

# Changes introduced by Royal Decree 1183/2020 on access and connection to the electric power transmission and distribution grids (III)

## Special conditions for plant hybridisation

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*In order to promote the implementation of renewable energy and minimise economic and environmental costs, Royal Decree 1183/2020 of 29 December on access and connection to the electric power transmission and distribution grids includes special conditions for obtaining access and connection permits for the hybridisation of facilities and regulates their remuneration scheme.*

In general, Royal Decree 1183/2020, of 29 December, on access and connection to the electric power transmission and distribution grids, regulates a single procedure for obtaining access and connection permits, processed jointly with the transmission grid manager or the distribution grids managers, the main characteristics of which have been analysed in another document in this series (“Novedades del Real Decreto 1183/2020, de acceso y conexión a las redes de transporte y distribución de energía eléctrica (I). Procedimiento único de obtención de permisos de acceso y conexión”). This document aims to set out the special conditions for access and connection permits for the hybridisation of facilities provided for in the aforementioned Royal Decree 1183/2020, which comply with Article 33(12) of the Electricity Sector Act 24/2013 of 26 December, in the wording given by Royal Decree-law 23/2020, of 23 June, approving measures in the field of energy and other areas for economic recovery. Having regard to the aforementioned Article 33(12), Royal Decree 1183/2020 distinguishes two cases depending on whether or not the facility has been previously granted access and connection permits.

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## 1. Hybridisation of electricity generation facilities with access and connection permits granted

In accordance with the aforementioned Article 33(12) of the Electricity Sector Act, holders of access permits for electricity generation facilities that hybridise such facilities by incorporating electricity generation modules that use renewable primary energy sources or by incorporating storage facilities may evacuate the electricity using the same connection point and access capacity already granted, provided that the new facility meets the required technical requirements.

In this case, the holders of such connection and access permits must request the relevant grid manager to update them. This request will not require the granting of a new permit and the time-based priority criterion will not apply. Nevertheless, in the event of non-compliance with the milestones referred to in Article 1 of Royal Decree-law 23/2020, the grid manager and owner will restore the access permit and, if appropriate, the connection permit to the original situation, notifying the competent authority, which will proceed to enforce the guarantees.

Hybridisation may be carried out under the terms set out above provided that the holders of the access and connection permits prove to the grid manager that the electricity generation facility resulting from the hybridisation meets the following requirements (Art. 27(3)):

- a) It complies with the technical criteria for access and connection provided for in the relevant legislation.
- b) It does not involve increasing the access capacity granted by such an amount that the facility cannot be considered the same, in accordance with the provisions of the fourteenth additional provision of Royal Decree 1955/2000 of 1 December.
- c) It complies with the technical requirements applicable to it.
- d) The owner already has a valid access and connection permit for at least one of the electricity generation modules that make up the facility. Contrary to what the Spanish Markets and Competition Authority proposed in its report on the draft royal decree ("Resolution issuing a report on the draft royal decree on access and connection to the electricity transmission and distribution grids", IPN/CNMC/022/20, passed by the Council in plenary session, dated 2 September 2020), the concept of 'supplementary power' is not used so that hybridisation can be extended to cases in which the ownership of the additional power lies with a third party other than the person to whom the original access and connection permits were granted.
- e) Under no circumstances may the installed capacity of the technology for which the access and connection permits have been granted be less than 40% of the access capacity granted in the access permit. The purpose of this requirement is to prevent the consideration of

“same facility” from being undermined, in accordance with the provisions of the fourteenth additional provision of Royal Decree 1955/2000 of 1 December.

- f) It has the required measuring equipment.
- g) The new electricity generation modules that are incorporated into the facility meet the connection requirements set out in Regulation (EU) 2016/631 of 14 April 2016, as well as the legislations that serves to implement it.

Failure to comply with the above conditions will result in the rejection by the grid manager of the application to update the access and connection permit and, consequently, the need to process and obtain a new access and connection permit in order to connect the new generation facility to the grid. The rejection of the application to update the access and connection permits on this basis will not result in the loss of the access and connection permits originally granted.

Applications to update access and connection permits for hybrid facilities will be subject to the general procedure for obtaining new permits with certain specific features. Inter alia, the time limits provided for the abridged procedure will be applied; the criterion of time-based priority will not be applicable and the financial guarantees of the new module will be reduced by 50% (*cfr.* Art. 27(6) RD 1183/2020).

In this case, the application cannot be rejected because it refers to nodes where the existing access capacity that can be granted is zero (Art. 8(3) RD 1183/2020), in accordance with the information provided by the platforms enabled by grid managers.

With regard to the temporary validity of access and connection permits, for the purposes of compliance with the administrative milestones referred to in Article 1 of Royal Decree-law 23/2020, in the case of hybridisation of a facility that has an access permit already granted and does not yet have authorisation to commission the initial technology, the calculation of the time limits will only take into account the technology that had the initial access permit and will start to be counted from the granting of the access permit, unless this was obtained before the entry into force of Royal Decree-law 23/2020 (on 25 June 2020), in which case the calculation of the time limits will be made from the entry into force of this royal decree-law.

## **2. Hybridisation of electricity generation facilities without access and connection permits granted**

Access permits may be requested for hybrid facilities incorporating several technologies provided that at least one of them uses a primary renewable energy source or incorporates storage facilities. These applications will be subject to the general procedure for granting access regulated by Royal Decree 1183/2020, with the following particularities (Art. 28(2)):

- a) The financial guarantees required are reduced by 50% for technologies providing less power in percentage terms.
- b) If there is an ongoing application for access and connection for which the appropriate permissions have not yet been obtained, this application can be updated. For the purposes of considering the time-based priority for granting such permits, the date shall be that of the original application provided that the generation facility can be considered the same, in accordance with the provisions of the fourteenth additional provision of Royal Decree 1955/2000 of 1 December.

### **3. Hybridisation remuneration scheme**

By means of its third final provision, Royal Decree 1183/2020 amends Royal Decree 413/2014, of 6 June, regulating the production of electricity from renewable energy sources, cogeneration and waste, in order to specify the application of the specific remuneration (subsidy payments) scheme for hybrid facilities. More specifically, it provides for a new type of hybrid facility that allows for the renewable hybridisation of a facility already entitled to the specific remuneration scheme (new wording of Articles 4 and 25 RD 413/2014).

The modalities of hybridisation with the right to the specific remuneration scheme are extended to all cases in which a facility with this right is hybridised with a renewable generation module of the categories in Article 2b (type 3 hybridisation); the terms of receipt of this remuneration will be regulated for each generation module, which will constitute differentiated remuneration units. Registration in the Specific Remuneration Scheme Register shall be carried out reflecting independently the technical characteristics of each of the technologies. If the technology incorporated is not entitled to receive remuneration under the specific remuneration scheme, it shall receive the remuneration appropriate to its participation in the electricity production market or, where appropriate, any other economic scheme that may be established. It is therefore necessary for the facility to have the measuring equipment necessary to determine the energy generated, which will allow adequate remuneration in accordance with the applicable economic schemes.

### **4. Special scheme for the hybridisation of industrial plants with cogeneration**

The third additional provision of Royal Decree 1183/2020 provides for a special scheme for the hybridisation of industrial plants with cogeneration. The owners of cogeneration facilities associated with a consumer who, before the entry into force of the Royal Decree, were selling all their net energy generated from the cogeneration plant may maintain this scheme and install renewable generation plants for self-consumption with this new generation or storage facilities provided that they carry out the direct measurement of the new generation modules

installed and comply with all applicable legislation, in particular with regard to access and connection, hybridisation and self-consumption and, where applicable, to the provisions of Royal Decree 413/2014 of 6 June.

In the event that they have already been granted a unique measurement configuration, they must request an update from the Directorate-General for Energy Policy and Mines within twenty-four months of the entry into force of Royal Decree 1183/2020, under the terms detailed in the aforementioned third additional provision.