

Urgent measures to strengthen the electricity system

Main developments of Royal Decree-Law 7/2025

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KEY ASPECTS

- It incorporates measures related to the **management of the system**, focusing on **voltage control, grid management and supervision** and improving coordination and responsibilities among the different sector agents.
- It **modifies dispatch priority to favor storage**, it **promotes the role of independent aggregator** and it regulates additional aspects within the framework of the **expiration of access and connection permits**.
- The **administrative operating procedure for renewable energy facilities** is divided into two stages: a provisional permit and a definitive permit. Partial operating permits for shared infrastructures are allowed, provided that the total evacuation of the energy generated is guaranteed and is expressly reflected in the permits.
- It **redefines** the fifth milestone of RDL 23/2020, linking it to obtaining a provisional administrative operating permit for testing. In addition, a new regime of extensions is established to certify compliance with this milestone.
- Owners sharing evacuation infrastructures must sign **agreements to share joint and several liability**.
- It redefines installed capacity for generation and storage plants, applying specific criteria based on the type of connection and equipment involved.
- It **streamlines and simplifies** procedures for the repowering of plants, thus reducing deadlines.
- This year, the minimum required operating hours and the operating threshold for plants under **the specific remuneration regime** will be reduced by 25%.
- It relaxes certain criteria associated with self-consumption modalities, it extends the distance to be considered a nearby facility through the grid, and it creates new figures and rights.
- It simplifies and streamlines the authorization and commissioning of electric charging infrastructures, reinforces the statement of compliance of responsibility as an enabling mechanism, and extends the functions of the Spanish transmission system operator (REE) in relation to information on charging points.





Introduction

Royal Decree-Law 7/2025, of 24 June, approving urgent measures to **strengthen the electricity system** (“**RDL 7/2025**”), was published in the Official State Gazette on June 25 and, in general terms, entered into force on the same day of publication. It sets out a varied range of measures affecting markedly different areas of the **energy** sector: system management, transmission grids, renewable energy projects, storage and self-consumption.

The formal justification of these measures is grounded on the “need to strengthen the resilience, robustness and stability of the electricity system” (cf. the Preamble) following the **grid blackout** on April 28, 2025. However, the emergency lawmaker has gone far beyond these goals. RDL 7/2025 has become a kind of “omnibus provision” with a cross-cutting impact on energy regulations and a direct bearing on most market participants.

This Legal Flash analyzes the relevance of these measures in a simple and practical way.

Management of the system and the transmission grid. Compliance with voltage control obligations

- Under the heading of “measures aimed at the **resilience of the electricity system**,” **Chapter I** of RDL 7/2025 contains a series of regulations based on the report regarding the blackout, which was approved on June 16 by the Committee to analyze the circumstances surrounding the electricity crisis and submitted to the Council of Ministers after approval by the National Security Council.

RDL 7/2025 seems to assume the—highly debatable—conclusion of that report on the multifactorial origin of the blackout and, in line with this, adopts a series of relevant measures that affect the **management of the system**, the **transmission grid** and the stakeholders’ **voltage control obligations**.

- In summary, these measures can be grouped as follows:
 - The **Spanish Markets and Competition Commission** (“**CNMC**”) (i) will prepare a monitoring report on compliance with the voltage control obligations by the obliged parties; and (ii) carry out a three-year inspection plan of the service restoration capacities of the various agents (especially generation plants with black-start capability, combined cycle plants and distribution grids).
 - Red Eléctrica de España (“**REE**”) **is expected** (i) to analyze several aspects of system management (stabilization against fluctuations, response to the rate of voltage variation, power injection requirements, secondary regulations and technical restrictions, requirements for monitoring incident analysis) and transmission grid management (coordination of grid development plans of transmission and distribution grids); and (ii) to propose the adoption of new operating procedures and, in general, of any regulatory amendments necessary in the light of this analysis.
 - An urgent and exceptional amendment to the **Electricity Transmission Grid Development Plan** is foreseen—without a public hearing or mandatory reports—to include actions that involve a reform of voltage control and guarantee stability against fluctuations. It is also expected that actions arising from this amendment may benefit from reduced processing times and exceed the annual investment limits in transmission grids.
- Other additional measures: (i) among its functions, REE will manage the information derived from consumers’ energy metering data to unify the information from **smart meters**; (ii) **penalties** are modified for non-compliance with obligations arising from the power factor control adjustment service, replacing the unit of measurement on which the penalty was applied (kilowatt hour) with a different unit of measurement (kilowatt-ampere reactive hour); and (iii) the regulation of the system of liabilities of participants in **shared infrastructures** (an aspect examined in further detail below).



Measures on storage and flexibility

Chapter II of RDL 7/2025 introduces significant regulatory reforms, as outlined below.

> Storage plants incorporate evacuation facilities

The Preamble to RDL 7/2025 specifies that [article 21.5](#) of Act 24/2013¹ currently includes a provision whereby evacuation infrastructures are part of production facilities. This provision extends its objective scope to storage systems so that, in the words of the regulatory text, “there can be no doubt” as to the mentioned technology. The main consequence of this measure is that positive law now acknowledges that evacuation infrastructures are the private property of the of storage-plant owners.²

> Storage plants designated as a public utility

The Preamble indicates that, to encourage storage, storage plants and their evacuation infrastructures that inject energy into the electricity grid are recognized as a public utility. The measure is implemented through [article 8](#) of RDL 7/2025, amending [article 54.1](#) of Act 24/2013, and is consistent with the recognition by various bodies of storage technology’s ability to provide supply security and improve the electricity system.³

> Administrative streamlining for hybrid storage systems

In cases where a storage facility is hybridized with a generation facility that has passed an environmental assessment procedure, and where the implementation of the storage facility falls within the boundaries set out in that assessment, (i) the periods for granting authorizations provided for in [article 53](#) of Act 24/2013 are halved and (ii) the facilities will be exempt from the environmental assessment procedure [cf. paragraphs 2 and 3 of [article 9](#) RDL 7/2025].

> Order of dispatch priority

To “avoid penalizing generation facilities that become hybridized after incorporating storage facilities,” [Annex XV](#) to RD 413/2014 is amended⁴ by adjusting the dispatch priority order of different technologies in the non-market-based downward redispatch. The greatest development in this area is to equate the dispatch priority of renewable energy generation facilities with those (of the same nature) that are hybridized with storage systems. There is a limiting criterion, which is that hybridized storage systems must not consume energy from the grid and, if they do, they must be configured with an installed capacity equal to or lower than that of the renewable generation module with which they are hybridized.

This measure was expected in the sector, and there have been numerous previous attempts at approval, including the first final provision of the draft royal decree developing the figures of renewable energy communities and citizen energy communities (of April 2023), and the single article of the draft royal decree amending RD 413/2014 (of December 2024).

> Exclusion of storage facilities from [article 39.3](#) of Act 24/2013

¹ “Act 24/2023” means Act 24/2013, of December 26, on the Electricity Sector.

² Cf. CNMC report of the, of May 29, 2024, requested by the Junta de Extremadura prior to the resolution of the connection conflict followed under file INF/DE/517/23 which, after citing the above article 21.5, concluded “As a result, evacuation infrastructures are privately owned by the owners of the production plants.”

³ We refer, among others, to the following statements: (i) Page 36 of the Energy Storage Strategy approved by the Ministry for the Ecological Transition and the Demographic Challenge of the Government of Spain; (ii) Recital 7 of the European Commission Recommendation of March 14, 2023, on Energy Storage: Underpinning a decarbonised and secure EU energy system; and (iii) article 14.1 of the Resolution of September 8, 2022, of the CNMC, approving the conditions applicable to non-frequency services and other services for the operation of the Spanish peninsular electricity system.

⁴ “RD 413/2014” means Royal Decree 413/2014, of June 6, regulating the activity of electricity production from renewable energy sources, cogeneration and waste.



Article 39.3 of Act 24/2013 establishes that installations intended for more than one consumer will be considered a distribution grid and, therefore, must be transferred to the distribution company. Given that storage systems have the capacity to consume energy from the grid and could fall within the scope of this provision, RDL 7/2025 amends it to restrict its scope to “pure” consumers. Thus, [article 12](#) of RDL 7/2025 expressly excludes stand-alone and hybrid storage systems from the scope of application of the above provision.

➤ **Flexible access and connection permits**

[Article 12](#) of RDL 7/2025 amends [article 33](#) of Act 24/2013 to add new section 13, which includes a provision whereby access and connection permits for storage plants will be flexible from a demand perspective.

Note that the legal concept of flexible access capacity was introduced into our legal system through [article 3.2.b\)](#) of Circular 1/2024.⁵ In practical terms, this implies, that the capacity studies carried out to resolve access and connection procedures must specify the times of the day when there is access capacity to charge energy from the grid.

➤ **Promotion of the independent aggregator**

The figure of the independent aggregator is prominent in RDL 7/2025 due to its “fundamental role” in demand response in the electricity sector. Thus, aggregation services are now regulated under new [article 49.bis](#) of Act 24/2013, although the specific manner in which consumers and storage plants can participate in the production or demand management market through independent aggregators will be determined by future regulatory development.

➤ **Capacity mechanism and emergency groups**

[Article 16](#) of RDL 7/2025 amends Act 24/2013 to (i) explicitly provide for enabling the Ministry for the Ecological Transition and the Demographic Challenge (“**MITECO**”) to establish capacity mechanisms, and (ii) assign the General Directorate of Energy Policy and Mines the authority to establish the value of lost load. Both measures seem to have a more aesthetic than constitutive function, as they incorporate into Spanish positive law provisions contained in Regulation 2019/943,⁶ which were not mentioned in the publication of the two draft orders regulating the creation of a capacity market (April 2021 and January 2025), nor when the resolution proposal setting the value of lost load was published (October 2023).

Finally, new section 1bis is added to [article 53](#) of Act 24/2013, regulating the possibility of authorizing emergency generation and storage plants for networks, as well as their authorization procedure. This measure is configured as a power assigned to the General State Administration to be able to react in the event of situations that pose a risk to the security of supply.

➤ **Expiry of demand access and connection permits**

[Article 21](#) of RDL 7/2025 amends [article 26](#) of RD 1183/2020⁷ to establish that access and connection permits for the energy supply to demand facilities with a connection point at a voltage equal to or greater than 1 kV will automatically expire if, within five years, an access agreement for contracted capacity is not formalized for at least 50% of the access capacity granted in the permits during any of the periods. Moreover, (i) that agreement must be

⁵ “Circular 1/2024” means Circular 1/2024, of September 27, of the CNMC, which establishes the methodology and conditions for access to and connection to the transmission and distribution networks of electricity demand facilities.

⁶ “Regulation 2019/943” means Regulation (EU) 2019/943 of the European Parliament and of the Council of June 5, 2019, on the internal market for electricity.

⁷ “RD 1183/2020” means Royal Decree 1183/2020, of December 29, on access and connection to electricity transmission and distribution grids.



maintained for at least three years; and (ii) the five-year period will be calculated from the date on which the access permit is granted.

➤ **Demand and storage facilities considered the same installation for access and connection permits**

The **second final provision** of RDL 7/2025 modifies the concept of “same installation” in the event of modifications of demand facilities for the purposes of access and connection permits. It stipulates that the facility cannot be considered the same if (i) its geometric center is moved to a distance of more than 10 km (a provision already existing in the previous regulation); (ii) there is a change in the CNAE code associated with the facility; and/or (iii) the demand access capacity is reduced by more than 50% of the originally granted access capacity.

Measures on processing renewable energy projects

(a) Regime of provisional operating permits for testing and definitive operating permits

Provisional and definitive operating permits

Although there was a brief reference in RD 413/2014, the rules for processing renewable energy projects now standardize the granting of administrative operating authorization (the “**AAE**”) in two stages: (i) a provisional operating permit for testing, and (ii) a definitive operating permit. These authorizations will allow prior and definitive registration, respectively, in the Registry of Electric Power Generation Plants (the “**RAIPEE**”).

The request for provisional AAE for testing will be mandatory for generation and storage facilities and optional for other facilities. The deadline for granting both provisional and definitive AAE will be one month from the application.

To obtain the provisional AAE, once the project has been executed, the application must be accompanied by a works completion certificate signed by a competent technical expert. If, after obtaining the administrative construction authorization (the “**AAC**”), any modification has been made that, due to its non-substantial nature, does not prevent this authorization from being granted, this circumstance must be justified. The application for a definitive AAE must be accompanied by the Final Operational Notification (“**FON**”).

Partial provisional operating permits for testing

In cases where several facilities share evacuation infrastructures up to the connection point, but have not yet been put into operation, it will be possible to request a partial provisional operating permit for testing the evacuation infrastructure in the name of the administrative owner. This authorization will, in turn, allow the granting of the provisional operating permit for testing or, where appropriate, the definitive permit for the corresponding generation or storage facility.

To this end, it is essential to ensure the evacuation of all the energy generated by the facility up to the connection point. This circumstance must be explicitly reflected in the provisional AAE of the generation or storage facility, which must cover both the installation and the evacuation infrastructure up to the connection with the transmission or distribution grid.

Likewise, in these cases, the provisional AAE for tests of the generation facility must explicitly refer to the partial provisional AAE of the common infrastructure, stating that it allows all the energy generated to be evacuated to the grid.



(b) Compliance regime for the milestones of RDL 23/2020

Amendment of the definition of the fifth milestone of RDL 23/2020

In line with the changes made regarding the provisional AAE, the fifth milestone of RDL 23/2020 is modified, now referring to obtaining this permit and not, as it has until now, to obtaining the definitive AAE.

Suspensive effects of the adoption of precautionary measures in the compliance with milestones of RDL 23/2020

In response to high administrative and judicial litigation against substantive authorizations, RDL 7/2025 establishes that if a precautionary measure is adopted in an administrative appeal or application for judicial review that suspends the validity of the administrative authorizations, this will allow developers to suspend the calculation of the periods for complying with the milestones of RDL 23/2020.

For this suspension to take effect,⁸ the precautionary measure must be reported to the grid manager and the relevant authority in charge of processing the administrative permits.

The developer will have three months to notify them that the suspension has been lifted to resume the calculation of the periods for complying with the milestones of RDL 23/2020. Otherwise, the access and connection permits granted will automatically expire.

Exceptional extensions to prove compliance with the fifth milestone of RDL 23/2020

Facilities required to meet the fifth milestone of RDL 23/2020 by June 25, 2025, will benefit from an automatic extension of the deadline until September 25, 2025.

In addition, for all facilities whose access and connection permits were granted between December 28, 2018, and June 25, 2025, including those that have already benefited from the exceptional extension provided for in [RDL 8/2023](#), a new exceptional extension of up to eight years can be requested to prove compliance with the fifth milestone of RDL 23/2020.

This extension may be requested from the relevant authority that authorized the facility (i) within two months from June 25, 2025 (i.e., August 25, 2025), or (ii) from the date on which the AAC is obtained, whichever is later.

The request must refer to the half-year in which the facility will obtain the provisional AAE and to the inability to obtain this authorization—whether provisional or definitive—as well as the registration in the RAIPEE before that half-year period, which cannot be modified after the extension is granted.

(c) Joint liability agreements for shared evacuation infrastructures

The owners of generation or storage plants that share evacuation infrastructures up to the same connection point in the transmission or distribution grid will be jointly and severally liable to the system operator for any damage that these infrastructures may cause.

For these purposes, in addition to the agreement for the shared use of the evacuation infrastructures referred to in [article 123.2](#) of RD 1955/2000, for the prior administrative authorization (the “AAP”) to be granted, all developers must execute private agreements setting out the distribution of liability. For this agreement to be valid, this liability cannot derive from natural or legal persons other than the owners of the evacuation infrastructures and no owner can be exempt from liability.

On the other hand, generation and storage facilities that are in service and share evacuation infrastructures with other developers will have one year to provide this agreement. If it is not

⁸ This suspension will also apply to projects that have yet to prove compliance with the fifth milestone of RDL 23/2020 and that benefit from the exceptional extension provided for in [RDL 8/2023](#).



provided, the distribution of liability will be proportional to the access capacity granted to each of them.

(d) Definition of installed capacity

RDL 7/2025 establishes that, before June 25, 2026, the definition of installed capacity in RD 413/2014 linked to generation and/or storage facilities must be amended for the purpose of issuing administrative authorizations. Until then, the installed capacity of the generation and/or storage facilities made up of one or more MPEs and/or storage modules will be:

- The maximum inverter capacity⁹ in cases where they are connected to the grid through the same inverter or set of inverters.
- The maximum transformer capacity in cases where they share the same transformer, unless (i) they also share inverters, and (ii) the maximum inverter capacity is lower than that of the transformer, in which case the installed capacity will be the maximum inverter capacity.
- The sum of the installed capacity of all the modules in cases where a synchronous generation module is incorporated.

These definitions will be applicable to all facilities that have not obtained the definitive AAE by June 25, 2025. However, if as a result of the new definition of installed capacity, the administrative processing of a facility becomes MITECO's responsibility, the regional authorities will continue with its processing as long as the developer does not withdraw before September 25, 2025. In the event of withdrawal and loss of access and connection permits, the financial guarantees paid to process the access and connection permits will not be executed.

(e) Repowering procedure

To date, only some autonomous regions, such as Galicia, have included the concept of repowering of electricity generation facilities in their legal framework. With the approval of RDL 7/2025, certain measures are adopted to simplify the administrative and environmental processing of repowering generation and storage facilities, reducing by half the processing times for all repowering procedures initiated from June 25, 2025, for an amount less than 25% additional to the originally installed capacity (i.e., 25 MW additional for every 100 MW of installed capacity).

In cases where repowering is subject to environmental assessment, this must be limited only to the possible impacts arising from the modification or extension with respect to the original project.

(f) Reduction of the number of equivalent minimum operating hours and operating threshold for 2025

The values of the number of equivalent hours of minimum operation and the operating threshold applicable only to 2025 for standard installations under the specific remuneration regime are reduced by 25% compared to the values currently in force.

Access and connection requirements

(a) New requirements for the request for a statement on the proper constitution of the economic guarantee

Whenever an access and connection permit for generation exceeding 100 kW is requested, the request for a statement on the proper constitution of the economic guarantee by the administration must refer to the node or line and the voltage of the transmission or distribution grid to which access

⁹ This is understood as the maximum active power that the inverter is capable of producing on a permanent basis, without taking into account active power limitations through control systems. If there is a certificate issued by the manufacturer stating that the limitation is attributable to the manufacturing process, the maximum power of the inverter will be the one specified in that certificate.



and connection are expected to be requested. If this information is not included, the administration will require its amendment.

(b) Access capacity tenders in just transition nodes

In addition to the cases already provided for by the applicable regulations (i.e., nodes located in the same area of electricity influence), RDL 7/2025 establishes that the list of just transition nodes of the grid may be extended to those that are part of the transmission or distribution grid and are located within a radius of 50 km from them.

Self-consumption measures

RDL 7/2025 introduces substantial modifications to the regulation of self-consumption of electricity. The developments affect the definition and modalities of self-consumption, shifting towards greater flexibility in the association of modalities, extending the distances for nearby facilities, and creating new figures and rights for agents in the sector.

➤ Flexibility in the association of self-consumption modalities

One of the most relevant new features is the possibility for consumers to be simultaneously associated with two types of self-consumption. Specifically, it allows the combination of individual self-consumption without surpluses with self-consumption through nearby and associated facilities through the grid.

This exception did not exist in the previous regulation, which prohibited simultaneous association with more than one modality. The reform responds to the need to facilitate industrial electrification and the use of distributed generation in environments such as industrial estates, allowing an industry, for example, to have its own self-consumption facility without surpluses and, at the same time, participate in collective or nearby self-consumption with surpluses.

➤ Extension of the distance to be considered a nearby facility through the grid

Another significant modification is the extension of the maximum distance allowed to consider a production installation a “nearby facility” for the purposes of self-consumption when it comes to photovoltaic installations located on rooftops of buildings on industrial land.

Until the reform, the general maximum distance was 500 meters. The extension to 5,000 meters for photovoltaic self-consumption facilities of up to 5 MW makes it possible to take advantage of industrial building rooftops to supply energy to consumers located at a greater distance.

➤ Creation of new figures and rights: self-consumption manager

RDL 7/2025 introduces the figure of the self-consumption manager, defined as the natural or legal person who represents the interests of consumers associated with self-consumption, carrying out on their behalf the necessary procedures for its proper functioning. This figure, incorporated in [article 6](#) of Act 24/2013, responds to the need to professionalize and facilitate the management of collective or complex facilities, and is accompanied by the obligation for distributors to provide a specific customer service for these managers.

➤ Other measures to promote self-consumption

RDL 7/2025 includes additional measures to promote electrification and the deployment of self-consumption, such as the exclusion of the power of electric furnaces and boilers from the calculation of installed capacity for the purposes of business activity tax, and the possibility of tax exemptions for ambient energy installations (aerothermal and geothermal energy) on property tax (“**IBI**”) and construction, installation and works tax (“**ICIO**”).



Other measures

Developments in energy charging

RDL 7/2025 introduces a series of substantial reforms that affect both the legal-administrative regime of charging infrastructures and the management of information and the integration of these infrastructures into the electrical system. The main new features can be grouped into the following sections:

- **Simplification and streamlining of authorizations for charging infrastructures**

Article 25 of RDL 7/2025 introduces an explicit exemption from administrative authorizations for electricity power supply infrastructures of charging stations that do not require a declaration of public utility or an environmental impact assessment, even if they exceed 3,000 kW. In these cases, it is sufficient to submit an execution project and a statement of compliance certifying the fulfilment of industrial quality and safety regulations and justifying that the action is not subject to environmental assessment.

- **Statement of compliance as an enabling mechanism**

RDL 7/2025 reinforces the use of the statement of compliance as an enabling mechanism for the execution and commissioning of charging infrastructures, in line with the trend already initiated by Act 24/2013 and developed through several regulations.

- **Management and processing of information on charging points**

Extension of the system operator's functions

RDL 7/2025 amends letter ae) of **article 30.2** of Act 24/2013 to expressly attribute to the system operator the collection and processing of both dynamic and static information on charging points, as established in **Order TED/445/2023**.

- **Promotion of electrification and the integration of charging into the electricity system**

Measures to accelerate the deployment of charging points

RDL 7/2025 introduces specific measures to reduce the development times of charging infrastructures, especially on roads, by clarifying the deadlines that distribution companies must meet to start up the network extensions required for new supplies.

Declaration of public utility for charging infrastructures

The declaration of public utility of electric infrastructures for electric vehicle charging stations with a power greater than 3,000 kW is maintained and reinforced, for the purposes of compulsory expropriation and right-of-way (**article 54.1** of Act 24/2013, amended by RDL 7/2025).

Integration of charging mechanisms into system planning and operation

RDL 7/2025 reinforces the integration of energy charging in the planning and operation of the electricity system by attributing to the system operator the function of a single access point to the data of all end customers, including charging points, and by establishing coordination mechanisms between the development plans of the transmission grid and those of the distribution grid.

New features in the Statute of Electro-intensive Consumers

- **Reactivation and reinforcement of the economic support mechanism for the electro-intensive industry**

Direct 80% reduction in access tolls to the transmission and distribution grids



The main new development is the reactivation, effective from January 23, 2025, to December 31, 2025, of a support mechanism for the electro-intensive industry consisting of an 80% reduction in the cost corresponding to access tolls to the electricity transmission and distribution grids (specific article of the new RDL 7/2025).

➤ **Subjective scope and requirements**

The new mechanism applies to consumers who have the electro-intensive consumer certificate in accordance with **Royal Decree 1106/2020**. If the certification was obtained after the regulation came into force, the reduction takes effect from the date of issuance of the certification. Losing the status of electro-intensive consumer implies the automatic loss of the benefit.

➤ **Financing and control**

The reduction in revenue for the electricity system resulting from this mechanism is offset by an extraordinary credit of €250 million, transferred to the CNMC for redistribution. Information and control obligations are established for distributors and the CNMC, guaranteeing traceability and monitoring of the economic impact of the measure.

Tax measures

RDL 7/2025 introduces tax measures in the field of **municipal taxes** with the dual purpose of promoting **industrial electrification** and the **electrification of air conditioning**.

Business tax

To promote **industrial electrification**, an amendment has been included in **Rule 14, section A)** of the Instruction for the application of **business activity tax ("IAE")** rates, approved by Royal Legislative Decree 1175/1990, of September 28.

This modification, aimed at removing tax barriers to electrification, affects the definition of the tax element "**contracted power**" that typically applies to the activity of companies classified in Divisions 1 to 4 of Section One of the IAE Rates (extractive, manufacturing and industrial activities).

Specifically, the nominal power of electric **furnaces and boilers** attached to industrial equipment will no longer be considered "contracted power" and, consequently, the nominal kilowatts of furnaces and boilers will not be considered for calculating the tax due resulting from the heading corresponding to the activity carried out. With this modification, electric furnaces and boilers will receive the same treatment as other furnaces and boilers that operate on solid, liquid or gas fuels, whose nominal powers were already excluded from the concept of contracted power and, therefore, from the calculation of the tax due linked to the activity carried out.

Taking into account that the IAE tax period generally coincides with the calendar year, and that the accrual occurs on the first day of the tax period, in the case of companies that were already carrying out their activities and paying IAE on June 25, 2025 (the date of entry into force of RDL 7/2025), this modification will take effect **in the tax registration corresponding to the 2026** tax period, a circumstance that is inconsistent with the situation of extraordinary and urgent need that justifies the approval of this tax measure in a royal decree-law. Only companies that start their activity between June 25 and December 31, 2025, will be able to apply this tax measure to IAE corresponding to the 2025 tax period given that the accrual date of the first tax period will coincide with the start date of the activity.

Property tax and construction, installation and works tax

To promote the **electrification of air conditioning**, additional modifications have been made to **municipal taxes** to encourage the installation of **systems that utilize thermal or electrical ambient energy (aerothermal and geothermal)** using **heat pump technology**.



Specifically, **articles 74.5 and 103.2.b)** of Royal Legislative Decree 2/2004, of March 5, approving the consolidated text of the Act Regulating Local Taxes relating, respectively, to **property tax** and to **construction, installation and works tax** have been amended. The measure allows municipalities to approve the following tax incentives in their respective tax ordinances:

- A **tax credit** of up to **50%** of the total IBI due corresponding to **properties** in which systems for the thermal or electrical use of ambient energy (aerothermal and geothermal) **have been installed**. To apply the tax credit, heat production facilities must include collectors approved by the competent authority.
- A **tax credit** of up to **95%** of the **corresponding ICIO for the construction or works in the municipality that incorporate systems for utilizing thermal or electrical ambient energy (aerothermal and geothermal)**. To apply the income support, the facilities must obtain approval from the relevant authority.

The potential application of these new tax credits will require formal approval by the corresponding municipalities and the consequent modification of the tax ordinances regulating IBI and ICIO, including the regulation of the new tax credits.



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