

100 MILLION FOR IN GRID FLEXIBILITY AND ENERGY STORAGE

The Portuguese Government approved the Incentive Scheme for Companies 'Grid Flexibility and Storage' with R-Power EU funds from the National Recovery and Resilience Plan ("PRR"), allocating €99.75 million to support investments in the flexibility and energy storage in the national electricity grid.

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Ministerial Ordinance 176-B/2024/1 approved the Incentive Scheme for Companies named 'Grid Flexibility and Storage', with funds from the Recovery and Resilience Plan ("PRR"), which aims to install at least 500 MW of energy storage capacity on the electricity grid (either at transmission or distribution level) by the end of 2025 with a total investment of €99.75 million. Please find below the main features of this subvention:

- All public or private legal renewable electricity producers are eligible for a non-refundable subsidy of up to 20 per cent of the eligible costs, with a maximum amount per project of €30 million.
- Allocation of subsidies will prioritize storage projects which will connect to licensed electricity production centers.
- Investments must be for the installation of BESS at grid scale with a nominal power of at least 1 MVA and that ensures charging and discharging at maximum power for a minimum of two hours, associated with independent production centers of an installed power of more than 1MVA, using renewable energy sources directly connected to the Portuguese electricity grid.
- Eligible expenses include: (i) costs related to the electricity storage systems, (ii) construction or adaptation of infrastructure costs, including auxiliary equipment and battery management and control systems and (iii) costs of technical assistance for the project and relevant awareness actions with the target public.
- Works must begin within 6 months of signing the acceptance terms with the Environmental Fund (*Fundo Ambiental*) of the Portuguese Energy and Environment Ministry and must be completed by December 31, 2025.
- The acceptance terms will define the payment schedule, which must be made upon presentation of proof of the expenses associated with the project.

The Tender Notice was published on the 31st of July. Applications must be submitted at the Portuguese Environmental Fund website by the 2nd of September 2024.

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