



## SUMMARY

A new extraordinary contribution from the energy sector laid down in the 2014 Budget Law, will be transferred to the Fund for the Systemic Sustainability of the Energy Sector.

One of the Fund's goals is to reduce tariff deficit, either by replacing some of the costs of general economic interest paid by consumers or through the acquisition of tariff credits from energy companies.

## CONTACTS

João de Macedo Vitorino

[jvitorino@macedovitorino.com](mailto:jvitorino@macedovitorino.com)

## Fund for the Systemic Sustainability of the Energy Sector

The Portuguese Government has set up a Fund for the Systemic Sustainability of the Energy Sector (**Fund**) through Decree-Law 55/2014 of 9 April 2014.

Members of the Portuguese energy sector (power plant operators, distributors, wholesalers, retailers, refinery operators, among others) will contribute to the Fund as the product of the extraordinary contribution from the energy sector, as laid down in Article 228 of the 2014 Budget Law, is one of the Fund's capital sources. The Fund will have other sources of capital: in addition to other revenues designated by law or arising out of contract, the Fund may invest in capital guarantee products.

The Directorate-General for Energy and Geology and the Directorate-General of the Treasury are the trustees of this Fund. The key objectives of the Fund are (i) to contribute to the financing of social and environmental energy sector policies that are related to energy efficiency measures and (ii) to reduce the tariff deficit of the national electricity system.

At least one third of the Fund's revenue will be assigned to reducing the tariff deficit by deducting such amount from the costs of general economic interest, complex compensation schemes (including but not limited to those known as CMEC) that would otherwise be passed-on to consumers and retailers.

With the same goal of reducing tariff deficit, the Fund may also acquire tariff credits, after approval of the Ministers responsible for the areas finance and energy and after consultation of the Portuguese Energy Services Authority ERSE. Once purchased, the Fund may (i) service the credits or (ii) deem them as extinct if it finds that the decrease in tariff deficit is more important than effective servicing.

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