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Spanish minister of energy and climate change Teresa Ribera. Photo: JAVIER SORIANO/AFP/Getty Images/NTB scanpix

## Spanish wind welcomes power sector reforms

Long-suffering sector says it finally has a minister who understands its policy requirements

by **Christopher Hopson in Hamburg**

28 September 2018

Spain's long-suffering wind industry has given a big welcome to major government reforms of the electricity sector, designed to encourage the wider deployment of renewables, while rolling back many of the restrictions imposed by the previous administration.

Teresa Ribera, Spain's minister for ecological transition, this week announced sweeping electricity market reforms, including measures to change outdated price-setting mechanisms because of their negative impact on both investors and consumers.

Heikki Willstedt Mesa, director of energy policy at the Spanish Wind Energy Association (AEE), told Recharge at the Global Wind Summit that it welcomed the reforms because finally there is a minister in Spain who understands that the right policies need to be in place to achieve stated objectives.

"In this case, the objectives are quite ambitious, because Ribera has said at least 32% of energy has to come from renewables in Spain by 2030. But they might go for an even higher target, and together with other associations we are discussing what that might be."

Ribera said with a €100bn (\$117m) investment in renewable generation and increased storage capacity, Spain could obtain a saving of around €400bn on consumers' electricity bills and meet its 32% EU renewables target by 2030.

She said it was important for Spain to reverse the damage to investor confidence created by the unilateral changes to renewables tariffs made in 2013 by the previous government of prime minister Mariano Rajoy.

### **Spain's second wind – but will it last?**

Willstedt Mesa said the government wants to promote the use of long-term corporate power-purchase agreements (PPAs) in order to shift a large percentage of energy out of the wholesale electricity market.

“The situation in Spain is very conducive to the introduction of these types of contracts as wholesale prices have gone up, so big industrial players are looking at these PPAs so they can hedge against an increase in the cost of electricity.”

The AEE has welcomed government plans to encourage the repowering of older wind farms and for developers to be granted time extensions for projects held up by bureaucratic obstacles.

“Most of the installations from recent renewables auctions held in 2016 and 2017 will be built next year, but their permits were due to expire before they could be built — so it was very important these permits were extended for a couple of years.

“Ribera plans to scrap a 7% tax on electricity production from all types of technologies, introduced by the previous administration. This tax is going to be suspended next week.

“She has also announced plans to remove the barriers to self-generation in Spain — by scrapping the so-called solar tax — also introduced by the previous administration.”