

Enabling framework
of pilot countries:

PORTUGAL



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Introduction

Buildings are responsible for well over one third of the EU's greenhouse gas emissions and energy demand. The entire building stock will need to be highly energy efficient and carbon-neutral by 2050 to achieve the EU's climate objective.¹ In order to meet these ambitious targets, different strategies and potentials have to be explored.



The project [Citizen-Led Renovation](#) aims to empower energy communities and put citizens in the driver's seat for energy-saving renovation projects. In the course of the project, four energy communities in four different countries are assisted to deliver citizen-led energy renovations and renewable energy installations within their energy community. This country factsheet provides an overview of the current policy and incentive framework in the countries and regions of the selected pilots. It starts with a brief overview of the EU policy and financing framework, followed by a more detailed overview of the national policy and enabling framework. It considers the state of play in terms of legislation, regulation and administrative procedures that are relevant to the integration of building energy renovation and energy communities.



Portugal © Photo by Tom Byrom on Unsplash.

1 EU Renovation Wave, COM/2020/662 final, [\[Link\]](#)

EU policy framework



End of 2019, the European Commission launched the European Green Deal² setting the 2050 goal for zero greenhouse gas emissions, which became enshrined in the 2021 Climate Law together with an intermediate emission reduction goal of 55% by 2030. Building renovation is a crucial component of the European Green Deal, as the EU recognises that buildings are a significant source of energy consumption and greenhouse gas emissions, accounting for about 40% of energy use and 36% of CO₂ emissions in the region.² Building renovations are seen as a key tool to reduce emissions and provide healthy and affordable living and working environment for all. Therefore, the European Commission decided in 2020 to kick off a Renovation Wave as a follow-up to the Green Deal.

The **Renovation Wave**¹ is a strategic communication with the aim to double annual energy renovation rates in the next ten years and renovate 35 million buildings in Europe by 2030. Together with a very ambitious decarbonisation of heating this should enable to cut direct building sector greenhouse-gas emissions by 60% until 2030 (based on 2015 levels) as laid down in the Climate Target Plan 2030 (CTP). The initiative builds on the national long-term building renovation strategies that are part of building-related aspects of Member States National Energy and Climate Plans.

Meanwhile new energy and climate targets have been agreed by the EU's legislators within the framework of the **Fit-for-55**³ package, which was launched in 2021, in order to deliver the reduction of greenhouse gas emissions by 55% by 2030. The Fit-for-55 package includes among others, recasts to the **Energy Performance of Buildings Directive**⁴ (EPBD), **Energy Efficiency Directive**⁵ (EED) and the **Renewable Energy Directive**⁶ (RED) and therefore significantly affects the building renovation sector. The revision of the EPBD targets to set the European building stock on a clearly planned trajectory towards deep renovation to meet the EU 2050 carbon neutrality goals. The EED recast targets to make buildings more energy efficient and boost the use of renewable energies in buildings.

2 EU Green Deal, COM/2019/640 final, [\[Link\]](#)

3 Fit for 55, COM/2021/550 final, [\[Link\]](#)

4 EPBD recast, COM/2021/802 final, [\[Link\]](#)

5 EED recast, COM/2021/558 final, [\[Link\]](#)

6 RED recast, COM/2021/557 final, [\[Link\]](#)

In March 2022, the European Commission launched the **REPower EU**⁷ communication with the aim to reduce the EU's dependency on Russian fossil fuel imports. The REPower EU plan encourages Member States to find the quickest and cheapest ways to address the current energy crisis. The package includes a number of strategies, action plans and recommendations to increase the capacity of renewable energy (e.g. solar PV and heatpump capacity should be doubled) in the European Union and therefore also affects the renovation of residential buildings.

In support of the latest policy packages that were listed above, the European Commission is fostering the use of EU funds for the investment in energy efficiency of buildings and has been further developing financial instruments. The following enumeration lists the most relevant funding streams and programs and financial instruments for the residential building renovation sector:



- European Fund for Regional Development (ERDF), European Social Fund + (ESF+) and Cohesion Fund (CF): 330.2 billion Euro, climate share 30%
- Recovery and Resilience Facility (RRF): 672.5 billion Euro (till 2026), climate share 37%
- InvestEU (“Sustainable Infrastructure”): guarantee of 26.2 billion Euro (9.9 billion Euro for sustainable infrastructure), climate share 30%. The guarantee aims to leverage private investments of up to 650 billion Euro.
- Just Transition Fund: 17.5 billion Euro, climate share 100%.
- Modernisation fund in the context of EU ETS: ~14 billion Euro; at least 70% for energy efficiency.

As none of these programs are specifically earmarked for investments in buildings, it is difficult to estimate, how much will actually feed into this sector. It can be assumed that an annual 8-16 billion Euro will be available from these programs for energy renovation of buildings.⁸

7 REPower EU, SWD(2022) 230 final, [\[Link\]](#)

8 A.Hermelink and K.Bettgenhäuser, “The European Commission’s Renovation Wave Initiative for the Building Sector”, Climate Change 53/2021, German Environment Agency

National policy framework Portugal

Portugal's legal framework for energy and climate policy is expressed in the **Basic Climate Law – Lei de Bases do Clima**⁹ (Lei n.º 98/2021 de 31 de Dezembro) which is under the responsibility of the Environment and Energetic Transition Ministry. The law stipulates the country's commitment to Climate Action and defines the basis of climate policy in its various dimensions, such as recognizing a climate emergency, defining the objectives and principles of climate policy and clarifying climate rights and duties, among others.



The Basic Climate Law establishes the creation of a “Climate Action Portal”¹⁰ to allow citizens and civil society to monitor and participate in climate action. Climate change mitigation and adaptation must be taken into account in the design and implementation of sectoral policies, ensuring their coherence and complementarity. The Climate Action Council (CAC) was created to monitor climate action in Portugal in an impartial and objective manner.

Furthermore, the Basic Climate Law outlines the country's responsibility to contribute to international efforts to combat climate change, including those set forth in agreements like the Paris Agreement.



↑ Portugal © Photo by Yana Marudova on Unsplash.

9 Lei de Bases do Clima [\[Link\]](#)

10 Climate Action Portal Portugal [\[Link\]](#)

The law sets specific greenhouse gas emissions reduction targets for Portugal over various timeframes. These targets are designed to align with international climate goals and are aimed at achieving a low-carbon economy. Article 39 of the law pledges the de-carbonization of the residential sector and public buildings, with a focus on deep renovation of the building stock, increasing energy efficiency in buildings and improving thermal comfort, considering the neutrality of materials, the suitability of construction solutions to climate change and the entire life cycle of the building. Furthermore, the law also requires the development and implementation of climate plans and policies to meet emissions reduction targets. These plans should cover various sectors of the economy and outline specific measures to reduce emissions.

Portugal aims to achieve following greenhouse gas emission mitigation targets (not considering land use and forests): – 55 % by 2030, – 65 to 75 % by 2040 and – 90 % by 2050. In addition, Portugal plans to achieve climate neutrality by 2050 and the government should study (by 2025) strategies to achieve this target already in 2045. Planning instruments for climate action are defined, such as the long-term mitigation strategy, carbon budgets, the PNEC – National Energy and Climate Plan and the ENAAC – National Climate Change Adaptation Strategy, as well as sectoral emission reduction targets and sectoral adaptation plans (to be approved by the end of 2023). Various economic and financial instruments have been established for climate action, such as decarbonisation programmes for the public administration or the obligation for agents in the financial system to take climate risk and impact into account when making financing decisions.

Legislation related to renovation



Implementation of EPBD in Portugal

In Portugal, the original **EPBD** is implemented in national law since 2013. During the years 2019 and 2020, the Portuguese government revised the legislation in order to adapt it to Directive (EU) 2018/844.

The current building energy performance legislation, which applies for both residential and non-residential buildings, bases the calculation methodologies on comparisons with reference buildings. Typically, the reference building reflect the minimum performance requirement of the building if it were constructed today. With the transposition of the EPBD, attention was given to technical building systems and RES, but also on reinforcing the building envelope.¹¹

The energy performance requirements for new residential buildings are set in terms of the useful energy demand needs for heating and cooling. The total primary energy for heating, cooling and domestic hot water is limited to a maximum value and there is a minimum RES contribution required for domestic hot water.

The energy performance of existing buildings is improved 'part-by-part', meaning that there are minimum requirements when a specific building component (building envelope or technical building system) is renovated. For major deep renovations of buildings, an overall assessment has to be made, and a minimum performance for the whole building has to be achieved.

Furthermore, Portugal defined the National Buildings Energy Performance Certification System (SCE), that require all residential and commercial buildings to be audited to receive an energy certificate when they are constructed and each time the building changes ownership. The SCE ensured the effective application of EPBD energy performance requirements in new buildings and buildings under major renovation. Energy Performance Certificates are registered in the SCE and cross-referenced with other databases which allows for a precise identification of each building.

¹¹ Implementation of the EPBD in Portugal, Concerted Action, 2021 [\[Link\]](#)

Implementation of EED in Portugal

The **EED** transposition and implementation in Portugal is in the responsibility of the Ministry of Environment and Climate Action. The Directorate General for Energy and Geology (DGEG), which is an entity under this Ministry, is responsible for supervising the implementation activity.

The EED was first transposed to national law in 2015 by Decree-Law No. 68-A/2015 which also revised Decree-Law No. 23/2010 on cogeneration. For the implementation of the amendment of the Directive (Directive (EU) 2018/2002) the articles mentioned above were amended through Decree-Law No. 64/2020. The EED established a set of binding measures through its different Articles, including provision for energy efficiency obligation schemes (Article 7), and energy audits and energy management systems (Article 8). The Portuguese National Energy and Climate Plan, is the main instrument for energy and climate policy and defines the national contributions and policies and measures planned to comply with the requirements of the EED.

Portugal targets to reduce energy consumption by 35%, compared to the projections of the Reference Scenario of the European Union 2007 (PRIMES model), which is Portugal's contribution in terms of energy efficiency to meet the EU energy efficiency target of 32.5% in 2030. On energy audits and energy management systems, Portugal has mandatory energy efficiency schemes in place. Furthermore, Portugal implemented measures to remove regulatory and non-regulatory barriers.¹²

12 National EED Implementation 2021, Concerted Action, 2021 [\[Link\]](#)

National Energy and Climate Plan Portugal

Portugal developed a **National Energy and Climate Plan**¹³ (NECP) in 2021, as required by the European Union (an updated draft version was launched in June 2023). The NECP outlines the strategies and policies of Portugal to address energy and climate related challenges, including reducing greenhouse gas emissions, increasing the share of renewable energy sources, improving energy efficiency, and enhancing energy security. The Portuguese NECP defines the target of a 47% (49% in 2023 revision draft) share of energy from renewable sources in gross final consumption by the year 2030 which is above the 42% minimum level resulting from the EU Governance Regulation. The plan indicates several additional policies and measures to achieve the underlying goals, although many remain generic and difficult to assess. The 2030 target for primary energy consumption (PEC) is set at 35% below reference projections, resulting in 21.5 Mtoe PEC judged by the Commission to be a modest contribution to the EU 2030 target and in 14.9 Mtoe FEC judged to be a very low contribution.¹⁴

The Portuguese NECP also provides for a set of measures to boost energy communities. The plan gives a comprehensive overview of new rules from end 2019 for distributed and self-generation. These allow and promote active consumers and energy communities, include the creation of an information web portal on distributed and self-generation and energy communities by 2022. The NECP also defines measures to provide legal, technical and financing support, for the establishment of energy community projects at municipal level. Support will be provided through qualified public entities in partnership with local agencies and partners. The aim is to establish energy community projects, with a particular focus on hinterland municipalities and with a higher prevalence of energy poor consumers such as social housing projects.¹²

13 Portugal National Energy and Climate Plan 2021-2030, 2019 [\[Link\]](#)

14 EC assessment of NECP, SWD(2020) 921 final, [\[Link\]](#)

Long Term Renovation Strategy Portugal

In addition Portugal published the **Long Term Renovation Strategy**¹⁵ (Portuguese LTRS). The Portuguese LTRS defines a roadmap of progress indicators and improvement measures as well as milestones for 2030, 2040, and 2050. Portugal assumes that, by 2050, all of its stock will need to be renovated except multifamily buildings built after the year 2016. Most of the buildings built before 2016, have a comfort category IV (worst comfort category), which means that, currently, the present building stock provides some thermal discomfort in more than 95% of the hours of the year.

The primary goal of the Portuguese LTRS is to convert the current national building stock into buildings with characteristics similar to nZEBs. Energy consumption and emissions in the building sector should be significantly reduced by building renovation to nZEB standard. Furthermore the renovation of buildings should increase thermal comfort and indoor air quality and reduce energy poverty. The effective management of material resources, water efficiency, and the overall enhancement of building environmental performance are further equally relevant aspects of the Portuguese LTRS approach.¹⁶

15 2020 long-term building renovation strategy Portugal, Council of Ministers Resolution No 8-A/2021 [[Link](#)]

16 Castellazzi et al., "Assessment of the first long-term renovation strategies under the Energy Performance of Building Directive", 2022, JRC Science for policy report

The Portuguese LTRS aims to achieve the following main objectives related to the renovation of residential building stock:

Indicator	2030	2040	2050
Percentage of primary energy savings	15%	37%	40%
Percentage of local renewable energy	10%	35%	73%
Percentage of total renewable energy	57%	62%	98%
Percentage of reduction in CO ₂ emissions	16%	56%	85%
Renovated area of buildings (m ²)	299524729	513059967	514265282
Percentage of renovated buildings	70%	100%	100%
Percentage reduction in hours of discomfort	26%	34%	56%
Weighted mean investment (€ ₂₀₂₀ /m ²)	82	165	258
Savings (€ ₂₀₂₀ /m ²)	88	191	279

Objectives for residential buildings with respect to 2018¹³

Recovery and Resilience Plan Portugal

In 2021, Portugal developed and published a **Recovery and Resilience Plan**¹⁷ (RRP) as part of the EU's efforts to address the economic and social impacts of the COVID-19 pandemic and promote long-term economic resilience. These plans are designed to utilize funds from the EU Recovery and Resilience Facility, which is a central element of the EU's NextGenerationEU recovery plan. Portugal's RRP responds to the urgent need of fostering a strong recovery and making Portugal future ready. Portugal will become more resilient, sustainable, and better equipped to handle the opportunities and difficulties presented by the green and digital revolutions thanks to the investments and reforms included in the plan. All reforms and investments have to be implemented within a tight time frame, as the regulation on the Recovery and Resilience Facility foresees that they have to be completed by August 2026. The proposal calls for 32 reforms and 83 investments to achieve this goal. €2.7 billion in loans and €13.9 billion in grants will be used to support them. 22% of the plan will promote the digital transition, while 38% of the plan will support climate targets.¹⁵

The Portuguese RRP foresees the financing of a large-scale renovation program with €300 million to increase energy efficiency of residential buildings. The program Edifícios Mais Sustentáveis (More Sustainable Buildings) as part of the RRP targets to support residential buildings with energy efficiency improvement such as replacing windows, insulation of walls and attic, installation of photovoltaic systems or the installation of sustainable heating equipment like heat pumps.¹⁵

¹⁷ Portugal's Recovery and Resilience Plan, Recuperar Portugal Construindo o future, [\[Link\]](#)

Legislation related to Energy Communities



Implementation of RED in Portugal

Portugal was among the first Member States to transpose the RED II, as the basic legislation related to energy communities was initially defined already in 2019, when they introduced a framework for self-consumption of renewable energy on the collective level and by renewable energy communities (Comunidades de Energia Renovável) (Decree Law 162/2019). The 2019 decree law adopts the major principles of the EU REDII in terms of membership, possible activities and the need to form a legal person. The detailed legal definition was recently adjusted by the Decree Law no 15/2022 which provided some clarification regarding the principle of 'proximity' and the conditions for energy sharing. The concept foresees that the relevant production units for self-consumption (UPACs) and consumption facilities shall be located within less than 2 km or connected to the same switching station or the same substation. Although the legal framework for RECs has been quite advanced, most of the requirements for RECs have been literally translated from the RED II without providing adequate details to permit the concept's operationalisation. Provisions concerning 'autonomy,' 'effective control,' and 'principal purpose' remain ambiguous. Moreover, the integration of key elements of the enabling framework such as provisions for RECs into spatial planning and urban infrastructure is still pending.¹⁸

There are manifold barriers including a lack of information, poor access to financing, and the burdensome and lengthy licensing procedures. Therefore there is a need to empower local authorities in their role as key enablers of RECs, e.g., with specialised training courses.¹⁷

In June 2022, the national government opened a call to support the implementation of RECs and collective self-consumption schemes via investment grants, financed through the Recovery and Resilience Plan.

¹⁸ Krug et al., „Implementing European Union Provisions and Enabling Frameworks for Renewable Energy Communities in Nine Countries: Progress, Delays, and Gaps, 2023, Sustainability MDPI

Administrative Processes for Energy Communities

At the moment Portugal has lengthy licencing procedures that impose a barrier on potential new energy communities. The integration of the provisions for renewable energy communities into spatial planning and urban infrastructure is still missing. RECs are exempt from paying specific elements of the network charges called **CIEG** (*Custos de Interesse Economico Geral*). The CIEG are the costs of energy policy, environmental or general economic interests associated with the production of electricity and the costs of sustainability of markets. They are usually charged with the grid access tariff and represent a large portion of energy bills.

In Portugal energy communities are defined as legal persons created through the open and voluntary adherence of their members that can be natural or corporate persons, including companies or local government. Energy communities are allowed to market as well as share the electricity between members. They also have access to the energy markets, including the system services market, either directly or through aggregation. The members or participants are located in the proximity of the renewable energy projects or carry out activities related to the renewable energy projects of the respective energy community, necessarily including a production unit. The projects have to be owned and developed by REC or by third parties, provided that it is for the benefit and at the service of the REC.

The national government of Portugal acts as licencing authority that issues licencing and permits for RECs. The **General Directorate of Energy and Geology** (DGEG) is the body of the Portuguese Public Administration that approves the operating license of RECs. In Portugal, the licencing does not depend of the voltage level. The Portuguese DSO “E-Redes” informs the DGEG if the REC can be connected to the grid. E-Redes also installs the smart meter to monitor energy consumption and energy production. If the installed capacity at the REC exceeds by 20% the installed capacity that was licenced, the REC has to a request a new licence. In Portugal, the energy sharing coefficient can be fixed or dynamic, depending on the decision of the REC members. The REC manager and members can access the data in real time. The REC management software connects with the software of the **Distribution System Operator**.¹⁹

¹⁹ European Energy Network, Energy Agencies and Renewable Energy Communities, [\[Link\]](#)

As the Portuguese law has a special focus on self-consumption of PV energy, many of the registered RECs are actually owned by ESCOs. The amount of registered RECs in Portugal, is not published by DGEG in real-time. The latest official information from January 2023, mentions 25 approved RECs and 300 submitted requests. The vast majority of them are ESCO-led Collective Self-Consumption of PV.

Local and regional authorities and energy agencies have only a minor role in the support to create a REC, as the law is quite new. The major support role is carried out by the **National Energy Agency ADENE (Agência para a Energia)**²⁰. ADENE is responsible for the promotion of RECs and a biannual report of the progress of REC implementation. They also provide templates, manuals and a support contact to anyone that wants to set up a REC.

20 ADENE, [\[Link\]](#)

National Enabling Framework Portugal

Portugal offers an enabling framework for energy efficiency measures and renewable energy installations consisting mainly of subsidies and grants.



↑ Portugal © Photo by Katya Shkiper on Unsplash.

Subsidies and grants



Under the Recovery and Resilience Plan, Portugal has pledged 30M€ for 2023 dedicated to the support programme **05/C13-i01 Edifícios Mais Sustentáveis (“More Sustainable Buildings”)**²¹, for investments done until end of October 2023 or when the funding is consumed. This support programme is the main national support programme of Portugal for the renovation of private residential buildings. It replaces all previous support services for energy communities or building renovation services.

Citizens who own and permanently inhabit (i.e. no vacation houses, no rented houses) their own houses or apartments that were built before 2006 are eligible. The objective of this support programme is to provide funding for initiatives that support the circular economy, decarbonization, energy efficiency, water efficiency, and rehabilitation of buildings. These initiatives will help to achieve the targets and enhance the buildings’ environmental and energy performance. More specifically, the goal of the supported initiatives is to reduce primary energy consumption of the supported buildings by at least 30% on average.

The following renovation investments are eligible for the support programme:

- Windows: Replacement of non-efficient windows for efficient windows (A+ energy certificate)
- Insulation: Applying or substituting insulation in walls, floors and roofs
- Heating system: Installation of domestic heating and/or cooling and domestic hot water (DHW) systems using renewable energy of energy class ‘A+’ or higher
- RES: Installation of photovoltaic systems and other renewable energy production equipment for self-consumption with or without storage
- Water: Interventions that improve water efficiency
- Measures of thermal isolation of walls, roofs and floors, which represent the highest potential of energy efficiency and energy savings in buildings.

21 Edifícios Mais Sustentáveis [\[Link\]](#)

The average funding is 85% (exc. VAT). Citizens must pay and install the systems first, and get refunded after the measures are implemented. Installers, as well as the purchased equipment, must be certified.²⁰

The support programme [AAC N.º 04/C13-i01/2023 Programa de Apoio a Condomínios Residenciais](#)²² focuses on residential condominiums and is now open for tenders. This program is also defined within the scope of the RRP, namely investment TC-C13-i01 – Energy Efficiency in Residential Buildings, included in component 13 – “Energy Efficiency in Buildings”, and in addition to other initiatives already launched, namely the support programme for More Sustainable Buildings and the Vale Eficiência Programme.

The aim of the residential condominium support programme is to fund energy efficiency measures that improve the thermal comfort of residential buildings, help reduce energy bills and renovate the existing housing stock. Specifically, the aim of this programme is to promote the adoption of thermal insulation measures for façades, roofs and floors, which have the greatest potential for energy efficiency and energy savings in buildings. The types of intervention supported, are the application or replacement of thermal insulation on roofs and the application or replacement of external thermal insulation on walls. A total of 150.000 Euros per building is available through this mechanism, and expenses with admissible works are eligible to a subsidy of up to 80% of the costs. This programme targets multi-family housing buildings, built and licensed for housing up to 2006, located throughout Portugal. Only interventions in the parts exclusively used for residential purposes can be subject of an application.

The [Vale Eficiência \(Efficiency Voucher\)](#)²³ programme was part of a series of measures aimed at combating energy poverty and reinforcing the renovation of buildings at national level, making it possible to increase their energy and environmental performance, thermal comfort and the living conditions, health and well-being of families, helping to reduce energy bills and the ecological footprint. The central aim of this initiative was to help mitigate situations of energy poverty by awarding economically vulnerable families in a situation of potential energy poverty a voucher worth €1,300, plus VAT at the legal rate in force, which they can use at suppliers participating in the programme to purchase services, materials or equipment to improve the energy performance of their permanent home. The application phase for this programme ended already in May 2023 but the realization and implementation of the committed applications is still ongoing.

22 Programa de Apoio a Condomínios Residenciais, [\[Link\]](#)

23 Vale Eficiência, [\[Link\]](#)

Tax incentives for energy communities



As of 2021, Portugal introduced some tax benefits and incentives²⁴ for energy communities to promote renewable energy generation and community-based energy projects:

- **Reduced VAT Rates:** Energy communities in Portugal may benefit from reduced Value Added Tax (VAT) rates for renewable energy production and consumption.
- **Exemption from the Special Consumption Tax (IEC):** Energy communities may be exempt from the Special Consumption Tax (Imposto Especial de Consumo or IEC) on electricity produced and consumed within the community.
- **Income Tax Incentives:** Portugal offers income tax incentives for individuals or entities involved in energy communities. This can include exemptions or reductions in income tax for profits generated from renewable energy projects.
- **Local Property Tax (IMI) Reduction:** Some municipalities in Portugal may provide a reduction in the Local Property Tax (Imposto Municipal sobre Imóveis or IMI) of up to 25% for properties with renewable energy installations.²⁵ This reduction can vary from one municipality to another.
- **Energy Production Subsidies:** Energy communities may also qualify for subsidies or feed-in tariffs for the electricity they generate and feed into the grid.
- **Access to Financing:** In addition to tax benefits, energy communities may have access to favorable financing options or grants to support the development of renewable energy projects.

24 Portaria n.º 136-A/2022 [[Link](#)]

25 Energy efficiency is considered to exist when the property has been assigned an energy class equal to or greater than A and/or when as a result of construction, reconstruction, alteration, extension and conservation works, the energy class assigned to the property is at least two classes higher than the previously certified energy class. In these two cases, the IMI reduction is valid for a period of 5 years.

Support services



Support service for citizens regarding building renovation are offered by the National Energy Agency **ADENE (Agência para a Energia)**²⁶ as well as by the 22 local energy agencies that are registered in the RNAE association²⁷. The energy agency ADENE plays a significant role in Portugal's efforts to promote energy efficiency and sustainable energy use. Besides many other services, ADENE supports citizens in the planning of building renovation or the creation of an energy community. ADENE is responsible for the casA+ portal²⁸, a website to help citizens identify opportunities for improvement in their property to reduce energy and water consumption and increase comfort and efficiency. It provides a comprehensive list of certified providers and eligible services/products.

The recently launched draft version of the updated NECP aims for additional support services for the establishment of energy community projects at municipal level. Support will be provided through qualified public entities in partnership with local agencies and partners. The aim is to establish energy community projects, with a particular focus on hinterland municipalities and with a higher prevalence of energy poor consumers such as social housing projects. Most probably ADENE will overtake the responsibilities of this new support service which means that the role of ADENE in citizen led renovation projects gets even more important in the following years.

RNAE ("Rede Nacional de Agências de Energia e Ambiente")²⁹ is the association of local and regional energy agencies of Portugal. The local and regional energy agencies also provide support to citizens for the renovation of their houses or the creation of energy communities.

At the moment there are no one-stop-shops in Portugal available that focus on building renovation activities. The Horizon 2020 project "BUNDLE UP" created the one-stop-shop **Ponto Energia** in 2018 for the investment in sustainable energy and energy efficiency projects (mostly focused on public projects, such as Public Lighting and PV for self-consumption in SMEs). The project was extended with a new Horizon 2020 project in 2021 "BundleUP NEXT", to last until 2024. After the project is finished, the support services of this one-stop-shop will be transferred to the local energy communities and ADENE.

²⁶ ADENE, [\[Link\]](#)

²⁷ RNAE, [\[Link\]](#)

²⁸ casA+ portal, [\[Link\]](#)

²⁹ RNAE, [\[Link\]](#)

Barriers and drivers



One major barrier for building renovation in the residential sector are financial barriers. Renovations can be expensive, and securing adequate financing can be challenging for some property owners. There is a limited access to loans and grants for renovation projects for citizens and energy communities and at the moment there are no actions planned by the government to overcome these barriers. The most relevant financial barriers are: lack of capital, lack of funding for expenses and not very attractive financial support with low co-financing rates.

Another potential barrier in Portugal, is the lack of specific regulatory and legal framework related to business models for the aggregation of energy efficiency projects. To overcome this barrier, it is essential to include in future legislation and regulation projects an aggregating entity. Other barriers are a lack of understanding regarding energy efficiency and potential savings, limited information about the real estate stock, the split incentive dilemma and limited adoption of efficient and intelligent technologies.³⁰

Collaborative funding (crowdfunding) can be a driver for citizen led renovation and can help to overcome the financial barriers. The legal basis for crowdfunding was established in the Portuguese legal system by law no. 102/2015, enacted on August 24, 2015, establishing numerous modalities of crowdfunding. Crowdfunding has emerged as alternative form of financing and is available for the private sector and the public administration. Goparity (www.goparity.com) is one of the most important crowdending platforms in Portugal, and plays a major role in loans for PV for self-consumption in REC and SMEs.

³⁰ Castellazzi et al., "Assessment of the first long-term renovation strategies under the Energy Performance of Building Directive", 2022, JRC Science for policy report

Conclusions



Portugal has transposed important parts of the EU legislation related to building renovations (EPBD, EED) and energy communities (RED, EMD) into national law. The national policy framework for energy efficiency in buildings in Portugal is characterized by a range of regulations and initiatives aimed at promoting energy-efficient construction and renovation practices as defined in the LTRS and NECP. The national policy framework (LTRS, NECP) highlights the importance of building renovations but the European Commission judged the 2030 target for primary energy consumption as only a modest contribution to the EU targets. Also the targets for energy efficiency are judged by the EC as modest and low.³¹

The analysis of the national support mechanism showed that main support program for renovation is defined in the program Edifícios Mais Sustentáveis that was funded by the Recovery and Resilience facility. The legal framework and the support programs in Portugal apply equally to individual citizens and collective cooperatives. In consequence, collective cooperatives are equally eligible to apply for the support available for renovation projects. Support mechanisms that target collective actions are the Programa de Apoio that targets energy efficiency measures in residential condominiums and the program Edifícios Mais Sustentáveis, where collective measures in condominiums get 10% higher subsidies than single house owners. Finally crowdfunding has emerged as alternative form of financing and is available for the private sector and the public administration. Support mechanisms that target energy communities are mainly tax incentives. Overall, both, the low financial support for renovation and the rather limited scope for energy communities and key elements of the enabling framework for energy communities are barriers for citizen led renovation projects. The draft updated NECP however that defines measures to provide legal, technical and financing support for the establishment of energy community projects at municipal level can be an important step for improving the enabling framework in Portugal.

31 EC assessment of NECP, SWD(2020) 921 final, [[Link](#)]



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