

ELECTRICITY SELF-CONSUMPTION IN PORTUGAL

THE RENEWABLE ENERGY USE CONTRACT

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SUMMARY

Law no. 29/2026 of 23 June establishes a framework for the new Renewable Energy Use Agreements (*Contratos de Aproveitamento Energético Renovável* – “**CAER**”), establishes deemed approval for the licensing of self-consumption generation units (*Unidades de Produção para Autoconsumo* – “**UPACs**”), and a comparison platform for aggregator offers.

The main purpose of this new legislation is to streamline licensing procedures for renewable self-consumption projects in Portugal and to facilitate their deployment in condominium settings. It enters into force on 1 July 2026, applying also to all pending proceedings at the Directorate-General for Energy and Geology (*Direção Geral de Energia e Geologia* – “**DGEG**”).

I. Purpose of the CAER

A CAER allows a property owner to grant a developer the right to use the property's renewable energy potential—including undeveloped urban land, areas not designated for agricultural, livestock or forestry purposes, and rooftops or roof terraces—for the installation and operation of a UPAC.

It is primarily intended for cases where the generation unit is owned by a developer or investor rather than by the self-consumer. In such cases, the property owner who consumes the electricity is not the owner of the UPAC, but instead, a third party is responsible for investing in, installing and operating the generation facility. The CAER regulates this relationship, covering both the installation and equipment and the commercial arrangements governing the self-consumed, stored or grid-injected electricity.

- a. The scope of the regime is, however, limited. It applies only to UPACs with an installed capacity of up to 1 MW, meaning that, in practice, the CAER framework is confined to residential self-consumption projects and small- to medium-scale commercial and industrial self-consumption installations.

2. Requirements applicable to CAER

Companies wishing to offer CAERs must notify the DGEG before commencing activities and may begin operating immediately once the notification has been verified for compliance. The DGEG maintains a public register of developers and must issue a certificate confirming the commencement of activities within five working days.

CAERs must be executed in writing, and a copy must be provided to the property owner within 30 days. They may have a maximum term of 15 years, renewable once for an additional period of equal duration.

At a minimum, CAERs must address:

- Contract duration, renewal and termination;
- Allocation of installation, operation and maintenance costs;
- Sharing of revenues derived from the sale of generated or stored electricity; and
- Ownership of the equipment upon termination of the agreement.

Before entering into a CAER, the developer must provide clear information regarding its identity, the characteristics and expected output of the installation, applicable tariffs and other amounts payable by or to the consumer, maintenance services, and the grounds for termination of the agreement.

The Portuguese Government must approve, within six months, a ministerial order establishing a standard CAER template.

3. Faster licensing: Deemed Approval

The new law simplifies the licensing process for self-consumption projects. Both the production licence and the operating licence must now be issued within a maximum period of 90 days, instead of the general one-year deadline, failing which they are deemed granted.

In practice, if the DGEG does not issue a decision within the applicable deadline, the relevant licence is automatically deemed granted without the need for any express administrative act.

4. The last-resort aggregator's purchase obligation

Consumers with solar panels or other generation facilities may sell surplus electricity that they do not consume. This is generally done through an aggregator, a company that purchases electricity from multiple producers and resells it on the market. For producers that have not entered into an agreement with an aggregator, a supplier of last resort aggregator acts as the default purchaser.

Under the new law:

- The supplier of last resort aggregator must automatically purchase electricity from producers that do not have an agreement with another aggregator, eliminating the previous requirement to enter into such an agreement within four months;
- The purchase price for that electricity will be set by the Government through a ministerial order; and

Participation is straightforward and requires only the submission of a form through the supplier of last resort aggregator's website.

5. More information for consumers

The Energy Services Regulatory Authority (**ERSE**) currently provides a **free online comparison tool** that allows consumers to compare electricity market offers. Until now, the tool included only offers from electricity suppliers.

Under the new law, the platform will also include offers from aggregators—that is, entities purchasing electricity from producers—including the supplier of last resort aggregator, and will display an updated list of all registered aggregators.

The comparison tool will also become available to a wider range of users. In addition to household consumers and micro-enterprises (with annual consumption of up to 100,000 kWh), it may now be used by self-consumers with generation facilities that inject less than 725 MWh per year into the grid.

6. Self-consumption in condominiums

Law no. 29/2026 also amends the Portuguese Civil Code to facilitate the installation of UPACs in condominium buildings.

Where a building comprises at least two autonomous units, the installation of equipment and operation of renewable energy UPACs may now be approved by a simple majority of condominium owners, rather than the two-thirds majority generally required for building improvements

7. Entry into force

Law no. 29/2026 enters into force on 1 July 2026 and applies to all procedures pending before the DGEG, without prejudice to any acts already carried out.

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