

Renewable Energy in the EU – Acceleration & Simplification

On May 21, 2024, the European Commission published two relevant recommendations for Member States (MS) regarding the renewable energy sector, both of which aim at increasing and accelerating the decarbonisation objectives in the European Union (EU), as well as to meet the REPowerEU plan goals.

The Recommendations

The first is the Commission Recommendation (EU) 2024/1343 of 13 May 2024 on speeding up permit-granting procedures for renewable energy and related infrastructure projects (“Recommendation (EU) 2024/1343”), by which the EC suggests making less complex the permit-granting procedures for the construction and operation of renewable energy projects, which are normally subject to permits/administrative authorisations in all MS. The flexibilization of such procedures targets the decrease of the associated costs and time consumption on its implementation, which would enable to achieve a more affordable, secure and sustainable EU energy system.

Main provisions associated with Recommendation (EU) 2024/1343 include:

- **Faster and shorter procedures:** MS must grant the status of the highest **national interest** to the planning, construction and operation of renewable energy projects and establish binding **maximum deadlines** for all relevant stages of the environmental impact assessment;
- **Facilitating stakeholders participation:** MS should apply **simplified** permit-granting **procedures** for **small-scale** renewables and **self-consumption** projects, including lighter consent requirements, as well as stimulate the participation of citizens, including the organization of public hearings, or other stakeholder engagement initiatives;



- **Improving internal coordination:** MS shall streamline the applicable legislation, regulations, and procedures for the authorisation of renewable energy projects and related infrastructure, also introducing rules to attribute **consequences for** any delays or lack of action from **administrative authorities**; and

- **Clearer, transparent, and digitalised procedures:** MS should introduce **fully digital** permit-granting procedures and e-communication as soon as possible and no later than 21 November 2025.

By its turn, in the Commission Recommendation (EU) 2024/1344 on auction design for renewable energy (“Recommendation (EU) 2024/1344”) the EC suggests that auctions conducted by the MS should be designed to contribute to the rapid, efficient, and sustainable deployment of renewable energy in a competitive manner, in order to attract private investments and provide benefits such as investment certainty for the sector.

Main provisions associated with Recommendation (EU) 2024/1344 include:

- **Non-price criteria:** MS should make use of non-price criteria in auctions as pre-qualification or award criteria or both, in order to pursue objectives such as quality, ability to deliver the project on time, responsible business conduct, cyber-security and data security, contribution to resilience, environmental sustainability or innovation;

- **Incentivise the full project completion in a timely manner:** MS should put in place measures such as **penalties** for non-completion or delayed commissioning and include **price indexation clauses** in the auction design so that companies might protect themselves against price volatility impacts.

EU related Directives and impacts in Portugal

Both Recommendations were published following EU Directive 2018/2001, which had already introduced enhanced requirements for the organisation of permit-granting procedures for renewable energy developers and also foresaw that the MS should establish more transparent and non-discriminatory criteria for auctions, among other measures.

Such Directive was amended by the EU Directive 2023/2413, which further strengthened those requirements and contains other relevant provisions aiming **at simplifying and shortening of the administrative permit-granting procedures**

for renewable energy plants, including energy plants which combine different renewable energy sources, heat pumps, co-located energy storage (energy storage facility within a producing facility and connected to the same grid access point).

It is expected that these recommendations, followed by the need to transpose the EU Directive 2023/2413 to domestic law until 21 May 2025, may impact the development of the regulatory environment in Portugal and incentivize the transition to green energy sources, facilitating the development of projects involving renewable energy in the country and creating better opportunities for investors.

Indeed, **initiatives of this nature have already taken off** in Portugal, for instance, the PAER (Offshore Renewable Energies Allocation Plan), (recently under public consultation period) which defines **dedicated areas to the development of offshore windfarms** with a deployed installed capacity of **10GW to be auctioned up to 2030**.

In addition, in the end of May 2024 the first tender for green hydrogen and biomethane has been launched, assuring renewable gases blending into Portugal's gas distribution network. The tender will take the form of an electronic auction and, together with the other foreseen auctions, represents the commitment of Portugal's Government to innovate in the renewable energy sector and encourage an energy transition using the

resource of different technologies to achieve decarbonization goals for the local (and EU) economy.