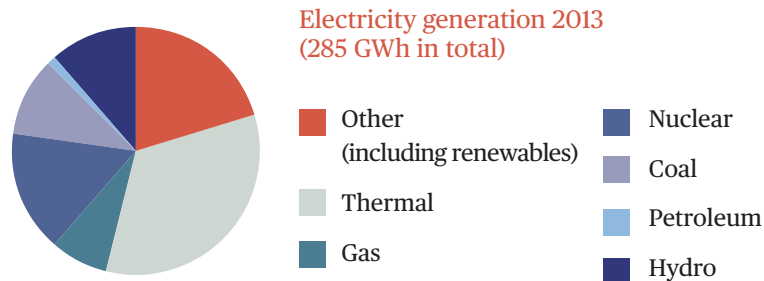


Bird & Bird & Smart grids market summary - Spain

Today



Source: Based on information from the Spanish Ministry of Industry, Energy and Tourism.

- Spain has been working intensively for many years on the development and implementation of Smarter Grids.
- The Spanish government has mandated that all existing traditional energy meters with a voltage of 15 Kw or less (approx. 25 million meters in mainly domestic sites) shall be replaced with new Smart Meters by 31 December 2018.
- The Spanish government has not yet approved any similar legislation in relation to the replacement of traditional energy meters with a voltage higher than 15Kw (mostly installed in business premises), although some businesses are currently installing Smart Meters of their own volition.
- REE - sole transmission agent and operator of the Spanish electricity system - has implemented an Electricity Control Centre (CECOEL) which is responsible for the coordinated real-time operation and supervision of the electricity system's generation and transmission facilities.
- A variety of Smart Grids projects have also been initiated throughout Spain by several electricity distribution companies (among others, the PRICE, STAR, SMARTCITY or SCALA projects).

What to watch

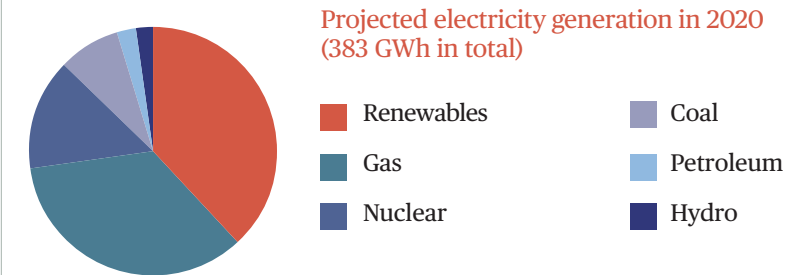
- Considering the strong development of the renewable industry in Spain and the importance of distributed electricity generation, Spain seems likely to benefit from the development and implementation of Smarter Grids.
- The implementation of Smart Grids in Spain could reduce Spanish CO2 emissions by 3.7% by 2020.
- For the next 10 years, investments in Smart Grids in Spain are expected to amount to around EUR 10,000 million.

Contact

If you would like to know more about our local expertise or if you have any questions please contact smartgridsblog@twobirds.com

To read more about Smart Grids please visit <http://twobirdssmartgrids.com>

Looking ahead



Source: Based on information from the Spanish Ministry of Industry, Energy and Tourism.

- Despite the current drop in electricity demand due to the effects of the recession, a moderate growth in electricity demand is expected in the coming years with a significant increase in the proportion of electricity generated using renewable sources, cogeneration and waste.
- This scenario will require the implementation of Smart Grids within the Spanish electricity system in order to help Spain to face the future challenges imposed by the European Union (among others, objectives 20-20-20).
- Notwithstanding the above, the implementation of a Smarter Grid in Spain will be a gradual process and will mainly depend on the approval of a stable regulatory framework by the Spanish Government and on the incentives provided for further technological developments and deployment.
- The Spanish Technological Platform of Electrical Grids expects that Smart Meters will be installed in all domestic properties (as already mandated by 2018) and business premises (including those with a voltage higher than 15Kw) by 2030.

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