

“The happy sun is shining”: Iberdrola sets new benchmark with approval to build Europe’s largest solar plant in Portugal

- Iberdrola secures environmental approvals to build Europe’s largest solar photovoltaic (PV) plan – the fifth largest worldwide
- The 1,200-MW Fernando Pessoa solar project is located in Santiago do Cacém, near Sines and its construction will generate up to 2,500 jobs
- It follows last year’s inauguration of the €1.5 billion Tâmega pumped hydroelectric storage complex, one of Europe’s largest.

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When it comes on stream in 2025, the Fernando Pessoa plant, named after the Portuguese poet, will be able to supply enough clean, low cost, locally generated green energy to cover the annual needs of some 430,000 households, a population equivalent to nearly twice the size of the city of Porto. The grid connection has already been contracted with Portuguese operator REN and the facility will avoid the consumption of 370 million cubic metres of gas each year. The project will have Prosofia Energy as partner.

Land for the project has already been secured and its construction will create up to 2,500 jobs, mostly local. The plant will be an example of the coexistence of new renewable developments with environmental heritage and local communities. The project’s action plan includes measures such as occupational skills training, fostering tourism and providing solar energy to nearby communities. In terms of biodiversity and environmental protection, the land will be used by local shepherds to graze sheep in the area and beehives will be introduced, which will help to improve ecosystem stability and boost crop yields in the surrounding farmland. In addition, planting will be carried out in the area surrounding the facility to restore indigenous tree species.

Iberdrola Executive Chairman, Ignacio Galán, said: “This solar farm sets a new benchmark in combining Europe’s clean energy ambitions with the delivery of tangible environmental and social benefits. We need to reduce our exposure to fossil fuels. We are proud to continue and strengthen our commitment to Portugal with new clean infrastructure across the country, as we did with the Tâmega gigabattery. The collaboration of the Portuguese authorities has also been essential in getting this project to this stage in record time.”

“Fernando Pessoa will be a groundbreaking solar farm, on a scale that Europe has never seen before. A project of this scale and ambition was unimaginable only a few years ago, but Iberdrola has the technical expertise and the financial strength to make it a reality. We look forward to maintaining our central role in Portugal’s ambitious clean energy future,” said Alejandra Reyna, Country Manager of Iberdrola Renovables Portugal.

Stable regulatory framework

Portugal has recently announced a new regulatory framework alongside the modernisation of its administrations, aimed at accelerating the deployment of clean energy. The country’s stable and predictable regulations as well as its efforts to advance the implementation of the European Green Pact and the EU’s REPower package are helping to attract investor interest.

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Through the incorporation of renewable permits into the Simplex programme, created to simplify national administrative procedures, the country aims to expedite the response to the double challenge posed by the climate and energy crises in Europe. This step will help to further guarantee energy self-sufficiency and ensure that the country remains firmly on track to meet its climate targets.

Long-term investor in Portugal's energy transition

Iberdrola plans to invest an additional €3 billion in wind and solar energy in Portugal over the coming years. At the end of 2022, construction was completed on the Alcochete solar complex (46 MW) in the Setúbal district (Lisbon region), where the company has also completed two other PV facilities: Conde (13.5 MW) and Algeruz II (27 MW). In early 2023, construction will begin on the 37-MW Montechoro I and II projects in Paderne (Albufeira) and the 64-MW Carregado project in Alenquer (Lisbon), while the Estoi solar plant (83 MW) in the Algarve, which also includes battery storage, will come on stream in 2024.

All these plants are related to Portugal's capacity auctions held in 2019 and 2020, when Iberdrola was awarded eight PV projects amounting to 270 MW in total.

Last year in the Tâmega river, the utility inaugurated Portugal's largest pumped hydroelectric storage complex, one of Europe's largest. With an investment of €1.5 billion, it has three dams and three power plants (Gouvães, Daivões and Alto Tâmega) and a combined installed capacity of 1,158 MW. The group also plans to build a 400-MW wind farm linked to this project, which will eventually turn the complex into a hybrid power plant.

Iberdrola already operates 92 MW of wind power in Portugal, spread over three wind farms: Catefica (18 MW) in the municipality of Torres Vedras; Alto do Monção (32 MW) in Mortágua and Tondela; and Serra do Alvão, in Ribeira de Pena, with 42 MW. Together, these plants produce 200 GWh per year, equivalent to the electricity used by 35,000 households.

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