

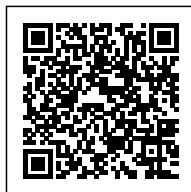
A JOINED UP APPROACH TO THE ENERGY SECTOR - URÍA MENÉNDEZ

Posted on 17/07/2010



Juan Martin Perrotto

Category: [Energy](#)



The regulatory process in Spain can be both difficult to understand and opaque, but clarity of decision-making and outcome is vital if investors are to retain confidence

"Regulatory stability is essential if we are to continue to encourage the development and leadership of our energy companies, particularly in the renewables sector. But this also applies in the more traditional and even alternative energy sectors – if Spain is ever to develop a new nuclear policy the scale of investments required demands longterm planning," says Juan Ignacio González Ruiz, finance and energy partner with Uría Menéndez in Madrid. Combating the perception of uncertainty that currently characterises international thinking is a key challenge.

"We have to react against the lack of credibility that now exists. Of course there is always an element of commercial risk in any venture, but investors need to know that the policy decisions on which they base their decisions are sufficiently robust – this is not unreasonable."

El proceso regulatorio en España puede ser opaco y difícil de comprender, pero la claridad en la toma de decisiones y en el resultado es esencial para mantener la confianza de los inversores, dice Ignacio González Ruiz, Socio de Uría Menéndez en Madrid. El éxito del proceso beneficiará a España pero también a los demás países.

González Ruiz is among those who believe that even in the most challenging regulatory arenas, and with the uncertainty that surrounds the feed-in tariff regime for new renewables projects, opportunities nonetheless remain.

"There is no doubt that in the medium and long-term many energy projects will prove viable, and produce good returns on investments, but the challenge is are companies willing to ride out the shortterm difficulties?"

But expertise in such areas, and a continuing ability to make positive returns on investments, does offer advantages. As well as the success Spanish energy companies are having in exporting technical and commercial know-how to new markets, regulatory regimes are also now being adopted internationally; with the broad principles of the Spanish renewables model increasingly transposed across Latin America.

"It is obvious that we can leverage easily into such markets assisting and sometimes leading the way for our clients. We understand the need, the legal and regulatory processes, and expectations, and can assist in presenting a package to new developments internationally – encompassing the technical, legal and finance skills required," says González Ruiz.