
Financial support for small biomass plants

The Environment Fund has issued a notice regarding the allocation of support to small-scale electricity-generating projects in small biomass plants

Portugal - Legal Update

October 18, 2023



Key aspects

- Notice 19669/2023, published in the Official Gazette of the Portuguese Republic 199/2023, Series II of October 13, 2023, aims to support the creation of solutions for the use of biomass residues in municipalities with a high wildland fire risk.
- The project aims to stimulate the local economy by creating qualified jobs to operate the installed equipment and, where appropriate, by producing pellets or processing biomass in other ways for use by local people.
- The Environment Fund has allocated a maximum amount of €2,000,000 to Notice 19669/2023, and the maximum amount per beneficiary is €500,000.
- The deadline for submitting applications for this incentive is 5:59 p.m. on November 30, 2023.



Introduction

On October 13, 2023, Notice 19669/2023 (“Notice”) was published in the Official Gazette of the Portuguese Republic – 199/2023, Series II. It incentivizes local-scale electricity-generating projects such as small biomass power plant solutions in areas with a high wildland fire risk.

This Notice supplements the project called “Sustainable management of the forest – Support for the creation of forest recycling or composting bins,” which supports the creation of neighborhood collection points and spaces for collecting forest waste, as well as biomass collection circuits, and it is included in Strategy 20-30 of the National Plan for Integrated Wildland Fire Management. This plan aims to increase the sustainability and economic value of the forest, diversifying and promoting wildland jobs and ensuring correct fuel management in wildland areas.

Simultaneously, it aims to invigorate the local economy by creating qualified jobs and establishing enduring relationships with forestry producers and local residue-producing companies.

The financial support is provided by the Environment Fund (an independent fund under the purview of the Ministry of the Environment and Climate Action, and created by Decree-Law 42-A/2016 of August 12), and the maximum amount allocated to the Notice is €2,000,000.

General objectives

The Notice program’s general objectives are:

- a) to produce energy on a small scale using biomass from agroforestry residues;
- b) to harness and reuse organic residues created in the exploitation, pruning and management of fuel;
- c) to contribute to energy sustainability; and
- d) to reduce the risk of fire by optimizing agroforestry byproducts.



Specific objectives

The Notice program's specific objectives are:

- a) to heat public buildings in place of other energy sources, including the installation of small-scale local electricity-generating units, and intervening in the different processes necessary for energy production, such as the residue circuits, and the collection and receipt of residues;
- b) to raise people's awareness of residue collection as an alternative and more efficient method than burning, and of qualified jobs in the biomass energy areas; and
- c) to contribute to the targets established in the National Plan for the Integrated Management of Wildland Fires, the National Action Program, the Regional Action Program, and the Integrated Wildland Fire Management System's pilot projects.

Implementation periods

Successful applicants for the funding:

- must have completed the material and financial implementation by the time the project implementation report is submitted on November 30, 2024;
- will have to include in their time schedules all the legally required procedures for implementing their respective projects, and the beneficiary must obtain all the permits necessary to implement them;
- must submit a project implementation report showing the implementation of all the projected operations, as well as all the materials produced.

Geographic scope and beneficiaries

The beneficiaries are the local governments and intermunicipal communities included in the three pilot projects approved by Council of Ministers Resolution 25/2021 of March 22, 2021, as follows:

- Alto Tâmega region: municipalities of Boticas, Chaves, Montalegre, Ribeira de Pena, Valpaços and Vila Pouca de Aguiar.



- Coimbra region: municipalities of Arganil, Coimbra, Góis, Lousã, Miranda do Corvo, Pampilhosa da Serra and Penela.
- Algarve region: municipalities of Aljezur, Lagos, Monchique, Portimão, Silves and Vila do Bispo.

Amount financed and maximum co-financing rate

The maximum amount the Environment Fund has allocated to the Notice is €2,000,000 and the maximum amount per beneficiary is €500,000.

The co-financing rate is 100% of the total eligible expenses of the application.

Deadline for submitting applications

The deadline for submitting applications for the incentive runs from October 13, 2023, to 5:59 p.m. on November 30, 2023.

The applications and applicable documentation must be submitted through the Environment Fund's website at <https://www.fundoambiental.pt/>. The website's *Notícias* section contains an article with a link to the Notice, which has a link to the application form (Portuguese versions only).

- > Applications must contain the information listed in point 11 of the Notice.
- > Requirements for the admission of beneficiaries are established in point 9 of the Notice.



For additional information on the contents of this document, please contact *Cuatrecasas*.

©2023 CUATRECASAS

All rights reserved.

This communication is a selection of the latest important legal and legislative developments in areas of interest and is not intended to be an exhaustive account of all the news for the period at issue. The information contained in this document does not constitute legal advice in any area of our professional activity.

The intellectual property rights to this document belong to Cuatrecasas. This document may only be fully or partially reproduced by any means, distributed, transferred or used in any other way if Cuatrecasas has given authority to do so.



IS 713573