PUBLIC CONSULTATION

PORTUGUESE ENERGY STORAGE LICENSING RULES

João Vitorino and Frederico Vidigal

SUMMARY

The Portuguese Directorate-General of Energy and Geology ("**DGEG**") launched a public consultation on a draft order setting out the specific licensing procedures for electrical energy storage facilities, under Decree-Law No. 15/2022 of 14 January ("**DL 15/2022**"). Once enacted, the draft order will replace Order No. 1859/2025 of 10 February and will consolidate into a single instrument the rules applicable to all types of storage — both standalone and co-located.

The draft order proceeds on the assumption that injection capacity on the National Electricity Grid ("**RESP**") has already been reserved, i.e., that access to licensing is conditional on prior ownership of a Capacity Reservation Title ("**TRC**").

Contributions may be submitted in writing until 24 June 2026 via the email address apoio.renovaveis@dgeg.gov.pt.

1. Rules for Standalone Storage

For standalone storage, the draft order requires that the licensing application be submitted at an advanced stage of documentary and technical maturity. In addition to establishing the applicant's legal standing and ownership of an injection capacity reservation, the procedure assumes that the developer has already consolidated the key foundational elements of the project, including its location, technical configuration, schedule, and environmental framework. The following must be submitted:

- Document evidencing the authority of the person submitting the application;
- Copy of the Capacity Reservation Title ("**TRC**") already granted for the storage facility;

- Summary of operating conditions, including the maximum injection power into the public grid ("**RESP**") and the maximum power for charging from the RESP — which may not exceed the injection capacity.
- Documents required under Annex I of DL 15/2022, in particular:
    a. Contracts relating to the land on which the storage facility is to be installed;
    b. Detailed design of the storage facility, including a technical description and drawings showing the site plans and general electrical diagrams;
    c. Decommissioning plan;
    d. Implementation schedule;
    e. Environmental permits applicable to the project; and
    f. Favourable prior information issued by the competent municipal authority.

2. Rules for Co-located Storage

For co-located storage — where the storage facility is associated with a renewable power plant and shares the same grid injection point on the RESP — the procedure broadly follows the same framework as for standalone storage, with the addition of identifying the title or authorisation of the principal facility to which it is linked. The legal framework seeks to accommodate hybridisation and flexibility-enhancing solutions for existing projects, and in those cases does not require the allocation of a standalone TRC, provided that the storage facility's injection remains within the available capacity of the associated plant.

This approach favours the optimisation of assets already connected to the grid, but also confirms that the instrument is primarily built on the reuse or reorganisation of previously allocated capacity, rather than on the creation of an independent entry pathway for new projects.

3. How the procedure works

The procedure is fully dematerialised and applications must be submitted through an electronic platform to be created for that purpose or, until such platform is available, via the DGEG website. The draft distinguishes between facilities subject to licensing and those subject to prior registration based on a 1 MW threshold, but in both cases maintains a relatively demanding procedural logic, characterised by successive stages of formal verification, technical interaction, and administrative decision-making. The sequence of acts envisaged helps to identify where the main friction points of

the framework are concentrated, in particular the late stage at which the network operator and the Global System Manager (GGS) intervene.

	Act	Entity	Deadline
1	Submission of application to DGEG electronically, accompanied by all documents required under Annex I of DL 15/2022	Applicant	—
2	Verification of compliance and completeness by DGEG	DGEG	10 days
3	Notification to the applicant to remedy deficiencies, under penalty of rejection of the application	DGEG / Applicant	15 days
4	Referral to the competent network operator and the global system manager for an opinion on: (i) The technical conditions to be ensured for the storage facility; (ii) The maximum apparent charging capacity of the storage facility from the public electricity grid (RESP); (iii) Any operating restrictions; (iv) Any other relevant considerations	DGEG	5 days
5	Issuance of joint opinion by the competent network operator and the GGS	Network operator and GGS	30 days

	Act	Entity	Deadline
6	Response from the applicant and possible technical interaction in the event of an unfavourable opinion	Applicant	10 days
7	Final joint opinion by the network operator and the GGS	Network operator and GGS	15 days
8	Licensing decision and issuance of the title by DGEG	DGEG	30 days

4. Deadline and submission of contributions

The public consultation runs until 24 June 2026 and covers the procedural framework applicable to the licensing and registration of electrical energy storage facilities. According to DGEG itself, the objective of the draft is to consolidate, clarify, and systematise the procedures applicable to the various types of storage, replacing the framework currently set out in Order No. 1859/2025 of 10 February.

DGEG also notes that a technical regulation on the technical conditions for connecting these facilities to the RESP will be submitted to public consultation at a later stage, meaning that the present consultation covers only part of the proposed new framework.

5. Our initial comments

5.1. The absence of a capacity allocation mechanism undermines the new framework as regards standalone storage

The draft order regulates prior control of storage facilities, but does so on the basis of a fundamental assumption: that the developer already holds reserved injection capacity on the RESP. In practical terms, access to licensing, under any of the modalities provided for, continues to be conditional on prior ownership of a TRC.

However, general access to injection capacity — the entry condition for new standalone storage projects — remains dependent on DGEG publishing the capacity available on the grid. Since DL

15/2022 entered into force, no such publication has taken place, which has in practice prevented new projects from being submitted and developed.

The mechanisms introduced in the meantime have not addressed this structural gap. Some merely allow the reuse or reconfiguration of previously allocated capacity. This is the case with the temporary measures approved by Decree-Law No. 100/2026 of 22 May, which provide greater flexibility for projects already holding capacity reservations, permitting changes to technology, location, size, or schedule with a view to their viability. Others are aimed solely at redistributing capacity among existing title holders, through the division, aggregation, or transfer of TRCs.

The auction for the procurement of storage capacity intended for the provision of system services — announced by the Government last year, with the procedural documents, calendar, and connection points to be published on 29 June 2026 — does not resolve this issue either. This is a one-off, competitive procedure tailored to a specific purpose, and it cannot substitute for a general, permanent, and predictable framework for allocating injection capacity to standalone storage projects oriented towards market energy sales. Even if successful, it will benefit only those projects selected to provide system services, leaving in place the absence of a regular, transparent, and non-discretionary mechanism for network access.

A mechanism for allocating injection capacity to standalone storage therefore remains to be defined. This omission undermines the practical effectiveness of the proposed framework. However swift or efficient the licensing procedure may be, its usefulness for genuinely new projects will necessarily be limited for as long as there is no effective pathway to injection capacity. Without this basic condition, the framework risks remaining largely programmatic — failing to create a functional storage market or to provide, in effective terms, the support the electricity system needs to integrate variable renewable output.

5.2. The network operator's opinion should precede the licensing application

DL 15/2022 treats the verification of charging capacity through the RESP as a preliminary step in the procedure applicable to storage. Article 79(3) expressly subjects this activity to prior verification by the competent network operator and the GGS.

The draft order, however, follows a different logic. The joint opinion of the network operator and the GGS only comes after the application has been fully compiled, including all documents required under Annex I — in particular, proof of land availability, the detailed design of the facility, and the applicable environmental permits or authorisations.

In practice, this means that the developer is required to bear significant costs and advance the project to a mature stage without knowing in advance whether it will be able to charge energy from the grid, on what terms, and subject to what restrictions. These conditions are, however, determinative for the

technical and economic viability of the investment and, ultimately, for the decision to proceed with the project.

If issued only after significant investment has been made, the opinion can no longer fulfil the function it should serve: enabling the developer to know the terms of grid access in advance and to decide, in an informed and rational manner, whether to proceed.

The approach is also procedurally inefficient, as it exposes both the developer and the public administration to the allocation of resources to procedures that may ultimately be abandoned at an advanced stage as a result of an unfavourable opinion.

It should therefore be possible to obtain this opinion in advance, or at the very least to determine upfront the available charging capacity and applicable restrictions before the licensing application is submitted. Such an approach would be more consistent with Article 79 of DL 15/2022, would respect the preliminary nature of the legally required verification, and would strengthen procedural rationality, regulatory predictability, and investment protection.

5.3. The public consultation is launched without the technical regulation on connection conditions

DGEG itself acknowledges that the draft now submitted to public consultation is only partial in scope. In the background note published alongside the consultation, DGEG clarifies that a technical regulation clarifying and governing the technical conditions for connecting storage facilities to the RESP will be submitted to public consultation at a later stage. This means that stakeholders are now being asked to comment on the procedural design of the framework without yet knowing the technical rules that will govern, in essential respects, the connection, operation, and effective use of these facilities.

This approach reduces the practical utility of the consultation and may compromise an overall assessment of the proposed framework. In the field of storage, procedural and technical connection aspects are closely interlinked: the definition of charging capacity, operating restrictions, safety conditions, and grid interface arrangements is not a mere executive detail, but a central dimension of the very viability of projects. Fragmenting the consultation into two separate stages therefore risks producing a procedurally complete-looking instrument that remains dependent on a future technical component — without which significant uncertainties remain for developers.

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