

OFFSHORE ENERGY PRODUCTION STILL AT SEA - ABREU ADVOGADOS

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“Spanish companies find the US increasingly attractive using their expertise in infrastructure to secure concessions.”

Luis Riesgo, Jones Day, Madrid

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The success of Portugal's onshore renewable energy strategy is prompting both the government and investors to now look at new opportunities, albeit with mixed success, says Jose Eduardo Martins, Head of Public Law at Abreu Advogados.

"The test wave energy project in Agucadoura has failed and largely now been abandoned. There is still however no offshore wind production despite onshore wind being, alongside hydroelectricity, now the key drivers of renewable energy in Portugal," he says.

El éxito en Portugal de las estrategias de energía renovable onshore está motivando tanto a los inversores como al Gobierno a explorar nuevas oportunidades, aunque no ofrezca absolutas garantías de éxito, comenta José Eduardo Martins de Abreu Advogados

The recently enacted new national energy strategy does however foresee an eventual new tender for 3,000MW of production, and which includes an analysis of the "technical feasibility and cost effectiveness of offshore wind production".

But such a vague commitment does not necessarily make it an area of priority for energy companies, says Martins. In addition, there is currently no legal or regulatory framework dedicated to offshore energy production.

"Environmental Impact Assessments and connections to the grid do however offer special particularities in such cases. The only experience to date however has been with the wave energy production program, which led to the enactment of an ordinance to regulate the activity. Thus, if such a procedure is to be launched, we anticipate that new and special rules will be adopted."

Recent Studies have however revealed a greater potential than was previously imagined as regards the suitability of the Portuguese continental shelf for offshore wind production.

"Environmental constraints nonetheless derive from the fact that most of our coast line, nearly 70%, is classified under Natura Net 2000 – a key part of the EU's policy to stop the decline of biodiversity and ecosystems – but all these difficulties have been surmountable in the past via Environmental Impact Assessment," says Martins.

Optimism is nonetheless tempered by the success of the new wave of renewable tenders now being prepared, says de Andrade.

“This new tender is still very much just an intention, while the future level of feed in tariffs is now very much the subject of political pressure due to the economic crisis – it may therefore still be two or three years more before there will be a clearer definition.”