Key changes to the electricity sector introduced by RD 997/2025

"Royal Decree 997/2025, of 5 November, approving urgent measures to strengthen the electricity system, has been published in the Official Journal of Spain on 6 November 2025. It will broadly come into force on the date of its publication".

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Herein we focus on the main regulatory developments under Royal Decree 997/2025, of 5 November, approving urgent measures to strengthen the electricity system (RD 997/2025) relating to *a*) the definition of installed capacity, *b*) the repowering of facilities, *c*) the administrative processing of hybrid storage facilities, and *d*) the amendments included in the main rules and regulations in the electricity sector regarding energy and access and connection-related administrative permits.

Some of these developments had already come in force during the period of application of Royal Decree 7/2025, of 24 June, approving urgent measures to strengthen the electricity system, a piece of legislation that was repealed failing ratification by the Lower House of Parliament on 22 July 2025.

1. Changes regarding the definition of installed capacity, repowering of facilities and administrative processing of hybrid storage facilities

a) *New definition of installed capacity*

A reformulation of the definition of installed power is introduced for the purposes of processing of authorisa-

tions in the electricity sector, with the following main features:

- **Installed power of a generation module:** this is equivalent to the maximum active power that the module can reach and will be determined by the lowest of the installed powers of the elements that make up the module. If the module contains several elements of the same type, the maximum active powers of those elements that are parallel to each other must be added together.

- **Installed power of an electrochemical storage module:** this is equivalent to the lower of *a*) the sum of the individual maximum active powers of the battery cells that make up the module, *b*) the maximum active power of the inverter - or, where applicable, the maximum active powers of the inverters that make up that module - and *c*) the maximum active power of the transformer - or, where applicable, the maximum active powers of the parallel transformers that make up that module.

- **Installed power of a facility:** defined as the lesser of *a*) the sum of the installed powers of each of the modules comprising the facility, and *b*) the maximum active power of the facility's common transformer - or, where applicable, the sum of the maximum active powers of all the common transformers connected parallel to each other.

- **Maximum installed power of an inverter or converter:** this is the maximum active power that it can produce in continuous operation.

This definition shall not apply until express entry into force is approved by way of royal decree, except for the purposes of: *a*) administrative authorisations under Title IX of Act 24/2013[1], and *b*) registration in the Administrative Register of Electricity Production Facilities ('RAIPEE').

In any case, RD 997/2025 provides that this change in the definition of installed power *a*) comes into effect for those facilities that, having started the administrative process, have not obtained their final administrative operating authorisation ('AAE'), *b*) will not entail a change in the competent authority for administrative processing so as to avoid any harm to developers from restarting the process, and *c*) guarantees offered will not be enforced in the event of withdrawal from an initiated process in order to restart it with another authority, without prejudice to a loss of access and connection permits.

b) *Repowering of facilities*

RD 997/2025 incorporates a definition of repowering in line with EU legislation, such that it consists of the

[1] Electricity Sector Act 24/2013 of 26 December.

renovation of electricity production or storage facilities.

Under this definition, the repowering of facilities is therefore intended to replace, expand or modify, in whole or in part, existing facilities, operating systems, equipment and components in order to replace machinery, improve its efficiency, increase the energy produced or expand the installed capacity.

It also establishes the Government's obligation to draw up a national roadmap to boost repowering within nine (9) months of the entry into force of RD 997/2025, setting out the appropriate measures and objectives for this purpose.

2. Hybrid electrochemical storage: regulatory simplification and adaptation

With regard to the administrative processing of hybrid electrochemical storage facilities, which falls within the purview of the central general government, RD 997/2025 includes the following developments:

- Statement of urgency in the public interest of the administrative authorisation procedures for this type of facility, provided that they do not require an environmental impact assessment ('EIA').

- Amendment to Act 21/2013[2] to exempt from simplified EIA those modules that are incorporated into the space previously assessed for the original energy project, provided that the latter has obtained a favourable EIA.

- Joint processing of prior administrative authorisations ('AAP') and construction authorisations ('AAC') for these facilities. As part of this process, the deadlines for public consultation and for project reporting and submission to the authorities are reduced by half (the latter is also unified for both authorisations).

This procedure will apply to those hybrid storage facilities that begin their processing after the entry into force of RD 997/2025, as well as those that, having only begun the environmental processing under the aegis of this regulation and being exempt from its implementation, elect into this new scheme following request to the public authority accompanied by the relevant documentation.

3. Amendment of the electricity sector regulations on administrative authorisations and access and connection permits[3]

a) *Amendments to Royal Decree 1955/2000*

RD 997/2025 amends RD 1955/2000 in order to implement the differences between the provisional and definitive AAE (previously referred to as the '*commissioning certificate*'), which will allow the facility to be

[2] Environmental Impact Assessment Act 21/2013 of 9 December.

[3] Royal Decree 1955/2000, of 1 December, regulating the activities of transport, distribution, marketing, supply and authorisation procedures for facilities that produce electricity.

registered in the RAIPEE in advance and definitively, respectively. In this regard, the following differentiation is established:

- **Provisional AAE:** once the project has been executed, the application shall be submitted to the appropriate administrative body, accompanied by: *a*) final work certificate certifying that the work has been executed in accordance with the applicable regulations and the approved execution project, and *b*) in the event of non-substantial modifications having been made, detailed proof of compliance with all the requirements of Article 115(3) of RD 1955/2000.

- **Final AAE:** once the operating authorisation tests have been completed (i.e. energisation of the facility), the application shall be submitted to the relevant administrative body, accompanied, if required, by the Final Operational Notification ('FON') issued by the network operator.

- Additionally, and on a transitional basis, RD 997/2025 provides that the FON required to obtain the final AAE may be replaced by the submission of the following documents:

  — For thirty-six (36) months from the entry into force of RD 997/2025, by: *a*) the Interim Operational Notification ('ION'), and *b*) the decision of prior registration in the RAIPEE.

  — At the expiry of the fifth milestone of RDL 23/2020[4], by: *a*) the provisional AAE for testing, *b*) the Energisation Operational Notification ('EON'), and *c*) a statement of compliance undertaking not to discharge into the grid - until production of the FON or the ION and the decision of prior registration in the RAIPEE.

The time limit for granting the AAE (both provisional and definitive) will be one (1) month from the submission of the application.

Finally, for generation facilities that share evacuation infrastructure with other developers and are included in another developer's case file, a partial provisional AAE may be granted for testing the common evacuation facility before the developer processing that infrastructure commissions its generation facility.

[4] Royal Decree-law 23/2020, of 23 June, approving measures in the field of energy and other areas for economic recovery.

b) *Amendments to Royal Decree 1183/2020*[5]

RD 997/2025 also amends RD 1183/2020 in relation to the regime for the granting and posting of financial guarantees for obtaining the appropriate permits for demand-side access and connection to the electricity transmission and distribution networks, as well as the cases of expiry of such permits.

- In relation to the system of financial guarantees relating to demand-side access and connection permits:
  - It is clarified that storage facilities that absorb energy from the grid are required to provide financial guarantees (€20/kW requested), without requiring them to include the industrial classification code (CNAE) on the guarantee granting receipt, simply indicating that it is a storage facility.
  - Two new criteria are introduced so that a demand-side facility is not considered to be the same, meaning that access and connection permits will be lost not only if the geometric centre is moved more than 10 km away, but also if *a*) there is a change in the CNAE associated with the facility, or *b*) the demand-side access capacity is reduced by more than 50% of that originally requested and granted.
  - The guarantee posted for the purposes of demand-side access and connection permits for storage facilities that absorb energy from the grid will be cancelled when the guarantee posted for the purposes of generation access and connection permits is cancelled.
  - If the consumer does not accept the technical conditions for access and connection proposed by the network operator, the guarantees shall be returned within a maximum period of thirty (30) days from the date on which the network operator is notified of the foregoing.
  - Holders of demand-side access and connection permits who, as a result of the new information that must be included in the guarantee receipts, have to provide new guarantees, will have a period of six (6) months to do so.

[5] Royal Decree 1183/2020, of 29 December, on access to and connection to electricity transmission and distribution networks.

On the other hand, those developers who decide not to replace their guarantees may renounce the access and connection permit within six (6) months, without such renunciation entailing the enforcement of the guarantees previously provided.

- With regard to the expiry of access and connection permits for demand-side and storage facilities:

  — The obligation to sign, within five (5) years from the date of issue of the access permit, an access contract for consumption for a contracted power in any of the periods of at least 50% of the access capacity for a period of at least three (3) years for that power or higher, is extended to consumption facilities whose connection point is at a voltage between 1 and 36 kV.

  For this type of demand-side facility with access and connection permits already granted, this five (5) year period shall be calculated from the entry into force of RD 997/2025.

  Failure to sign this contract will result in the automatic expiry of the demand-side access and connection permits.

  — Access and connection permits for the portion of the capacity granted for which no access contract has been formalised shall automatically expire.

  — After the three (3) year period in which the access contract must be kept for at least 50% of the access capacity granted in the access permit, if the maximum power of the access contract is less than the access capacity of the permit in force at any given time, the access permit shall be partially revoked for this difference if it continues for a period of five (5) years in facilities whose connection point is high voltage and three (3) years for facilities connected to low voltage.

  — In the case of access and connection permits for storage facilities that feed energy into the grid, the demand-side access and connection permits will expire if the generation-side access and connection permits expire.

  — In the event of termination of the access contract, the access and connection

permits shall remain valid for a period of five (5) years from the termination of the contract for facilities with a high-voltage connection point and three (3) years for facilities connected to low voltage.

— Demand-side access and connection permits will also automatically expire if, within twelve (12) months, the developer has not provided proof of payment of 10% of the value of the investment in grid development.

4. Additional changes

a) *Mandates to the Spanish Competition and Markets Authority ('CNMC') and the System Operator in relation to the electricity crisis of 28 April 2025*

RD 997/2025 requires the CNMC to prepare, within *a*) three (3) months of its entry into force, a report monitoring compliance with voltage control obligations by all entities in the sector subject to such obligations, which will be updated quarterly, and *b*) within nine (9) months, an extraordinary inspection plan for the replacement capacities of all agents participating in the replacement process, which will be updated every three (3) years.

For its part, the System Operator is required to carry out an analysis and review process to be submitted to the CNMC and the Ministry for Ecological Transition and Demographic Challenge. Thus, from the entry into force of RD 997/2025, the following will be analysed:

- Within three (3) months, *a*) the installation of power system stabilisation systems and the use of controls to dampen power oscillations, *b*) a new regulation on response to voltage variation speed, and *c*) the requirements for power injection into the grid by generation facilities.

- Within six (6) months, *a*) the regulation of adjustment services and the scheduling of technical restrictions, *b*) a proposal for an electricity system operation procedure to coordinate the development plans for the transmission and distribution networks, *c*) the minimum monitoring requirements necessary for incident analysis, and *d*) the definition of a procedure establishing how to submit the information requested by the System Operator to carry out incident analysis.

b) *Authorisations for standard generation projects on R&D&I platforms*

RD 997/2025 allows generation or storage facilities that have been classified as R&D&I to obtain AAPs and AACs for standard projects, so that, in order to disconnect a prototype and connect a new one, only an AAE is required, provided that the new prototype connected is within the technical parameters established in the AAP

and AAC and is installed in an area that has already been environmentally assessed and does not require a new EIA.

c) *Deadlines for the execution of distribution facilities*

The deadlines for electricity distribution companies to execute the necessary grid extensions for new supplies are clarified, including the case of execution by installation companies at the expense of the applicant.

d) *Settlements in the electricity sector*

For the purposes of settlements in the electricity sector, it is established that interest on the accounts of the settling body shall be regarded as earnings in the system and shall be unbundled accordingly into (transmission and distribution) tolls and charges.