



New tax on renewables

Electricity producers are now subject to a new payment on account in the amount of 4,18€ per MWh irrespective of their source of energy.

Back in 2015, Spain levied a special tax on electricity producer which was suspended on the beginning of October 2018 for a six months period. Now that the suspension has ended, and as in Portugal there is no such tax, this was perceived as a competitive advantage to investors in the Iberian electricity market.

Apparently this is no longer the case as the Portuguese government has introduced a brand new special tax of €4,18 per MWh to be levied in 2019 upon all renewables not subject to a special regime. The Portuguese government argues that this fiscal disparity creates a market disturbance and should be treated as an extra-market event *“which may influence the market price and revenues of the different Portuguese producers”*.

The Portuguese government is in fact authorized by [Decree-Law no. 104/2019](#) to create a payment on account in order to suppress such disparity between Portuguese and Spanish electricity producers.

This new tax was determined by the Secretary of State for Energy through the Ruling no. 8521/2019 after a proposal from the Energy Services Regulatory Entity and has entered into force on 27 September 2019.

This new tax was already foreseen in the State Budget for 2019 and its creation raises questions on its lawfulness.

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