree directly promotes the generation of electricity from renewable energy sources.	This decree stipulates that operators of renewable electricity generation systems that would like to benefit from RD 661/2007 have to register their systems with a preliminary register (art. 4 RD 6/2009).	This act includes several provisions on the construction and operation of renewable electricity systems.

Link to full text of legal source (original language)	http://www.boe.es/aeboe/consultas/bases_datos/doc.php?coleccion=iberlex&id=2007/10556	http://www.boe.es/aeboe/consultas/bases_datos/doc.php?coleccion=iberlex&id=2008/15595	http://www.boe.es/g/es/bases_datos/doc.php?coleccion=iberlex&id=1997/25340
Link to full text of legal source (English)			

Name of legal source (original language)			
Full name	Ley 35/2006, de 28 de noviembre, del Impuesto sobre la Renta de las Personas Físicas y de modificación parcial de las leyes de los Impuestos sobre Sociedades, sobre la Renta de no Residentes y sobre el Patrimonio.	Real Decreto 1955/2000, de 1 de diciembre, por el que se regulan las actividades de transporte, distribución, comercialización, suministro y procedimientos de autorización de instalaciones de energía eléctrica	Real Decreto 2019/1997, de 26 diciembre 1997, por el que se organiza y regula el mercado de producción de energía eléctrica
Name (English)	Law No. 35/2006 of 28th November 2006 on the Tax on Income of Natural Persons, and on Changes to the Laws on Taxes on Companies, on Income of Non-residents and on Property.	Royal Decree No. 1955/2000 of 1st December 2000 on the Regulation of the Transmission, Distribution, Marketing, and Supply of Electricity and the Authorisation Procedure for Electricity Generation Systems	Royal Decree No. 2019/1997 of 26 th December 1997 Organising and Regulating the Electricity Market.
Abbreviated form	Ley 35/2006	RD 1955/2000	RD 2019/1997
Entry into force	29.11.2006	16.01.2001	01.01.1998
Last amended on	28.05.2011	13.02.2010	01.10.2010
Future amendments			
Purpose	Act No. 35/2006 includes important amendments to Spanish business tax law as regards the promotion of renewable energy.	Regulating connection and access to the grid and the transmission and distribution of electricity.	Securing a free and transparent electricity market through a framework of provisions on the generation and sale of electricity.
Relevance for renewable energy	This Act provides tax incentives for investments in renewable energy.	This decree also applies to systems that generate electricity from renewable energy sources.	This Decree applies to electricity generated from all primary sources of energy. RD 661/2007 establishes

			provisions on the prerequisites for final registration in the register of systems.
Link to full text of legal source (original language)	http://www.boe.es/g/es/bases_datos/doc.php?coleccion=iberlex&id=2006/20764	http://www.boe.es/aeboe/consultas/bases_datos/doc.php?coleccion=iberlex&id=2000/24019#analisis	http://www.boe.es/g/es/bases_datos/doc.php?coleccion=iberlex&id=1997/27817
Link to full text of legal source (English)			

Name of legal source (original language)			
Full name	Real Decreto 2017/1997, de 26 de diciembre, por el que se organiza y regula el procedimiento de liquidación de los costes de transporte, distribución y comercialización a tarifa, de los costes permanentes del sistema y de los costes de diversificación y seguridad de abastecimiento		
Name (English)	Royal Decree No. 2017/1997 of 26 th December 1997 Organising and Regulating the Procedures for the Liquidation of Costs related to Transport, Distribution and Commercialisation, of Permanent System Costs, and of Costs related to Diversification and Security of Supply.		
Abbreviated form	RD 2017/1997		
Entry into force	01.01.1998		
Last amended on	14.05.2005		
Future amendments			

Purpose	Securing a free and transparent electricity market through a framework of provisions on the generation and sale of electricity.		
Relevance for renewable energy	This Decree applies to electricity generated from all primary sources of energy. RD 661/2007 regulates the distribution of the costs incurred to the grid operator as a result of the promotion of electricity from renewable sources.		
Link to full text of legal source (original language)	http://www.boe.es/aeboe/consultas/bases_datos/act.php?id=BOE-A-1997-27816		
Link to full text of legal source (English)			

3. Further information

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Instituto para la Diversificación y Ahorro de la Energía (IDAE) – Energy Agency	http://www.idae.es/index.php/mod.indice/mem.i		+34 914 564 900	comunicacion(at)idae.es
Comisión Nacional de Energía (CNE) – National Energy Commission	http://www.cne.es/cne/home2_english.jsp?id_nodo=3		+34 914 329 600	dre(at)cne.es
Ministerio de Industria, Turismo y Comercio (Ministry of Industry, Tourism and Commerce)	http://www.mityc.es/en-US/Paginas/index.aspx		+34 902 44 60 06	

Means of support

4.1. Feed-in tariff (Régimen Especial)

Abbreviated form of legal source(s)	<ul style="list-style-type: none"> • RD 661/2007 • RD 1578/2008 • Ley 54/1997 • RD 1955/2000 • RD 2019/1997 • RD 2017/1997 		
Country-specific <u>support system</u>	<p>In Spain, the generation of electricity from renewable sources is mainly promoted through a price regulation system.</p> <ul style="list-style-type: none"> • System capacity must not exceed 50 MW. Only systems whose capacity does not exceed 50 MW are eligible (art. 27 Ley 54/1997). Moreover, a system's capacity shall be within the statutory maximum capacity set for the respective source of energy. • Guaranteed Feed-in tariff for solar power. Electricity generated by photovoltaic systems shall be purchased at a guaranteed feed-in tariff, which is adjusted for new systems every quarter (RD 1578/2008). • Right to choose for systems that generate up to 50 MW. Operators of systems that generate electricity from renewable sources other than photovoltaic energy and whose capacity does not exceed 50 MW may choose between the guaranteed feed-in tariff and a bonus, which is paid on top of the price achieved in the free market (art. 24. RD 661/2007 in connection with art. 45 RD 661/2007). • Bonus for systems that generate 50 to 100 MW. Operators of systems whose capacity is 50 to 100 MW are only entitled to a bonus for high system efficiency and for the use of reactive energy (art. 28, 29 RD 661/2007), which is paid on top of the sale price. • Premium. <p>Except for operators of solar power systems, system operators may choose between two feed-in tariffs. A system operator's decision is binding for one year (art. 24, art. 26 par. 3 RD 661/2007).</p> <ul style="list-style-type: none"> • Guaranteed feed-in tariff. RD 661/2007 provides guaranteed tariffs in terms of state-regulated minimum tariffs for each source of energy (arts. 35-43 RD 661/2007). • Variable feed-in tariff. Operators of hydro-electricity and biomass systems may also opt for a variable, time-dependent tariff, which is set by statutory law. This tariff is composed of different elements, which depend on the time of day and the season (art. 26 RD 661/2007 in connection with First Final Provision of RD 1578/2008). 		
Promoted technologies	<table border="1"> <tr> <td data-bbox="622 1182 1055 1444">General information</td><td data-bbox="1055 1182 2072 1444"> <p>In Spain, all technologies are generally eligible, with the following exceptions:</p> <ul style="list-style-type: none"> • Technology-specific capacity limits. If the market cap set by the government for the respective system type is reached, the exceeding amount of electricity will not be eligible for subsidies (art. 22, 35-42 RD 661/2007; arts. 5, 10 RD 1578/2008). • System-specific capacity limits. All systems that generate electricity from renewable sources and whose installed capacity does not exceed 50 MW are eligible for support (art. 27.1 Ley 54/97; art. 45 RD 661/2007). Systems </td></tr> </table>	General information	<p>In Spain, all technologies are generally eligible, with the following exceptions:</p> <ul style="list-style-type: none"> • Technology-specific capacity limits. If the market cap set by the government for the respective system type is reached, the exceeding amount of electricity will not be eligible for subsidies (art. 22, 35-42 RD 661/2007; arts. 5, 10 RD 1578/2008). • System-specific capacity limits. All systems that generate electricity from renewable sources and whose installed capacity does not exceed 50 MW are eligible for support (art. 27.1 Ley 54/97; art. 45 RD 661/2007). Systems
General information	<p>In Spain, all technologies are generally eligible, with the following exceptions:</p> <ul style="list-style-type: none"> • Technology-specific capacity limits. If the market cap set by the government for the respective system type is reached, the exceeding amount of electricity will not be eligible for subsidies (art. 22, 35-42 RD 661/2007; arts. 5, 10 RD 1578/2008). • System-specific capacity limits. All systems that generate electricity from renewable sources and whose installed capacity does not exceed 50 MW are eligible for support (art. 27.1 Ley 54/97; art. 45 RD 661/2007). Systems 		

		<p>whose capacity exceeds this limit are not eligible.</p> <ul style="list-style-type: none"> • Direct sales. In pursuance of "Régimen Especial", electricity that is transferred and sold directly is not eligible for subsidies (§ 24 par. 3 RD 661/2007).
	Wind energy	Both onshore and offshore wind energy systems are eligible until the market cap of 20,155 MW of installed capacity is reached (art 38 RD 661/2007).
	Solar energy	<p>Both photovoltaic and solar-thermal electricity generation (art. 2 RD 661/2007) are eligible, if the system capacity does not exceed the following limits:</p> <ul style="list-style-type: none"> • Systems registered in the register of systems prior to 29.09.2008. 371 MW for photovoltaic, 500 MW for solar-thermal systems. • Systems registered in the register of systems after 29.09.2008 (PV only). The capacity limits for the different system types are re-defined during the review of the application conditions every quarter (art. 5 RD 1578/2008, Annex III RD 1578/2008). Prior to the end of an application period, the market caps specified for each system type are published on the website of the Ministry of Industry, Tourism and Trade (art. 5 RD 1578/2008).
	Geothermal energy	Eligible, including hot-dry-rock energy (art. 2 RD 661/2007). Statutory law does not specify a market cap.
	Biogas	Eligible, if the main fuel is bio-fuel or biogas from anaerobic digestion of agricultural and livestock wastes, bio-degradable industrial waste and sewage sludge or landfill gas. Biogas and biomass from manure are eligible for subsidies until the cap of 250 MW (for both sources together) is reached (arts. 2, 41 RD 661/2007).
	Hydro-electricity	Systems whose primary source of energy is wave energy, tidal energy, ocean thermal energy and ocean current energy are eligible. Traditional hydro-electric stations are also eligible, if their entry capacity does not exceed 50 MW (arts. 2 b) 3, 45.2 RD 661/2007). Hydro-electricity systems that generate up to 10 MW are eligible for subsidies until the market cap of 2,400 MW is reached (art. 40 RD 661/2007).
	Biomass	<p>Eligible. Biomass from energy crops, agricultural or gardening waste, residues from forest harvesting, other silvicultural operations in woodlands and agricultural areas or waste from industrial plants are eligible for subsidies until the total capacity reaches 1371 MW (Arts. 2, 41 RD 661/2007).</p> <p>Biomass from manure and biogas are eligible for subsidies until the total capacity (of both sources) reaches 250 MW (Arts. 2, 41 RD 661/2007).</p>
Amount	General information	The tariff differs according to the source of energy (arts. 35 - 44 RD 661/2007 in connection with the website of the Ministry of Industry, Tourism and Trade). The guaranteed feed-in tariffs for the individual renewable energy sources are listed below.
	Wind energy	<ul style="list-style-type: none"> • Wind (onshore).

		<ul style="list-style-type: none"> ○ for 20 years: 7.9084 €/kWh ○ from the 21st year onwards: 6.6094 €/kWh
	Solar energy	<ul style="list-style-type: none"> • Solar (photovoltaic energy), registered in the register of systems prior to 29.09.2008. <ul style="list-style-type: none"> ○ for 28 years: 24.8138 – 47.5597 €/kWh (depending on the system size) ○ from the 29th year onwards (10<P≤50 MW only): 19.8510 €/kWh • Solar (photovoltaic energy), registered in the register of systems after 29.09.2008 (art. 11 RD 1578/2008). <ul style="list-style-type: none"> ○ for 25 years: 13.4585 – 28.8821 €/kWh (depending on system size and system location) (art. 12 RD 1578/2008 in connection with the website of the Ministry of Industry, Tourism and Trade). • Solar energy (solar-thermal generation). <ul style="list-style-type: none"> ○ for 25 years: 29.0916 €/kWh ○ from the 26th year onwards: 23.2731 €/kWh
	Geothermal energy	<ul style="list-style-type: none"> • Geothermal power. <ul style="list-style-type: none"> ○ for 20 years: 7.441 €/kWh ○ from the 21st year onwards: 7.0306 €/kWh
	Biogas	<ul style="list-style-type: none"> • Biogas. <ul style="list-style-type: none"> ○ for 15 years: 8.6311 – 14.1141 €/kWh (depending on system size) ○ from the 16th year onwards: 7.0306 €/kWh
	Hydro-electricity	<ul style="list-style-type: none"> • Hydro-electricity (up to 10 MW). <ul style="list-style-type: none"> ○ for 25 years: 8.4237 €/kWh ○ from the 26th year onwards: 7.5814 €/kWh ○ System capacities of 10 -50 MW are subject to the formula laid down in art. 36 RD 661/2007.
	Biomass	<ul style="list-style-type: none"> • Biomass. <ul style="list-style-type: none"> ○ for 15 years: 7.0284 – 17.1596 €/kWh (depending on energy source and system size) ○ from the 16th year onwards: 7.0284 – 12.7362 €/kWh (depending on energy source and system size)
Degression	General information	
	Wind energy	
	Solar energy	
	Geothermal energy	
	Biogas	
	Hydro-electricity	
	Biomass	

<p>Cap</p>	<p>Different caps are in place for each technology. Time limits related to these caps are not provided. Further details and legal references are provided in the section on eligibility.</p> <ul style="list-style-type: none"> • Wind: 20,155 MW • Solar: <ul style="list-style-type: none"> - Systems registered in the register of systems prior to 29.09.2008. 371 MW for photovoltaic energy, 500 MW for solar-thermal systems. - Systems registered in the register of systems after 29.09.2008 (PV only). The capacity limits for the different system types are re-defined during the review of the application conditions every quarter (art. 5 RD 1578/2008, Annex III RD 1578/2008). Prior to the end of an application period, the market caps specified for each system type are published on the website of the Ministry of Industry, Tourism and Trade (art. 5 RD 1578/2008). • Geothermal energy: no cap established • Biogas: 250 MW • Hydro-energy (systems up to 10 MW): 2,400 MW • Biomass: 1,371 MW
<p>Eligibility period</p>	<ul style="list-style-type: none"> • Feed-in tariff for the actual period of operation. The feed-in tariffs are paid during the entire time of operation of a system. The payment starts on the date of commissioning of the system. It is reduced after a certain period of operation specified by statutory law (photovoltaic energy: 30 years for systems registered before 29.09.2009; hydro-electricity: 25 years; wind energy: 20 years; geothermal energy: 20 years; biomass: 15 years). • PV systems registered after 29.09.2009: 25 years (art. 11 RD 1578/2007). During the period of payment, the feed-in tariffs are subject to adjustments (art. 44 RD 661/2007, art. 12 RD 1578/2008). • Bonus for a limited time of operation. Eligibility for the payment of a bonus ends after 15, 20, 25 or 28 years of system operation, depending on the source of energy used (see above in this section).
<p>Addressees</p>	<p>Entitled party. The persons entitled are those system operators that meet the following requirements:</p> <ul style="list-style-type: none"> • Systems shall come under "Régimen Especial). The system in question shall come under the definition laid down by Art 27.1 Ley 54/2007 in connection with art. 2 RD 661/2007. Systems come under this definition if they meet the following requirements: <ul style="list-style-type: none"> ○ Technology. The primary source of energy used by the system in question shall be a renewable source as specified by the regulation (art. 2 RD 661/2007). ○ Official classification. Systems shall be classified as coming under "Régimen Especial" by official notice (arts. 6, 14 par. 1 RD 661/2007). ○ Connection to a central control system. All systems that generate electricity as specified under "Regimen Especial" and whose capacity exceeds 10 MW shall be connected to a central control system, which shall be the interface with the system operator. The control system shall provide real-time system information and make sure that the system operator's instructions are implemented in such a way as to guarantee the reliability of the grid (art. 18 RD 661/2007). • Register of systems. Systems shall be registered in the register of systems. The register of systems is an official register kept by the Ministry of Industry, Tourism and Trade (art. 9 RD 661/2007). Autonomous regions may also keep such a register (art. 10 RD 661/2007). Registration of a system in the register of systems is usually carried out in two steps:

	<ul style="list-style-type: none"> ○ Preliminary registration. On request at the authority in charge, the system is preliminarily registered. The authority issues a notice on the registration. To be preliminarily registered, the applicant shall present the document on commencement of trial operation and prove that the technical contract with the grid operator on access to the grid has been concluded (art. 11 RD 661/2007). Preliminary registration is cancelled if final registration is not applied for within three months after the issuing of the notice on preliminary registration (art. 13 RD 661/2007) ○ Final registration. On request at the authority in charge, the system is finally registered in the register of systems. The authority shall decide on the registration within one month after the application (art. 12.2 RD 661/2007). The authority shall issue a notice on the registration (art 12.3 RD 661/2007.) One of the preconditions for final registration is the presentation of the document on commencement of regular operation of the system (art. 132 RD 1955/2000; art. 12.2 RD 661/2007). • Register of systems entitled to the feed-in tariff (photovoltaic systems only). Photovoltaic systems registered in the register of systems after 29.09.2008 are eligible for promotion only if they have also been admitted to a part of the register of systems called "the register of systems entitled to the feed-in tariff". This register aims at selecting systems for the feed-in tariff until the annual market cap for electricity from photovoltaic sources is reached. The systems are selected chronologically, i.e. the system that has been entitled the longest according to the documents submitted in the course of the application for registration will be selected first (art. 6 RD 1578/2008). If the cap is not reached in one year, the remaining capacity may be used in a subsequent year. <p>Obligated party. The persons obligated are the operators of distribution and transmission grids (depending on the level at which electricity is fed in), (art. 17 RD 661/2007).</p>	
Procedure	Procedure	
	Competent authority	
Flexibility Mechanism		
Funding	State	
	Consumers	The costs of the feed-in tariff for electricity from renewable sources are borne by the consumers.
	Grid operator	
	System operator	
	Distribution mechanism	<ul style="list-style-type: none"> • Grid operator. The cost of the feed-in tariffs for electricity from renewable sources is first borne by the grid operator (art. 4 e RD 2017/1997). • Consumers. The grid operator may pass on this cost to the consumers in

		<p>the form of surcharges (arts. 4, 5, 6 RD 2017/1997).</p> <ul style="list-style-type: none"> • Balancing the grid operator's costs. At the end of every month, the grid operator shall balance his additional income and additional expenses (for the payment of tariffs to the system operators). If the energy supplier's balance results negative, the deficit is covered by the National Energy Committee (CNE), (art. 30 RD 661/2007; arts. 4, 5, 6 RD 2017/1997).
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4.2. Premium tariff (Régimen Especial)

Abbreviated form of legal source(s)	<ul style="list-style-type: none">• RD 661/2007• RD 1578/2008• Ley 54/1997• RD 1955/2000• RD 2019/1997• RD 2017/1997	
Country-specific <u>support system</u>	<p>In Spain, the generation of electricity from renewable sources is mainly promoted through a price regulation system.</p> <ul style="list-style-type: none">• System capacity must not exceed 50 MW. Only systems whose capacity does not exceed 50 <u>MW</u> are eligible (art. 27 Ley 54/1997). A system's capacity shall also be within the statutory maximum capacity set for the respective source of energy.• Right to choose for systems that generate up to 50 MW. Operators of systems that generate electricity from renewable sources other than photovoltaic energy and whose capacity does not exceed 50 MW may choose between the guaranteed feed-in tariff and a bonus, which is paid on top of the price achieved in the free market (art. 24 RD 661/2007 in connection with art. 45 RD 661/2007).• Bonus for systems that generate 50 to 100 MW. Operators of systems whose capacity is 50 to 100 MW are only entitled to a bonus for high system efficiency and for the use of reactive energy (art. 28, 29 RD 661/2007). This bonus is paid on top of the sale price.	
Promoted technologies	General information	<p>In Spain, all technologies are generally eligible, with the following exceptions:</p> <ul style="list-style-type: none">• Technology-specific capacity limits. If the market cap set by the government for the respective system type is reached, the exceeding amount of electricity will not be eligible for subsidies (art. 22, 35-42 RD 661/2007; arts. 5, 10 RD 1578/2008).• System-specific capacity limits. All systems that generate electricity from renewable sources and whose installed capacity does not exceed 50 MW are eligible for promotion (art. 27.1 Ley 54/97; art. 45 RD 661/2007). Systems whose capacity exceeds this limit are not eligible.• Direct sale. In pursuance of "Régimen Especial", electricity that is transferred and sold directly is not eligible for subsidies (§ 24 par. 3 RD 661/2007).
	Wind energy	Both onshore and offshore wind energy systems are eligible until the market cap of 20,155 MW of installed capacity is reached (arts. 2, 38 RD 661/2007).
	Solar energy	PV systems are not eligible for the premium. Solar-thermal systems are.
	Geothermal energy	Eligible, including hot-dry-rock energy (art. 2 RD 661/2007). Statutory law does not specify a market cap.
	Biogas	Eligible, if the main fuel is bio-fuel or biogas from anaerobic digestion of agricultural and livestock wastes, bio-degradable industrial waste and sewage sludge, or landfill gas. Biogas and biomass from manure are eligible for subsidies until the cap of 250 MW (for both) is reached (arts. 2, 41 RD 661/2007).

	Hydro-electricity	Systems whose primary source of energy is wave energy, tidal energy, ocean thermal energy or ocean current energy are eligible. Traditional hydro-electric stations are also eligible if their entry capacity does not exceed 50 MW (arts. 2 b) 3, 45.2 RD 661/2007). Hydro-electricity systems that generate up to 10 MW are eligible for subsidies until the market cap of 2,400 MW is reached (art. 40 RD 661/2007).
	Biomass	Eligible. Biomass from energy crops, agricultural or gardening waste, residues from forest harvesting, other silvicultural operations in woodlands and agricultural areas or waste from industrial plants are eligible for subsidies until the total capacity reaches 1371 MW (arts. 2, 41 RD 661/2007). Biomass from manure and biogas are eligible for subsidies until the total capacity (of both sources) reaches 250 MW (arts. 2, 41 RD 661/2007).
Amount	General information	The amount of payment differs according to the source of energy (arts. 35 -44 RD 661/2007 in connection with the website of the Ministry of Industry, Tourism and Trade)
	Wind energy	<ul style="list-style-type: none"> • Wind (onshore). <ul style="list-style-type: none"> ◦ 3.1633 €/kWh • Wind (offshore). <ul style="list-style-type: none"> ◦ 9.1041 €/kWh
	Solar energy	PV systems are not eligible. The tariff for solar-thermal systems is as follows: <ul style="list-style-type: none"> • For 25 years: 27.4312 €/kWh • from the 26th year onwards: 21.9449 €/kWh
	Geothermal energy	<ul style="list-style-type: none"> • Geothermal power. <ul style="list-style-type: none"> ◦ for 20 years: 4.1518 €/kWh ◦ from the 21st year onwards: 3.3047 €/kWh
	Biogas	<ul style="list-style-type: none"> • Biogas. <ul style="list-style-type: none"> ◦ 4.5652 – 11.0355 €/kWh (depending on system size)
	Hydro-electricity	<ul style="list-style-type: none"> • Hydro-electricity (up to 10 MW). <ul style="list-style-type: none"> ◦ for 25 years: 2.7047 €/kWh ◦ from the 26th year onwards: 1.4519 €/kWh • Hydro-electricity (between 10 and 50 MW). <ul style="list-style-type: none"> ◦ for 25 years: 2.2727 €/kWh ◦ from the 26th year onwards: 1.4519 €/kWh
	Biomass	<ul style="list-style-type: none"> • Biomass. <ul style="list-style-type: none"> ◦ 2.5857 – 12.9361 €/kWh (depending on energy source and system size)
	General information	
Degression	Wind energy	
	Solar energy	
	Geothermal energy	

	Biogas	
	Hydro-electricity	
	Biomass	
Cap		
Eligibility period	Bonus for a limited time of operation. Eligibility for the payment of a bonus ends after 15, 20, 25 or 28 years of system operation, depending on the source of energy used (see above: Feed-in tariff).	
Addressees	<p>Entitled party. The persons entitled are those system operators that meet the following requirements:</p> <ul style="list-style-type: none"> • Systems shall come under "Régimen Especial". The system in question shall come under the definition laid down by Art. 27.1 Ley 54/2007 in connection with Art. 2 RD 661/2007. Systems come under this definition if they meet the following requirements: <ul style="list-style-type: none"> ○ Technology. The primary source of energy used by the system in question shall be a renewable source as specified by the regulation (art. 2 RD 661/2007). ○ Official classification. Systems shall be classified as coming under "Régimen Especial" by official notice (arts. 6, 14 par. 1 RD 661/2007). ○ Connection to a central control system. All systems that generate electricity as specified under "Régimen Especial" and whose capacity exceeds 10 MW shall be connected to a central control system, which shall be the interface with the system operator. The control system shall provide real-time system information and make sure that the system operator's instructions are implemented in such a way as to guarantee the reliability of the grid (art. 18 RD 661/2007).. • Register of systems. Systems shall be registered in the register of systems. The register of systems is an official register kept by the Ministry of Industry, Tourism and Trade (art. 9 RD 661/2007). Autonomous regions may also keep such a register (art. 10 RD 661/2007). Registration of a system in the register of systems is usually carried out in two steps: <ul style="list-style-type: none"> ○ Preliminary registration. On request at the authority in charge, the system is preliminarily registered. The authority issues a notice on the registration. To be preliminarily registered, the applicant shall present the document on commencement of trial operation and prove that the technical contract with the grid operator on access to the grid has been concluded (art. 11 RD 661/2007). Preliminary registration is cancelled if final registration is not applied for within three months after the issuing of the notice on preliminary registration (art. 13 RD 661/2007) ○ Final registration. On request at the authority in charge, the system is finally registered in the register of systems. The authority shall decide on the registration within one month after the application (art. 12.2 RD 661/2007). The authority shall issue a notice on the registration (art 12.3 RD 661/2007.) One of the preconditions for final registration is the presentation of the document on commencement of regular operation of the system (art. 132 RD 1955/2000; art. 12.2 RD 661/2007). • Register of systems entitled to the feed-in tariff (photovoltaic systems only). <p>Obligated party. The persons obligated are the operators of distribution and transmission grids (depending on the level at which electricity is fed in), (art. 17 RD 661/2007).</p>	
Procedure	Procedure	

	Competent authority	
Flexibility Mechanism		
Funding	State	
	Consumers	The costs of the bonus system for electricity from renewable sources are borne by the consumers.
	Grid operator	
	System operator	
	Distribution mechanism	<ul style="list-style-type: none"> • Grid operator. The cost of the bonus system for electricity from renewable sources is first borne by the grid operator. • Consumers. The grid operator may pass on this cost to the consumers in the form of surcharges (art. 4 e RD 2017/1997). • Balancing the grid operator's costs. At the end of every month, the grid operator shall balance his additional income and additional expenses (for the payment of tariffs to the system operators). If the energy supplier's balance results negative, the deficit is covered by the National Energy Committee (CNE), (art. 30 RD 661/2007; arts. 4, 5, 6 RD 2017/1997).

4.3. Tax regulation mechanisms (Business tax reduction)

Abbreviated form of legal source(s)	<ul style="list-style-type: none"> Ley 35/2006 	
Country-specific support system	<p>From 1 May 2011 to 31 December 2012, taxpayers whose income is below € 71,007.20 per year are entitled to a tax credit equal to 20% of all investments related to the use of renewable energy or similar measures in their building of residence. For incomes below € 53,007.20 per year, the annual deduction is subject to a maximum of € 6,750.</p> <p>For incomes above € 53,007.20 per year, the annual maximum deduction is 6,750 – 0,375 (income minus 53,007.20).</p> <p>The maximum decution between 1 May 2011 and 31 December 2012 shall not exceed € 20,000.</p>	
Promoted technologies	General information	In general, all technologies are eligible for a tax reduction.
	Wind energy	Eligible.
	Solar energy	Eligible.
	Geothermal energy	Eligible.
	Biogas	Eligible.
	Hydro-electricity	Eligible.
	Biomass	Eligible.
Amount		
Addressees	<p>Entitled party. Any legal entity whose income is below € 71,007.20 per year (Additional disposition 29, Ley 35/2006)</p> <p>Obligated party. The obligated party is the state.</p>	
Procedure	Procedure	Evidence for the investment costs shall be submitted together with the tax return. The tax reduction is taken account of when the tax is calculated.
	Competent authority	
Flexibility Mechanism		
Funding	State	The cost of the subsidy is borne by the state.
	Consumers	
	Grid operator	
	System operator	
	Distribution mechanism	

