

Key points of the Spanish Royal Decree on access and connection to the electricity transmission and distribution grids

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Spanish Royal Decree 1183/2020 of 29 December (“RD 1183”), which entered into force on 31 December 2020, sets out the principles and criteria for access and connection to the electrical grids. It aims to provide the necessary legal certainty for the exercise of a right that is essential for the orderly deployment of renewable energy that will necessarily take place in the coming years in Spain in order to meet the decarbonisation objectives that we have assumed.

The most relevant aspects introduced by RD 1183 are the following:

1. Single procedure for access and connection permits

The processing of applications for access and connection permits has been merged into a **single procedure**, with the application being submitted to a single entity (the manager of the relevant transmission or distribution grid) that will act as a single contact and will grant a single permit if the application is successful. This procedure will have specific deadlines depending on the voltage level of the grid for which the access and connection application is made, with a simplified procedure in the case of small consumers and generators.

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2. Facilities that can apply for the access and connection permit

All the facilities (generation, transmission, distribution, consumption or storage facilities) that wish to connect to the transmission or distribution grids.

The following will be **exempt from obtaining** the permit, those microgeneration facilities: (i) that fall under the no-surplus self-supply model; (ii) that fall under the surplus self-supply model with a capacity of no more than 15 kW and which are located on developed land with the facilities and services required by land development legislation; and (ii) that meet the requirements set out in Article 25.1 of the RD 1183 (those that extend the grid to establish new supplies or increase existing supplies and have a capacity of up to 100 kW for low voltage and 250 kW for high voltage, provided that they are located on developed land that has the facilities and services required by land development legislation).

3. General criteria for the granting of permits - Time order priority

The general criteria will be based on **date and time of submission order priority**. Although, there are **exceptions** to this general criteria **when access capacity tenders are organised, in the case of 'just transition nodes' or in cases of hybridisation of existing generation facilities**.

RD 1183 specifically regulates the possibility of making calls for tenders for the granting of access permits at specific nodes of the transmission grid for new generation facilities using renewable primary energy sources, alone or combined with storage facilities, or for new storage facilities. The applicability of this measure is limited to nodes where capacity is freed up or emerges as a result, inter alia, of access permits becoming invalid due to non-compliance with administrative milestones or changes in the technical criteria determining the access capacity available in the network. This measure may also be applied to new nodes to be included in the development of the transmission grid as a result of a new planning process.

4. Required guarantees

Prior to submission of permit applications, the rule continues to be that the economic guarantee must amount to **EUR 40/kW of installed capacity**¹ (power plants with a capacity of 15 kW or less are exempt from this requirement, except in case of power plants that are part of a group with a jointly capacity of more than 1 MW).

Additionally, RD 1183 regulates the need to make **payments as a guarantee**, in the case of owners of access and connection permits, when modifications or reinforcements need to be made to the transmission or distribution grids to be carried out by the owners of those grids, but paid for by the titleholders of the licences.

¹ Please note that in the case of hybrid generation facilities the amount of the guarantee changes.

5. Invalidity of access and connection permits

RD 1183 reiterates that access and connection permits will become invalid if the milestones defined in Royal Decree-law 23/2020 are not met or (in accordance with Article 33(8) of the Spanish Electricity Sector Act 24/2013) when, in the case of facilities in operation, the generation activity is interrupted for a period of three years for reasons attributable to its owner.

It is also stated that access and connection permits will also become invalid in the case of a **failure of the owners of power plants at connection points exceeding 36 kV to make the payments** for works required on the transmission and distribution grids.

6. Inadmissibility and refusal of applications

The **grounds for refusal of access and connection applications** remain limited to (i) the failure to provide the information necessary to process the application; (ii) the failure to provide the necessary financial guarantees in the case of electricity generation facilities; and (iii) where there is no available access capacity published on grid managers' platforms².

7. Regulation of the hybridisation

Access permit applications for hybrid generation facilities are permitted if at least one of the technologies uses a primary renewable energy source or incorporates storage facilities.

In the event that this hybridisation concerns generation facilities for which access and connection permits have already been requested but not yet granted, the application may be updated, provided that the production facility remains "the same" in accordance with Schedule II to Royal Decree 1955/2000, and this without altering the date of admission of the original application for the purposes of its time order priority.

Hybridisation of generation facilities **with access and connection permits already granted** is also permitted. They can update their access and connection permits, without the need for a new application, provided that, inter alia, (i) the production facility remains "the same" in accordance with Schedule II to Royal Decree 1955/2000, particularly, that this does not entail their current access capacity being increased by more than 5%; (ii) they can ensure that the transmitted access capacity never exceeds the permitted level; and (iii) the installed capacity of the initial technology maintains at least 40% of the access capacity granted in the access permit.

² In this sense, the moratorium on access will be lifted when the specifications of these platforms are approved within the deadlines granted by the CNMC.

In both cases, the updating of the access and connection permit will follow the general procedure, without applying the time order priority, with the difference being that **guarantees are reduced by 50%**.

8. Other relevant provisions introduced

- The concept of **node-specific single intermediary (Interlocutor Único de Nudo or IUN)** will **no longer exist**, except where it has already been designated before the entry into force of RD 1183. In this way, the applicant will have a direct relationship with the grid manager.
- When there are several facilities with access and connection permits at the same connection point to the transmission or distribution substation, in order to be granted a prior administrative permit for the transmission infrastructure, the application must be accompanied by a document, signed by the owners of all the facilities with access and connection permits granted at this same connection point, proving the existence of a binding agreement on the shared use of evacuation infrastructures (this document can be submitted at any time during the process).
- **The concept of installed capacity** is amended in the case of solar PV plants, which will be the lower of the following two figures: (i) the sum of the peak capacity of each solar module constituting the plant, measured in standard conditions; (ii) the inverter's peak capacity or, if applicable, the sum of the capacities of the plant's inverters. This new criterion will apply to plants that have not yet obtained a definitive operating permit.

The above is a very important amendment since it provides for the possibility of installing bifacial panels, a configuration that was not allowed under the previous definition of installed capacity (or at least, the interpretation of said definition by the competent authorities).