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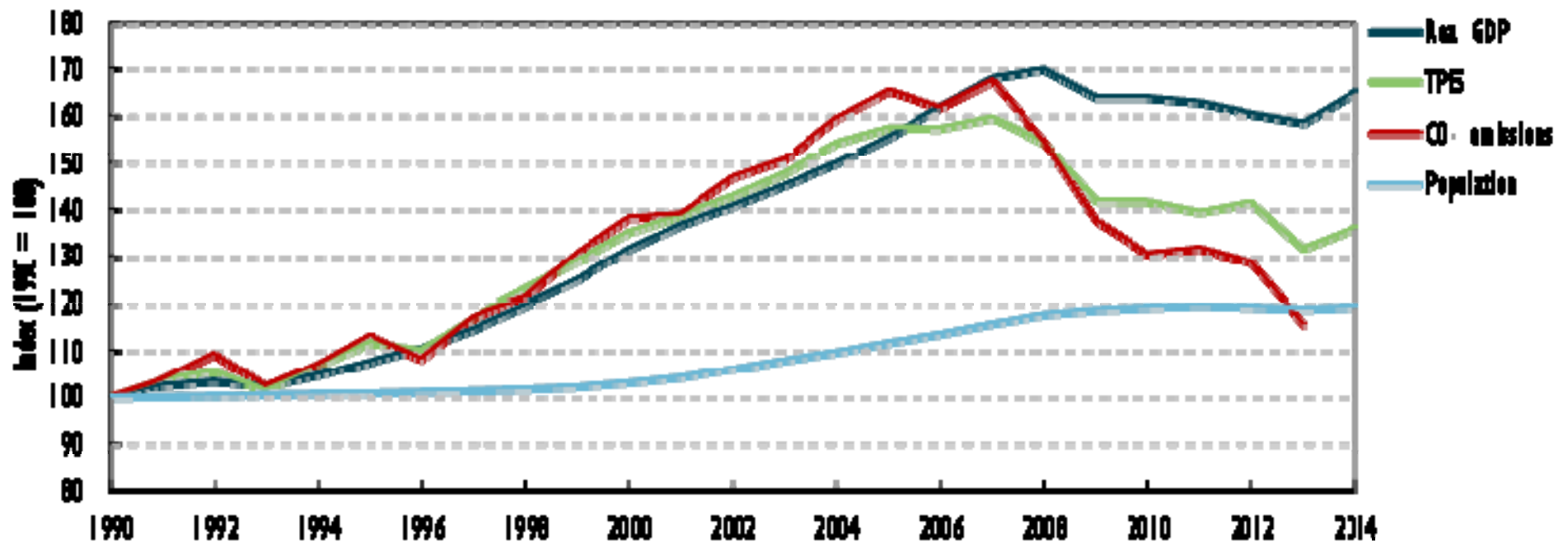
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Energy Policies of IEA Countries - In-depth Review of Spain 2015

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Madrid, 23 July 2015*

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Economy and EU impacts on Spain's energy policy



Energy supply is very secure



Oil: diversified import sources, large stocks, competitive refineries

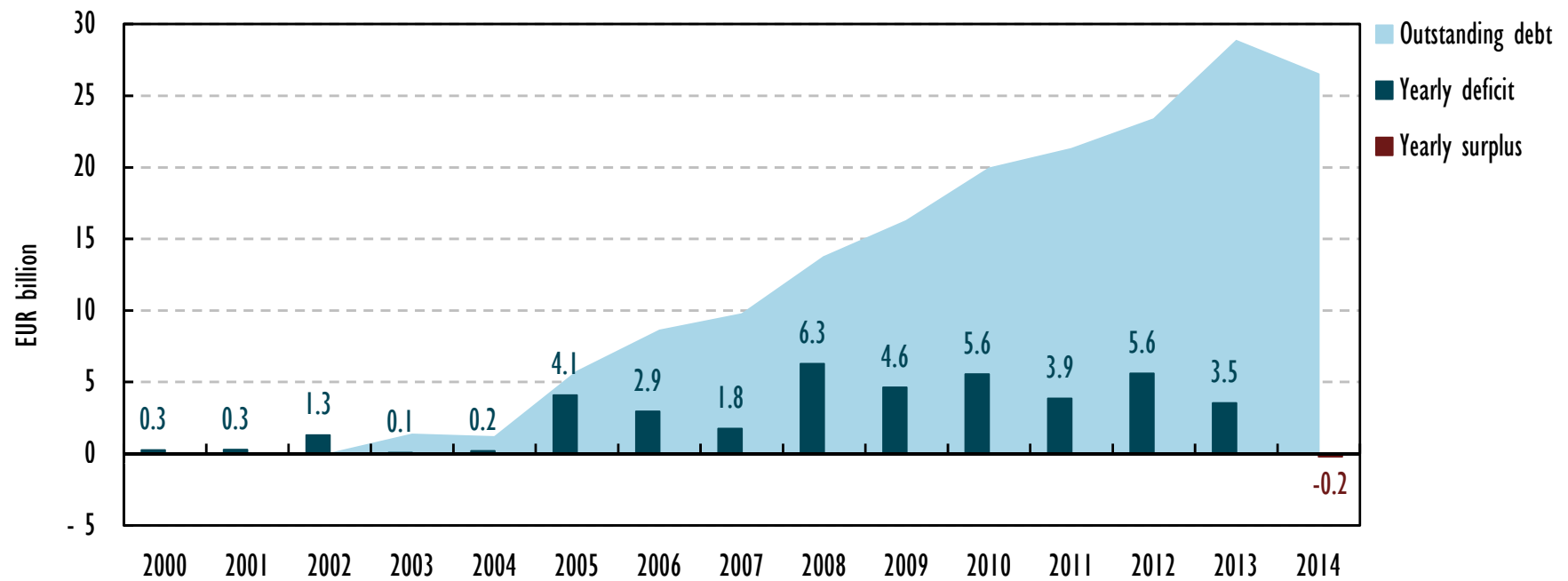


Gas: large and well-diversified import capacity, emergency stocks, storage

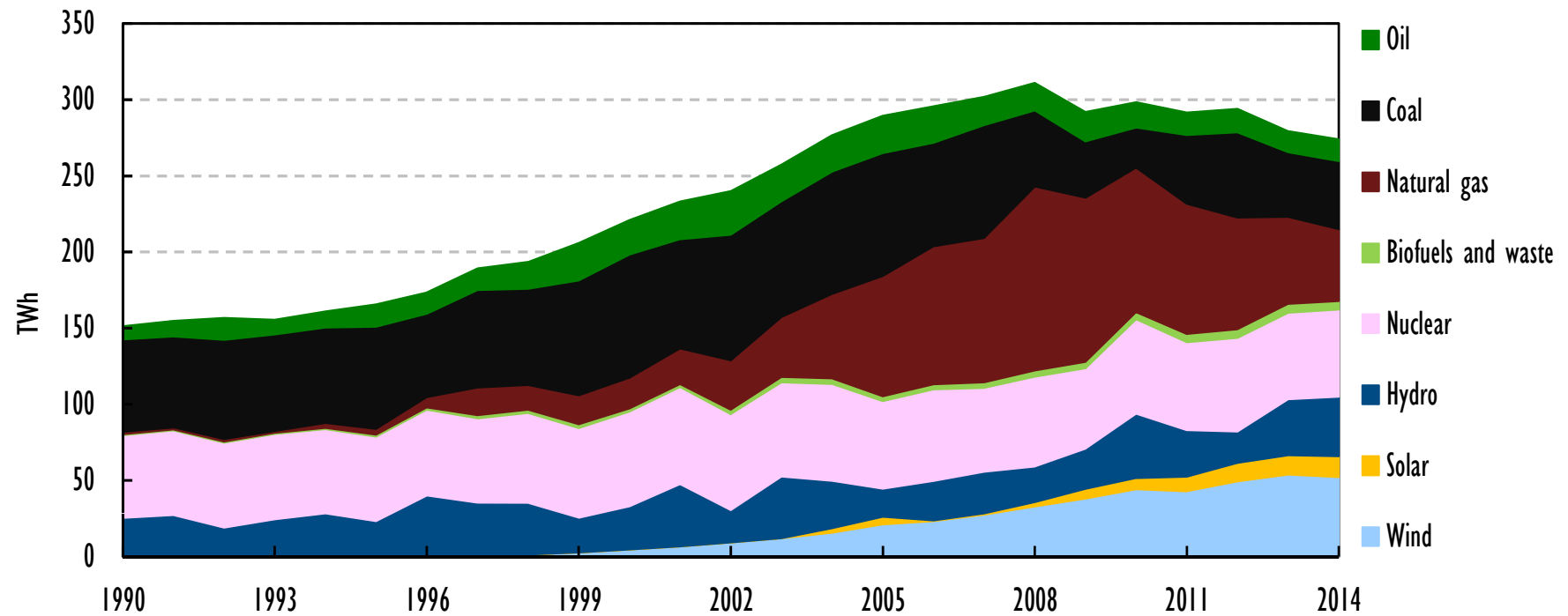


Electricity: large generating capacity, well-diversified energy sources, very reliable power system

Electricity Reform



Renewable Energy

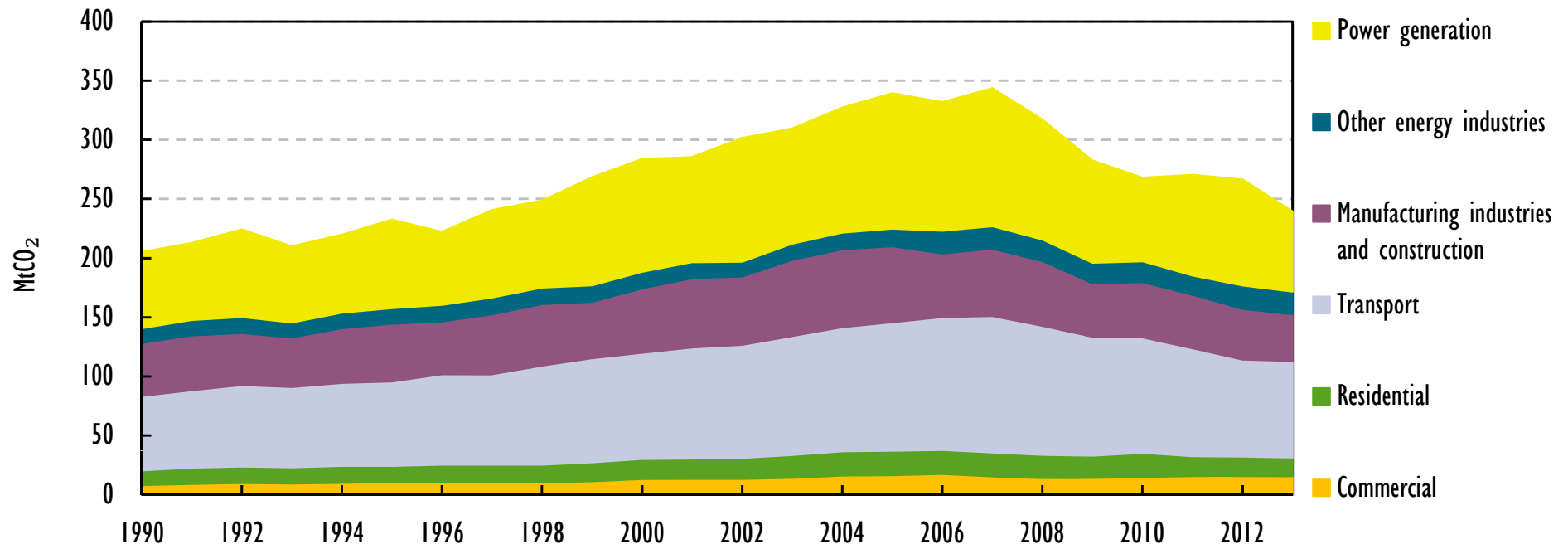


Spain in the EU Energy Union: new opportunities

- **More interconnections critical for Spain's electricity sector development – finally, positive outlook for new projects with France**
- **Market coupling should be taken further (intraday and balancing)**
- **New gas interconnections would help use LNG capacity**
- **Gas hub a welcome idea**

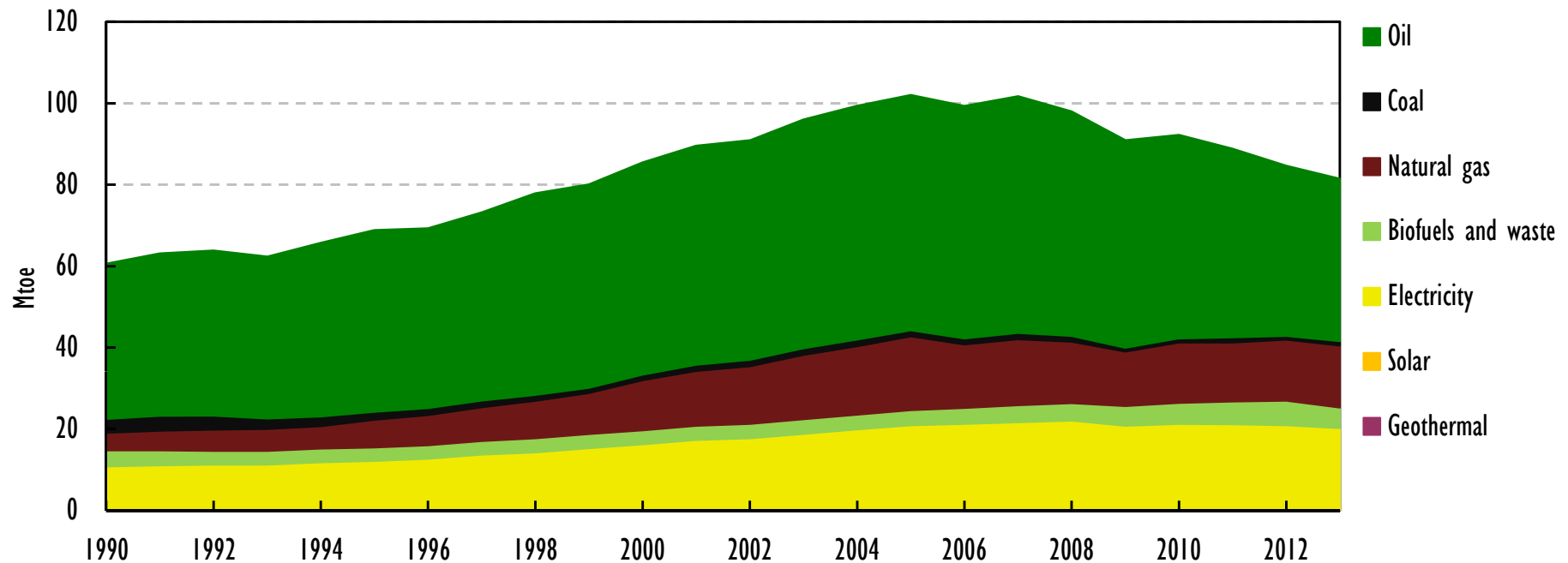
Spain in the EU Energy Union: new challenges

- Non-ETS sector (transport, buildings, light industry) requires stronger incentives for emissions reductions**



Spain needs a long-term energy strategy

- Energy demand still dominated by fossil fuels
- Set a low-carbon energy system as the target



Key Recommendations

- *Long-term energy strategy covering all sectors, including energy demand, in close consultation with all stakeholders*
- *Reform energy taxation and introduce revenue-neutral fiscal incentives to encourage GHG reductions and energy efficiency improvements*
- *Maintain a strong long-term commitment both to balancing the costs and revenues in the electricity and natural gas systems and to the principles of transparency, predictability, and certainty*