



WFER IX

When Balance Is Achieved



IX WORLD FORUM
ON
ENERGY REGULATION
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Regulatory incentives to attract energy transition investments

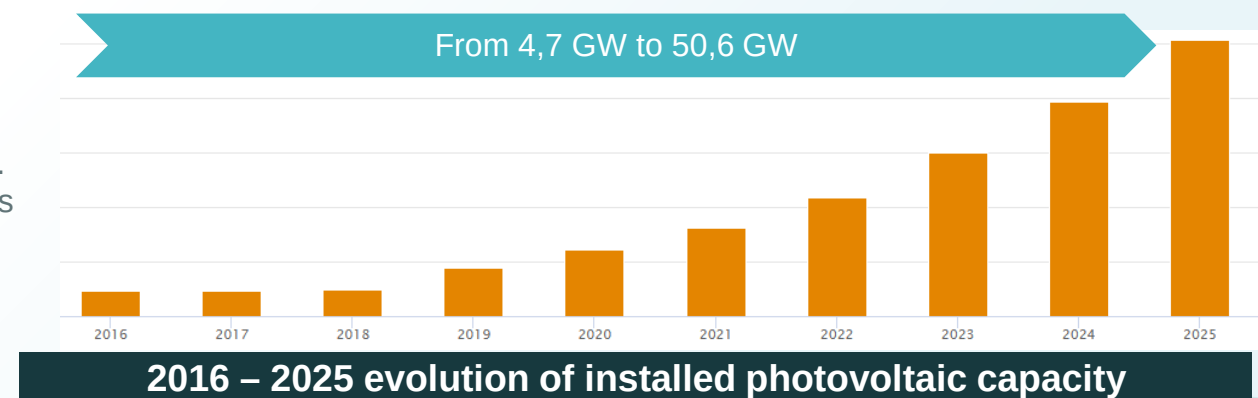
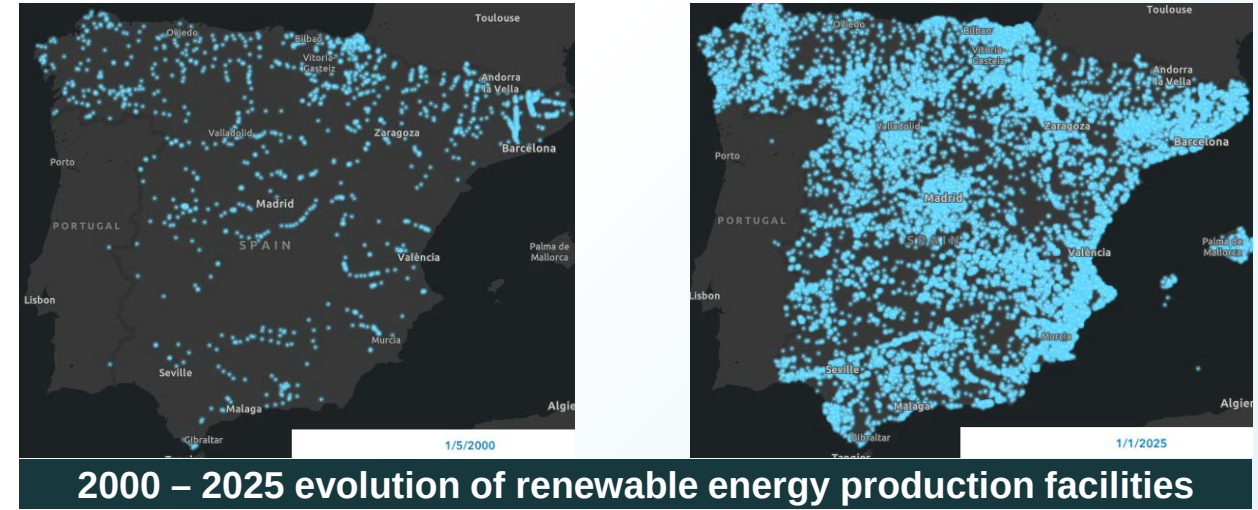
Spain's experience: aligning regulation, planning and public support

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Commissioner, Spanish National Markets and Competition Commission
Vice-Chairman, Ibero-American Association of Energy Regulators

A framework addressing investment risks

Network planning, access and remuneration regulation plus public support instruments reinforce one another.

- 1 **Predictability** Stable regulation: recurrent planning (NECP and TYNDP) coupled with six years remuneration methodology for networks
- 2 **Access** Firm and flexible access regulation increase network utilization, decreasing consumer bills: allow for further investments
- 3 **Transparency** Capacity maps and traceable procedures streamline and speed new developments
- 4 **Incentives** Increased remuneration for TSOs and DSOs when connecting additional demand and renewable gases
- 5 **Subsidies** Spain is complementing the income of initial renewable generation (paying the learning curve). New generation already develop without subsidies normally based in PPA



Stable rules, efficient investment and delivery incentives

The new framework gives network companies visibility while adapting remuneration to the transition.
The objective is not simply more CAPEX, but timely and efficient network development.

Six-year visibility

A defined regulatory horizon
2026 – 2031 electricity
2027 – 2032 gas

Financial remuneration
established through a transparent
methodology and parameters
defined in advance

Predictability supports long-lived
investment decisions

TOTEX and flexibility

Operating and investment costs
considered together, so DSOs
could choose according to their
need where to invest

Reduces bias towards asset-
heavy solutions: digitalisation,
operation or flexibility solutions
may be more efficient

Efficiency gains are shared with
consumers

Outcome incentives

Loss reduction and quality

Recognition of active demand
management and local-market
functions

Signals linked to useful capacity
and connected demand (new
industrial, residential and
transport demand)

Delivery

Planning of transport and
distribution networks

Increases in the annual
investment limit

Multi-annual monitoring and
adjustments

Anticipatory investment can
also be considered under
regulated conditions

Access regulation becomes an investment-enabling tool

Common criteria and flexibility help use scarce network capacity more effectively.

Approved rules create alternatives when firm access is unavailable, especially for storage and adaptable demand.

Homogeneous process

Common application and permit content

National criteria for firm-demand capacity

Flexible access

Connection when firm supply cannot be guaranteed

Time-based, conditional and dynamically managed options

Storage treated according to its flexible demand behaviour

Capacity discipline

Reservation payments and milestones discourage speculative hoarding

Released capacity can be redirected to priority or competitive procedures

System coordination

Transport and distribution data exchange

Security and quality criteria

It requires a high degree of observability

TYPE 0

Time windows

Consumption follows predefined hourly patterns

TYPE 1

Conditional connection

Disconnection may apply under local network contingencies

TYPE 2

Dynamic distribution access

Scheduled or real-time power reduction, including remote control

TYPE 3

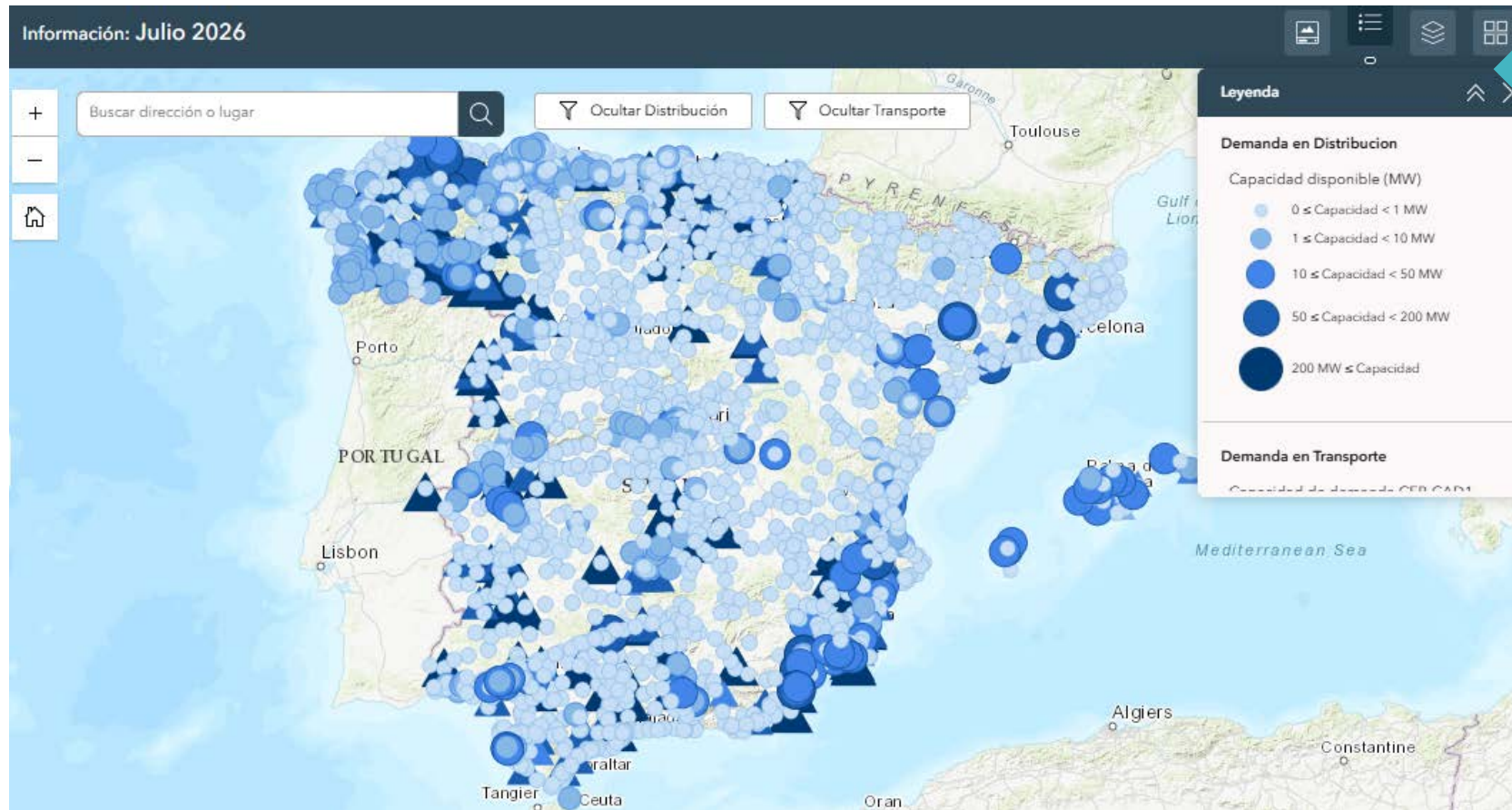
Flexible transmission access

Firm and flexible capacity may coexist at the same point

Not a substitute for necessary grid reinforcement: a complementary route to earlier connection and better utilisation.

Reduce uncertainty before and after connection

Investors need to know where they can connect and how network use will be priced.



Capacity maps

CNMC centralises available generation and demand capacity from network operators, with common filters and periodic updates.

Harmonised criteria

Common technical specifications improve comparability of access studies and reduce divergent practices across territories.

Digital platforms

Files can show status, responsible party, required documentation, applicable deadlines, incidents and pending actions. Information already supplied should not be requested again.

Distributed investment requires simpler rules

Information and traceable procedures are regulatory tools for stakeholders.
EV grant programmes are enablers.

Self-consumption/solar panels

Collective schemes and configurations using the public network

Simplified management and digital processing

Support for energy communities

EV charging

Grant programmes for vehicles and charging points

REVE map shows where public charging has been deployed, prices, availability...

Deployment obligations in car parks and selected fuel service stations

What CNMC has developed

Consistent distributor criteria

Capacity visibility

Traceable web platforms

Network remuneration that recognises digitalisation and charging-related investments

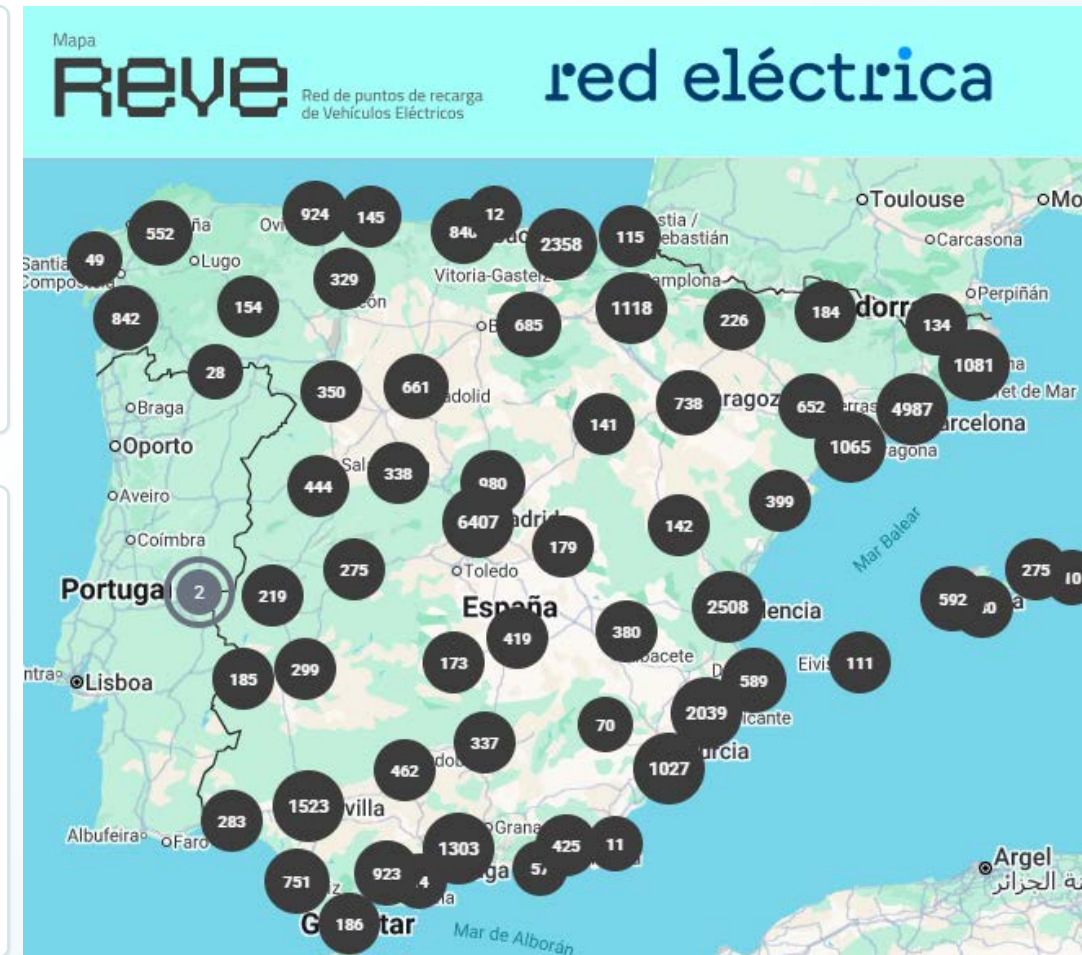
What the policy mix enables

Lower upfront cost

Wider territorial coverage

Participation by citizens, firms and local entities in the different energy supply options (prosumer)

Integration with storage and demand management



Support the switch, then enable consumers to respond

Electrification is a full chain that requires investment all along: equipment, connection, network capacity and flexible operation instruments.

Residential heat

Energy-efficiency certificates increase the value of verified savings from replacing fossil boilers with heat pumps

Collective and centralised solutions can address multi-dwelling buildings

Vulnerability can be reflected in support design

Industrial heat

Support for replacing fossil electricity and heat production in industrial and waste-treatment processes

Eligible solutions include renewable heat, electricity, storage and renewable gases

Grid planning must anticipate new industrial loads

Active demand

Independent aggregators can monetise demand response

Flexible access provides a connection for flexible consumers

Tariff structures can reward use outside congested hours

Distribution remuneration recognises active-demand support by DSOs



Align production, market demand and network integration

Upgraded biomethane can use existing gas infrastructure.



Production

Biogas from organic matter
Biomethane after upgrading

Public support and demand obligations create project visibility

Guarantees of origin support traceability

Connection + access

Common connection procedure

Anti-hoarding measures

Reverse flows and direct connection solutions

Remuneration

Additional distribution remuneration for renewable-gas integration in TSO and DSO networks

Digitalisation, cybersecurity and methane-emissions control recognised

Regulatory dialogue

Biomethane working group brings together authorities, producers, networks, suppliers and consumers

Focus on practical regulatory barriers across the value chain

The regulator does not select the winning technology. It creates stable, transparent and incentive-compatible conditions for efficient investment.

Adapt existing regulation while building a dedicated framework

Hydrogen is the new vector than increases electricity demand and will substitute fossil gas in a number of uses decarbonizing sectors where electrification may not be the solution.



Production + demand

Electrolysers need capacity in electricity networks, location signals with gas demand

Output-based and industrial support helps to close the price gap

Gas-network entry

Connection and access procedures for renewable-gas plants

Blending and capacity allocation under transparent rules

Fewer connection disputes through a standard framework

Hydrogen infrastructure

Integrated planning: industrial ecosystem (valleys)

Access and economic-regime functions of the regulator

Who pays the early deployment?

Cross-border investment

Regulators to decide on the support of PCIs (European Projects of Common Interest) and Coordinated cross-border cost allocation CBCA.



Thank you for your attention