

## Madrid energy storage market

Dutch investor Return, which specialises in accelerating companies that contribute to a more sustainable planet, has announced a partnership with Spanish company Benbros Energy, which was formalised last August. The aim of the joint venture will be to develop over 500 megawatts of energy storage projects in Spain.

The collaboration agreement is one of the most ambitious signed to date in Spain in relation to the development of energy storage projects. This type of facility is designed to equip sustainable energy projects with batteries to store electricity when there is a surplus and distribute it when there is demand.

First construction in 2025The joint venture's portfolio already includes ten projects that are at an advanced stage of development and will have a storage capacity of 210 megawatts. They already have the permits for access and connection to the grid, and construction of the first of these projects is expected to start in 2025.

This is not Return's first transaction in Spain this year. The investor has already acquired Madrid-based Pausa, with a nationwide portfolio of energy storage development projects. Furthermore, the company also has operations in Spain in the field of large-scale grid-connected solar projects and solar industrial self-consumption through its subsidiary Ekhi.

Clean energy solutionsAccording to Steve Sceery, a partner at Return, the agreement "is an important step for our growth strategy in the Spanish energy storage market", explaining that, "This collaboration combines our experience in Northern Europe, where we have had 70 megawatts of storage in operation since 2021 and over 16 gigawatts in various stages of development, with Benbros' strong presence and execution capacity in the Spanish market, which will enable us to accelerate the implementation of clean and technologically sound energy solutions in Spain".

Managing Director of Benbros Energy, Francisco Ruiz, considers the partnership to be "an important milestone in the development of energy storage in Spain". He added that the company's extensive knowledge of international markets, "together with our solid experience in developing greenfield projects, will allow us to implement innovative autonomous storage projects in Spain more quickly, contributing to the decarbonisation and resilience of the energy system".

The study has been conducted by AFRY, together with 11 companies including developers of renewable energy and storage technologies. It aims at enabling the deployment of sufficient storage to meet the political decarbonisation targets.

The main report describes the three main tasks of the study, focusing on the Security of Supply requirements in the power market, the socioeconomic benefits of different storage capacity mixes, and regulatory proposals

to bridge the gap between the ideal outcome and the market expectations with current regulation. It proposes two variants to the Spanish Government proposal of a Capacity Market, which improve both the award system to provide better value for money for consumers, and the total volume of new storage awarded.

The Key Messages report describes 10 main points about energy storage regulatory challenges in the Spanish power system, including the two main proposals submitted for discussion with the wider stakeholders of the energy sector.

According to data from Spanish solar energy association UNEF, around 495 MWh of behind-the-meter storage capacity was installed in Spain in 2023, with residential installations accounting for around three-quarters of the total.

“At UNEF we consider it essential to continue working hand in hand with companies and public institutions to draw up an adequate strategy that will allow us the definitive boost that behind-the-meter storage needs,” said Jos? Donoso, general director of UNEF. “We have to continue working on the creation of schemes of financing that allow this type of facilities to be made more competitive, such as VAT exemption or tax deductions.”

UNEF said that the bankability of battery storage projects has been affected by a significant decline in electricity prices on the Spanish spot market, which also slowed down the distributed-generation solar business across the country.

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Web: <https://www.hollanddutchtours.nl/contact-us/>

Email: [energystorage2000@gmail.com](mailto:energystorage2000@gmail.com)

WhatsApp: 8613816583346

