

Electro-intensive consumers:
Who are they and what grants
are they eligible for?



The European climate strategy poses a strong challenge at all levels and will require a concerted effort by everyone to secure a prosperous, modern, competitive and climate-neutral economy by 2050.

In addition to promoting the use of energy from renewable sources (Directive 2009/28/EC (58) "Renewable Energy Directive" and Directive 2009/30/EC (59) "Fuel Quality Directive", among others), the European Union, aware of the cost requirement of compliance with its ambitious roadmap, and with the aim of avoiding the loss of competitiveness of its companies, has planned a series of measures, such as those contained in the Guidelines on State Aid for Environmental Protection and Energy 2014-2020. (2014/C 200/01), guidelines on which the aid for electro-intensive consumers is based (Royal Decree 1106/2020, dated December 15,

regulating the Statute of Electro-intensive Consumers). This aid is compatible with the receipt of other subsidies, aid, income or

resources aimed at compensating for the costs related to greenhouse gas emissions passed on in electricity prices from any other public administration or the European Union.

The aid is granted on a competitive basis. The maximum amount to be apportioned among all beneficiaries in 2021 has been 91 million euros and represents up to 85% of the charges for the promotion of renewable energy and high-efficiency cogeneration and support of non-main-

land systems beared by these consumers.

Depending on the applicable tariff, the savings are around €2/MWh.

Consumers eligible for these subsidies must be in possession of the electro-intensive consumer certificate, which is granted by the General Secretariat of Industry after verification of a series of requirements (with new suppliers, the application can be made on the basis of projections):

- Electricity consumption must have equalled or exceeded 1 GWh in at least 2 of the last 3 years. All electricity consumption, including self-consumption, is included in the calculation.
- 50% of the consumption must have taken place during off-peak hours.
- The consumer must have one of the NACE classifications specified in the annex to the statute. Aid should be limited to sectors whose competitive position is threatened by the costs of financing support for energy from renewable sources because of the intensity of their electricity use and their exposure to international trade, in line with Article 107 of the Treaty on the Functioning of the European Union, which establishes the principle of prohibition of state aid.
- The ratio between consumption and gross

Aids for electro-intensive consumers will be granted annually

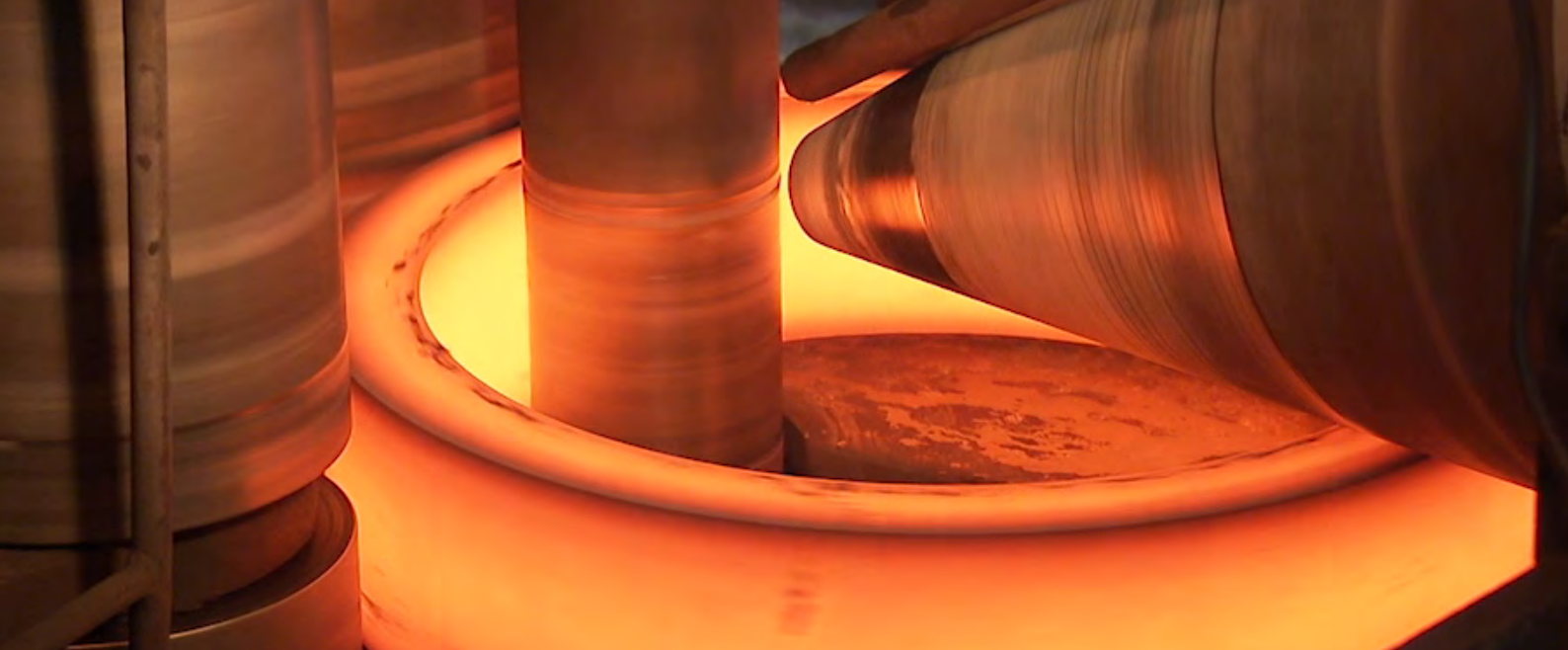


value added (GVA*) must have been higher than 1.5 kWh/€ in at least 2 of the 3 years prior to the certification request. The gross value added is calculated in accordance with Royal Decree 1514/2007, dated November 16, which approves the General Accounting Plan (and verified with the Annual Accounts).

- The company owning the supply point must be lawfully established in accordance with the regulations in force.

RENEWABLE-ENERGY PPA

Electro-intensive consumers that do not have SME status must sign a renewable-energy term contract of up to 5 years for at least 10% of their annual consumption. The government has developed tools to make it easier for the electro-intensive industry to access such contracts.



The applicant must be up to date with the payment of tolls and charges. Additionally, electro-intensive consumers must comply with the following obligations (among others):

- They must have the required equipment, systems and communications.
- Predictable consumption: They must be able to provide a monthly forecast that is 75% met, excluding interruptibility. The procedure for sending and calculating the accuracy of the consumption plans of electro-intensive consumers is in process of approval by the General Directorate of Energy Policy and Mines. Forecasts will be sent to Red Eléctrica de España (REE) either directly by the consumer or via the supplier.
- They must have ISO 50001 implemented and certified within two years of being awarded the certificate. In addition to carrying out the audits required by this certification, they must make investments in energy efficiency (recoverable in 3 years). Consumers must submit a detailed report to the Ministry of Ecological Transition on the measures implemented.
- PPA: They must contract at least 10% of their annual consumption through renewable-energy term purchase agreements of at least 5 years (except SMEs).
- They must maintain the productive activity for at least 3 years after receiving the aid.

ALPIQ

Alpiq is a Swiss company, an energy producer in several European countries and a leading provider of energy services. Alpiq is an international energy trader operating in the main European markets with extensive experience in the fields of origination, flexibility as well as optimisation and management of renewable assets. It also has a high credit rating: Fedafin (Baa-/positive; 03/03/2021), CS (Low BBB/stable; 25.03.2021) and ZKB (BBB-/positive; 26/02/2021).

Alpiq has been present in Spain since 2010, where it operates its own generation assets and offers solutions mainly oriented to the industrial segment, such as gas and electricity supply, market access and risk management, with a diversified customer portfolio in industrial sectors such as chemicals, ceramics, automotive, food and beverage and pulp and paper. Alpiq makes its expertise, experience and strength available to electro-intensive consumers with the aim of accompanying them on the road to a more sustainable world.

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