

ESD implementation in Portugal

In Portugal, implementation of the ESD is the responsibility of the Ministry of Economy, Innovation and Development. The decree-law that transposed ESD into national law was published in November 2009 and the Portuguese Energy Efficiency Action Plan in May 2008.

Legal context

Decree-law 319/2009, published in November 2009, transposes into Portuguese law ESD and establishes the need to create conditions for promotion and development of a market for energy services and to develop measures to improve energy efficiency to consumers. In addition, contributes to the achievement of an overall national indicative energy saving target of at least 9% for 2016 and also the promotion of mechanisms, incentives and institutional frameworks, financial and legal, to overcome existing constraints and market failures preventing better efficiency in energy end-use through the spread of low-consumption equipments and rationalization of energy consumption to be adopted by consumers.

Our National Energy Efficiency Action Plan was published in May 2008 (Cabinet Resolution nº80/2008) and comprises a set of measures aiming an increase in energy efficiency equivalent to 9.8% of the final energy consumption. The Plan also designated Portugal Efficiency 2015 is geared towards energy demand side management and articulates with PNAC - National Climate Change Programme and PNALE - National Allocation Plan for Emission Allowances. It covers four specific areas: Transport, Residential and Services, Industry and State, and three cross cutting action areas: Behaviours, Taxes, Incentives and Financing. For these areas were created 12 action programmes covering the several aspects of energy efficiency, aiming stimulate the use of new technologies, the improvement of organisational processes and the change in behaviours and values leading to more sustainable consumption habits.

Status of the implementation

Portugal is implementing its NEEAP and ESD requirements. However the formal transposition occurred only in last November and we're still waiting for the publication of the Energy Efficiency Fund and some more complementary regulations.

These are the main measures under implementation:

- In 2008, the Portuguese government imposed a new tax on inefficient lighting equipment. The tax aims to compensate the environmental costs related to the inefficient use of energy in this type of equipment, and foster the use of more efficient and economical lighting. The tax is applied to manufacturers, traders and other economical agents that introduce such equipment onto the Portuguese market.

As part of the Action Plan, in September 2008 began the phase-out of incandescent light bulbs, through the large-scale substitution of incandescent light bulbs with CFLs. Over 5 million free high-efficiency light bulbs were distributed to low income families.

- The legislation on building's energy efficiency that fully transposed Directive 2002/91/EC on energy performance of buildings was published in 2006, but the National System for Energy and Indoor Air Quality Certification of Buildings (SCE – Decree-Law 78/2006) which has two main objectives, reduce energy consumption and CO2 emissions, come into force in 3 phases until its full implementation in January 2009, when all the buildings were included in the certification system: new buildings, major renovations, public buildings and all buildings when sold or rented. This legislation is a fundamental step for the increase of energy efficiency on buildings, bringing new requirements to the construction, namely making mandatory the installation of solar panels in new buildings.

The implementation of the building's regulations is checked by qualified experts at several stages throughout a building's lifetime. The Energy Certificate assigns an energy performance label to residential and non residential buildings and it may list measures for improving their energy performance. There are, until now, about 207.000 Energy Certificates registered on a web based central registration system (www.adene.pt/ADENE/Canais/SubPortais/SCE) that qualified experts must access and use to issue certificates.

- The SGCIE (Management System of Intensive Energy Consumption) was created by Decree-Law 71/2008, is in force since June 2008 and comprises the modification of excise duties on oil and energy products (ISP) applied to industrial fuels establishing an incentive mechanism for GHG reduction; and the definition of a new RGCE – Management Regulation of Energy Consumption - in industry (that was in force since 1986). This new system aims the promotion of energy efficiency and energy consumption monitoring in intensive energy facilities (consuming more than 500 toe/year) broadening the scope of RGCE application (1000 toe/year).

SGCIE imposes binding energy audits, with a 6-year periodicity, in intensive energy facilities with consumptions above 1000 toe/year. An 8-year periodicity energy audits is applied to facilities with energy consumptions comprised between 500 and 1000 toe/year.

Facilities operators are obliged to conduct an energy audit and elaborate an Energy Consumption Rationalization Plan (PREn), establishing targets for energy and carbon intensity and specific energy consumption and including the energy rationalization measures. They have to present this through a website (www.adene.pt/SGCIE) to the Directorate General for Energy and Geology (DGEG) from the Ministry of Economy and Innovation, as well as biennial execution and progress reports. Upon DGEG's approval (which is the competent authority that supervises and inspects SGCIE operation) the PREn become a Rationalization Agreement for Energy Consumption (ARCE), which gives to facilities operators excise duties exemption (ISP) on oil and energy products (coal, oil coke, fuel oil and oil gases) and the

possibility to apply for incentives on energy audit costs and on investments in energy management and monitoring equipments.

The monitoring of this system will be made through the execution and progress reports that have to be present every 2 years. Penalties are foreseen for those who won't meet the targets.

Energy audits, Energy Consumption Rationalization Plans and biennial execution and progress reports have to be elaborated by auditors recognized by DGEG according to their academic education and professional experience. This is regulated in a specific legislation (Portaria nº 519/2008, of June 25th).

- Legislation for the microproduction of electricity from renewable energy sources promotes micro generation in individual households “Renováveis na Hora”, and creates a simplified licensing regime for small-scale producers of renewable energy (max. 3.68 kW), allowing the connection to a local low voltage distribution network. Applications can be performed on-line (www.renovaveisnahaora.pt), requiring only that the promoters have a contract with the electricity supplier and a solar thermal system. The feed-in tariff amounts to 650 €/MWh during five years and after 10 MW, decrease 5%
- In May 2009 the Portuguese government launched a program to promote the use of renewable energy in the residential sector. The introduction of direct incentives for the purchase of solar thermal systems is a way to reduce the costs of solar thermal systems, thereby helping to surpass the high initial investment associated to their acquisition. Up to 50 % of the cost of the solar thermal system and installation services, with a maximum amount of 1.641,70 €, is granted over this initiative, available through bank credit agreements. In August 2009 this initiative was extended to private institutions of social solidarity and sports associations with public utility, with an incentive 65% of the investment. (More information: www.paineissolares.gov.pt).
- EDP Distribuição, (company from EDP Group which operates in the business areas of generation, supply and distribution of electricity and supply and distribution of gas in Portugal), with industrial and scientific national partners has a pilot project under way called InovGrid to install electricity smart meters.
- The National Strategic Reference Framework constitutes the framing for the application of the Community's policy for economic and social cohesion in Portugal for 2007-2013. In 2009 there were 2 tenders for financing projects within our NEAAP, one for the creation of Esco's and another for energy efficiency projects in industry.
- In the NEEAP, the area of public sector includes a set of measures, namely the energy certification of public buildings and the introduction of energy efficiency criteria in the acquisition of equipment, that are included in Annex VI of ESD, according to Article 5. The National Agency of Public Procurement, EPE, is the entity responsible for the operationalization of these measures.

Additional efforts

- Law n.º 10/2009, of 10 March, created the “Investment and Employment Initiative” Program, that contains five structural measures containing several projects or actions. These measures are aimed at generating an anti-cyclical economic impact on investment and employment, and they are also consistent with the framework of the Lisbon Strategy, contributing to strengthening the country's modernisation and competitiveness, the qualification of the Portuguese people, energy efficiency and self-sufficiency, as well as environmental sustainability and fostering social cohesion. In this initiative the Government strives to benefit

from the European Council's decision of 13 December to support the simplification of procedures and the faster implementation of programs financed by the Cohesion Fund, Structural Funds or by the European Agricultural Fund for Rural Development with a view to increasing investment in infrastructure and energy efficiency.

The Minister of State and Finance is responsible for coordinating and monitoring the IEI. The performance of the measures will be monitored and assessed and the Government will maintain the necessary flexibility to carry out any adjustments deemed appropriate in view of the development of the economic situation and the level of effectiveness shown by the measures.

Under this program, through the measure "Improved energy efficiency of public buildings", the State will invest in solutions to improve the energy efficiency of a set of the most energy-consuming public buildings (hospitals, universities, law courts, offices of public services, etc.), which will galvanise the construction, metalwork and mechanical engineering and energy consultancy sectors, while also driving direct gains through the reduction of energy expenditure. It was foreseen for 2009 an intervention in 100 public buildings with a budget of 100 million euros.

- In 20 February 2009 was published the Cabinet Resolution n°20/2009 that created the Program for Electric Mobility in Portugal. This program meets the national targets to reducing energy dependence and combating climate changes (also contributing to meet the objectives of Kyoto Protocol), by promoting the replacement of fossil fuels and the consequent reduction of emissions in the transport sector. The program calls for the popularization of the electric vehicle, through the development of a service model that allows any individual or entity: the use of electric vehicles in terms of competitiveness and comfort compared to conventional cars; mobility solutions offers by various manufacturers of electric vehicles, the establishment of an infrastructure appropriate to the loading of the park development of electric vehicles in Portugal. The Cabinet Resolution n°80/2009 adopted a set of measures for the implementation of the Program for Electric Mobility in Portugal, for the mass use of electric vehicle, including: establishment of the strategic objectives of the program and the definition of its fundamental principles; approval of the model for Electric Mobility in Portugal; approval and timing of the phases of the program; creation of additional incentives to promote the access and therefore widespread the use of electric vehicle in Portugal. (More information: www.mobi-e.pt).

Future planning

The first NEEAP is in progress. We're waiting for the creation of the Energy Efficiency Fund, already proposed for publication, and some more complementary regulation in order to its full implementation.

Relevant information

More information regarding the situation in Portugal can be found at the following websites:

National Energy Efficiency Action Plan: http://ec.europa.eu/energy/efficiency/end-use_en.htm

Ministry of Economy, Innovation and Development: www.min-economia.pt/

Directorate General for Energy and Geology: www.dgge.pt

Energy Agency (ADENE): www.adene.pt

