

## Country profile –Portugal

Country: Portugal												
Support schemes	Electricity and heat production			Consumption				Transport		Supply and others		
	RES	Fossil	Nuclear	RES	Fossil	Electricity	Heat	Biofuels	Fossil	RES	Fossil	El./heat
<b>1. Direct subsidies</b>												
Direct on-budget subsidies	3											
Feed-in tariffs	2											
Feed-in premiums												
Adjustment Aids												
Inherited liabilities												
Induced transfers												
Others												
<b>2. Fiscal measures</b>												
Energy Tax Allowance												
Energy Tax Exemptions												
Other Tax Deductions		13			11, 9, 8, 7, 6			5	12, 11, 10			
Earmarked refunds of taxes												
<b>3. Transfer of risk to government</b>												
Adjustment Aids												
Inherited liabilities												
Others												
<b>4. Other financial measures</b>												
Adjustment Aids												
Other Tax Deductions												
Others												
<b>5. Non-fiscal measures</b>												
Quota obligations								4				
Priority Grid Access	1											
Others												

No.	Datasource	Description
1	RES-LEGAL	In Portugal, access of electricity from renewable sources to the grid shall be granted according to the principle of non-discrimination and priority shall be given to electricity produced from RES (except for hydro plants with an installed capacity exceeding 30MW). Grid operators are generally obliged to develop the grid system. However, individual plant operators do not have the right to demand grid expansion.
2	RES-LEGAL	Feed-in tariff (Tarifas feed-in) - In Portugal, the generation of electricity from renewable energy sources is mainly promoted through a guaranteed feed-in tariff. Operators of renewable energy plants are contractually entitled against the grid operator to payment for electricity exported to the grid. The grid operator is obliged to enter into a contract on the purchase of electricity at a price set by law ("obligation to enter into a contract", art. 1 par. 1, art. 22 DL 189/88). Changes to the remuneration regime are currently being discussed in the government. Apart from that, there is also a regime for micro and a mini production units, which is also under review and had a few changes recently introduced by DL 25/2013. The guaranteed feed-in tariff, which is calculated by a formula, is the only means of promotion. The calculation is based on various factors like plants output and capacity. The formulas and payment rates for some technologies have been revised and laid down in item 2 of DL 225/2007. Microproduction: DL 363/2007 establishes individual tariffs for electricity generated from renewable sources by so-called microproduction units and for electricity combined with heating systems (art. 3 DL 363/2007). Microproduction

units are installations that use a single production technology and have a single-phase or three-phase load operating at a low voltage, and a capacity of no more than 5.75 kW (art. 3 of DL 118-A/2010). Solar energy installations, wind power plants, hydro-electric power plants or biomass-fuelled CHP plants whose capacity is < 3.68 kW are eligible for a special tariff ("Regime bonificado") (art. 9 par. 1 b, art. 11 par. 6 DL 363/2007 as amended by DL 118-A/2010). The operators of microproduction units receive the special tariff for 15 years (art. 11 of DL 363/2007). Miniproduction: DL 34/2011 set specific rules for RES production from small power plants (miniproduction units) which use a single production technology and have a capacity of up to 250 kW. The installed capacity of plants considered to be miniproduction units is limited to 50% of the consumption level defined in the power purchase agreement (art. 3 of DL 34/2011). Decree-Law 35/2013 provides for alternative remuneration regimes for the electricity produced from wind plants (as defined in Annex II of DL 189/88 before the entry into force of DL 33-A/2005). These plants might choose to accede to an alternative remuneration regime for an additional period of five or seven years after the end of the period of guaranteed remuneration upon the commitment to contribute to the sustainability of the National Electric System (SEN) through the payment of a compensation (Art. 1 DL 35/2013).

3	RES-LEGAL	Subsidy - The programme Efficient Building 2012 (Edifício Eficiente 2012) was launched in 2012 to support the installation of solar thermal systems in residential buildings and will be open for applications until 3 June 2013. The programme has a €1 million budget for the installation of solar thermal systems (STS) and the subsidy covers 50% of the investment costs (installation included) up to €1,500.
4	RES-LEGAL	Biofuel quota - Companies introducing fuels for consumption shall incorporate a certain percentage of biofuels in the fuels they supply to the market. DL 117/2010 sets the percentage of biofuels that shall be incorporated from 2011 to 2020.
5	RES-LEGAL	Tax regulation mechanism (Isenção de Imposto sobre Produtos Petrolíferos e Energéticos - ISP) - According to the Portuguese NREAP, biofuel producers benefited from an exemption of the Petrol Product Tax (ISP) from 2007 to 2010. The exemption was regulated by Order 1391-A/2006 and Order 1554-A/2007. Currently, this tax exemption is no longer applicable to large producers and only applies to dedicated small producers (PPD) as defined by art. 19(2) DL 117/2010. In this case, the biofuels entitlements (Título de Biocombustível, TdBs) generated by the PPD's production revert to the Directorate General for Energy and Geology (DGEG) at the Ministry of Economy, Innovation and Development. The TdBs can be auctioned and the revenues revert to the Energy Efficiency Fund (art. 19(3), (4) DL 117/2010).
6	OECDADFFSS	Fuel Tax Exemption for Electricity Generators. The use of coal, coke, and fuel oil by electric utilities or CHP plants in Portugal is exempt from the country's fuel excise tax.
7	OECDADFFSS	Fuel Tax Exemption for Certain Industrial Processes. The use of coal and petroleum products as industrial fuels in electrolytic, metallurgical, and mineralogical processes in Portugal is exempt from the country's fuel excise tax.
8	OECDADFFSS	Fuel Tax Reduction for Agriculture Machinery. The use of coloured and marked diesel fuel in tractors and other farm machinery in Portugal

		attracts a lower rate of excise tax than that applied to most other uses of such fuels.
9	OECDTADFFSS	Fuel Tax Reduction for Fixed Engines and Heating. The use of diesel fuel for heating purposes and in power-generating engines, such as small-scale fixed generators, compressors, and heating boilers, benefits from a reduction in the rate of fuel excise tax normally applicable to most uses of petroleum products in Portugal.
10	OECDTADFFSS	Fuel Tax Exemption for Railway Vehicles.
11	OECDTADFFSS	Fuel Tax Exemption for Coastal and Inland Navigation. Sales of motor fuels in Portugal are exempt from the country's fuel excise tax (the ISP) when used in coastal and inland water commercial navigation, including fishing, cabotage, public maritime leisure, and dredging operations in ports and waterways.
12	OECDTADFFSS	Fuel-Tax Exemption for Certain Motor Vehicles. The use of Liquefied Petroleum Gas (LPG) and natural gas in public-transport vehicles (i.e. bus fleets) is fully exempt from the excise tax that is normally levied on most sales of petroleum products in Portugal. No data available.
13	OECDTADFFSS	Corporate-Revenue Tax Deductions for Oil Exploration and Production. No data available.