



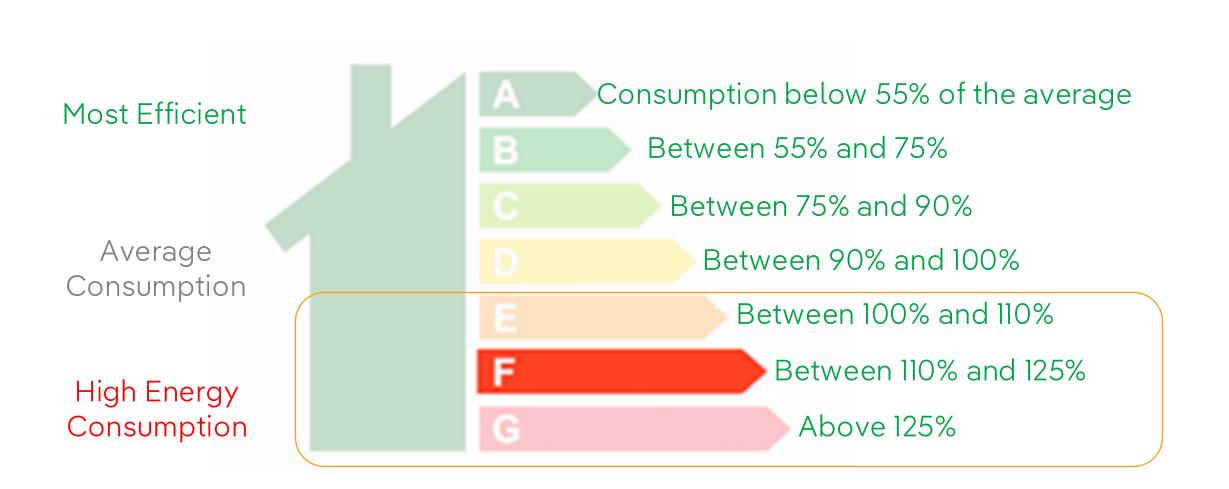
# Understanding the Spanish Market Today



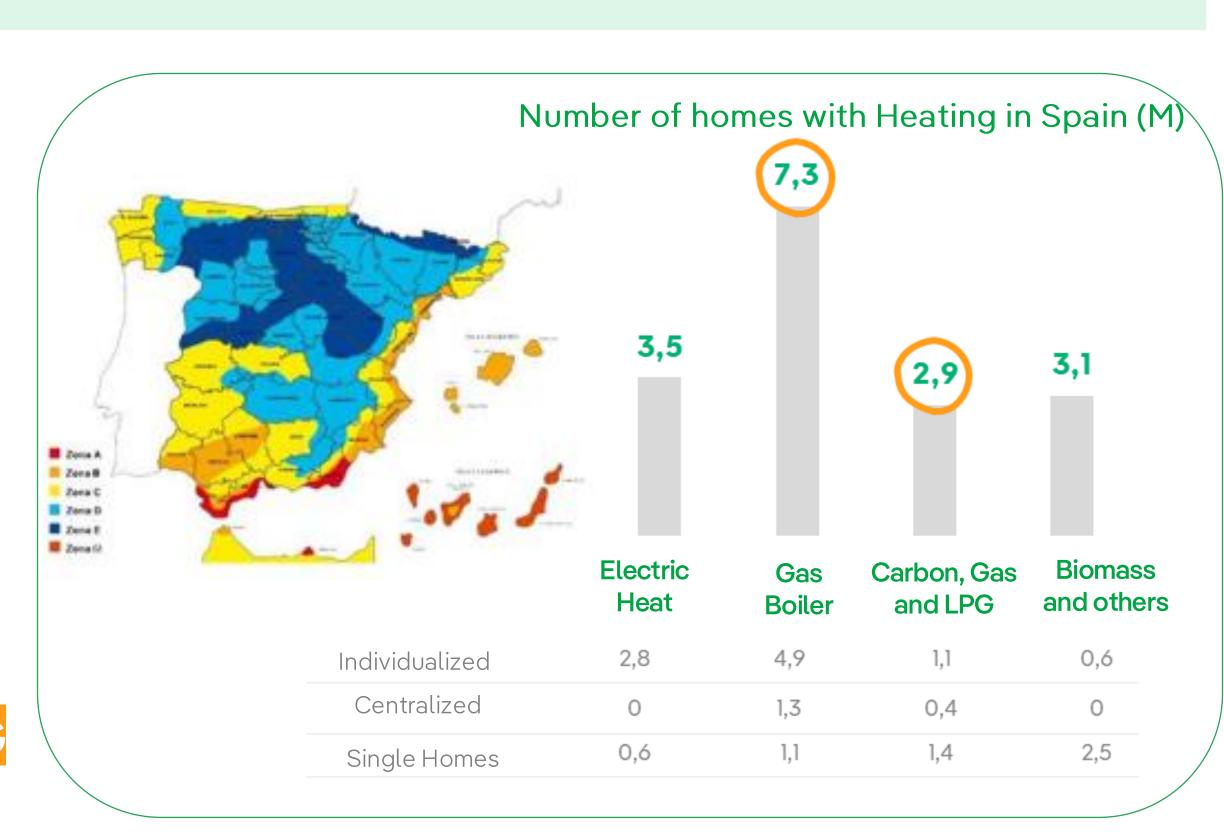
### **Market Opportunity**

Buildings are responsible for 36% of greenhouse gas emissions.

Spain is one of the European countries with the highest use of diesel and LPG.



80% of homes in Spain have an Energy scoring of E,F,G10 Millions homes need to be energetically adapted



## Real case: Gas Boiler replacement with a Heat Pump



## **Property features**



Located in: Alicante



Climate zone: B



Single-family home



Built Area: 230 m<sup>2</sup>



Year built: 2006



### **LPG** Boiler

Heating and DHW

25kW Boiler Performance 66%





11,080 kWh/year 2,534€

### Heat pump

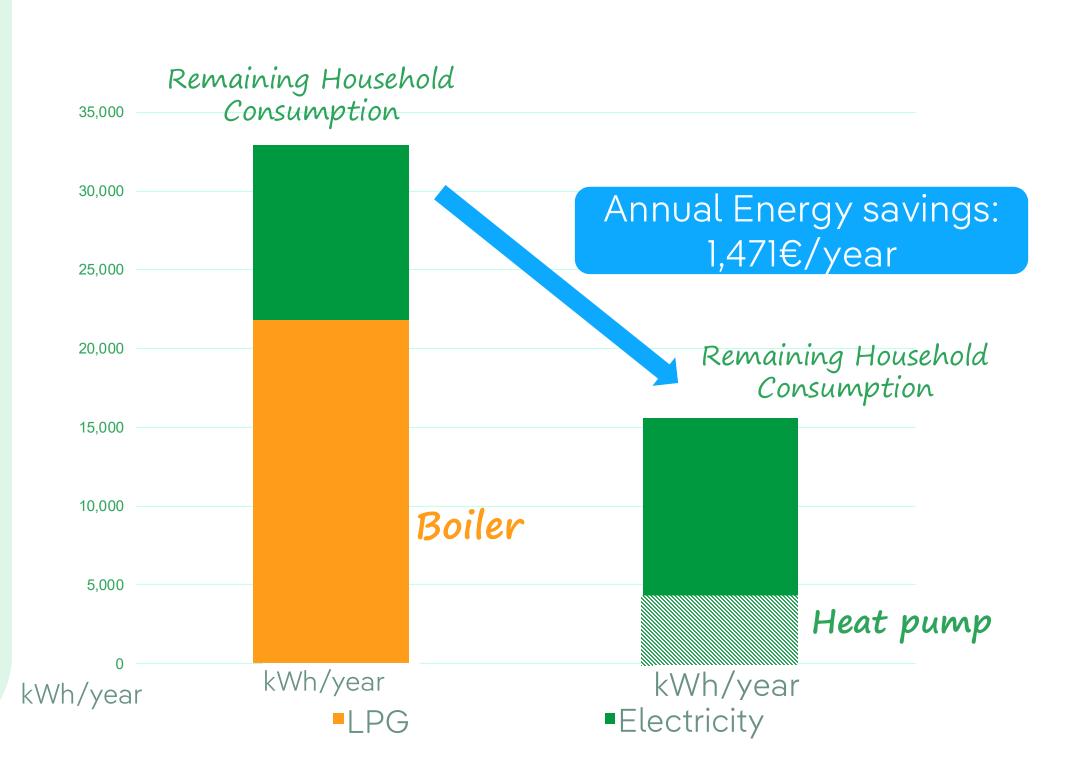
Heating and DHW

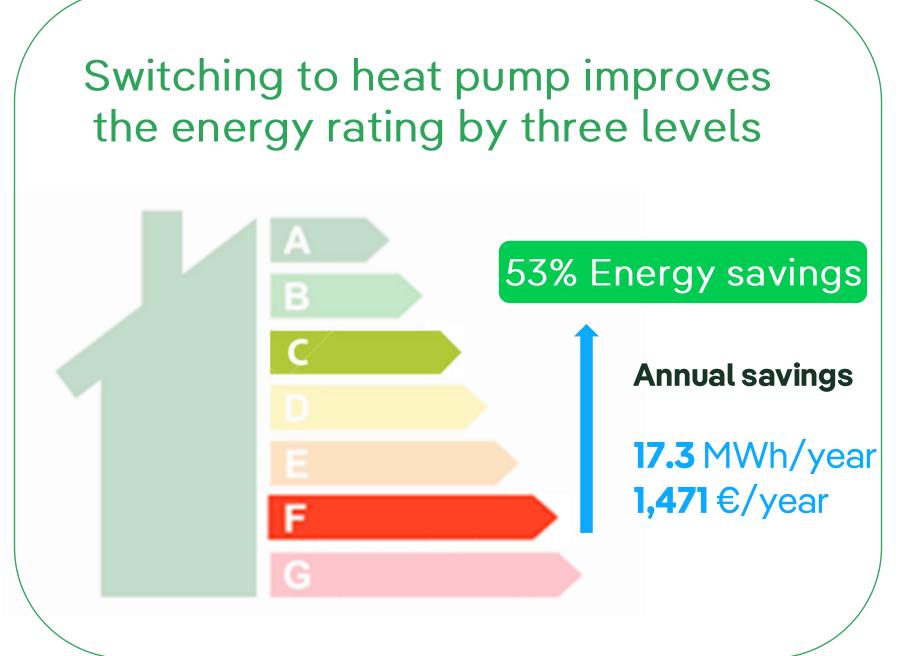
8 kW Heat pump Performance with Radiators: 311%



4,500 kWh/year 1,029€

11,080 kWh/year 2,534€





## Real case: Heat pump + Solar panels





### Heat pump

Heating and DHW

8 kW Heat pump Performance with Radiators: 311%





14 Solar panels6.3kWp

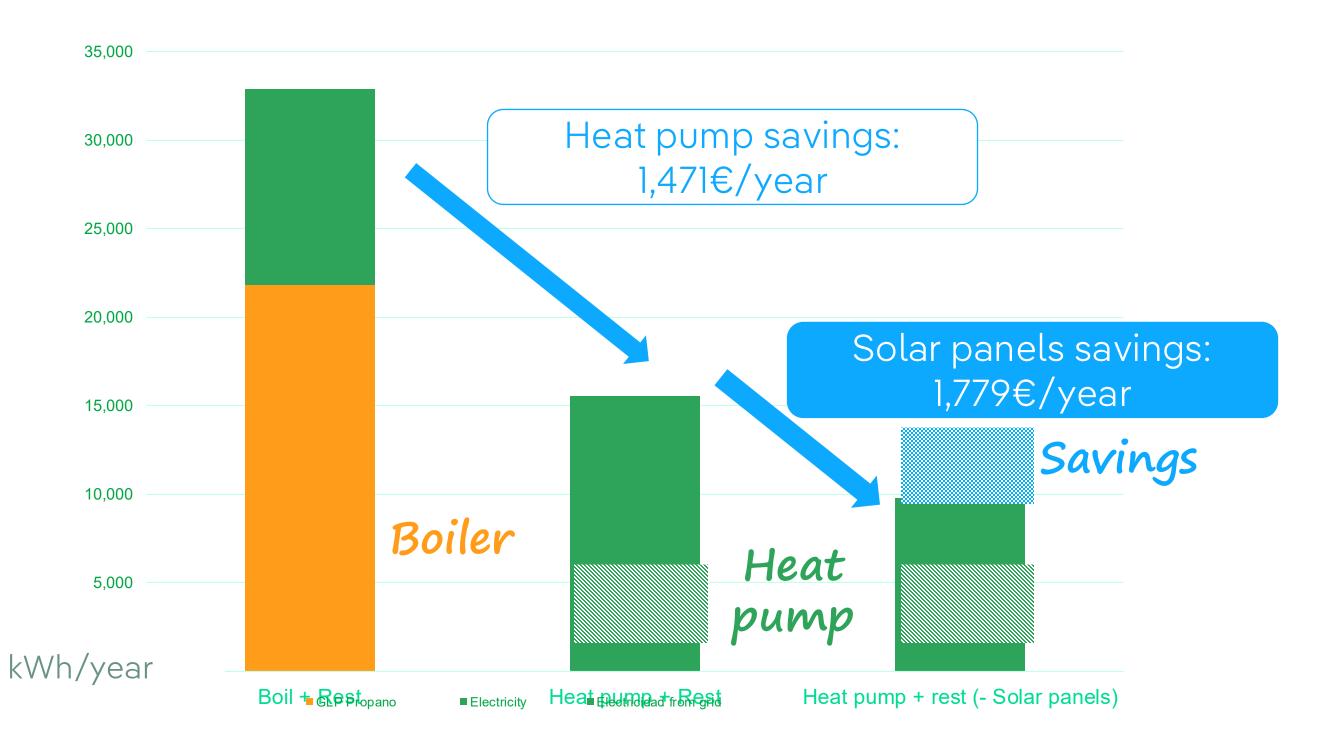
## **Total consumption**

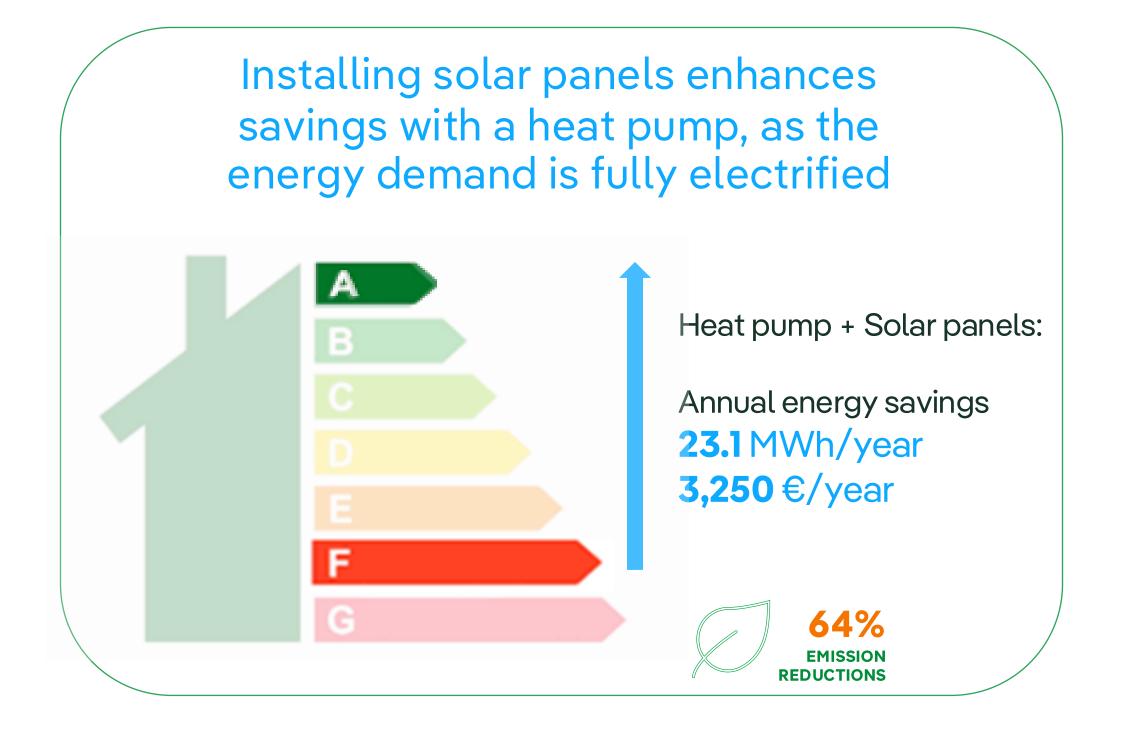
9,779 kWh/year1,784 € / year



4,500 kWh/year 11,080 kWh/year 1,029€ 2,534€

PV Selfconsumption: 5,801 kWh/year







# Sierra Magina Condominium

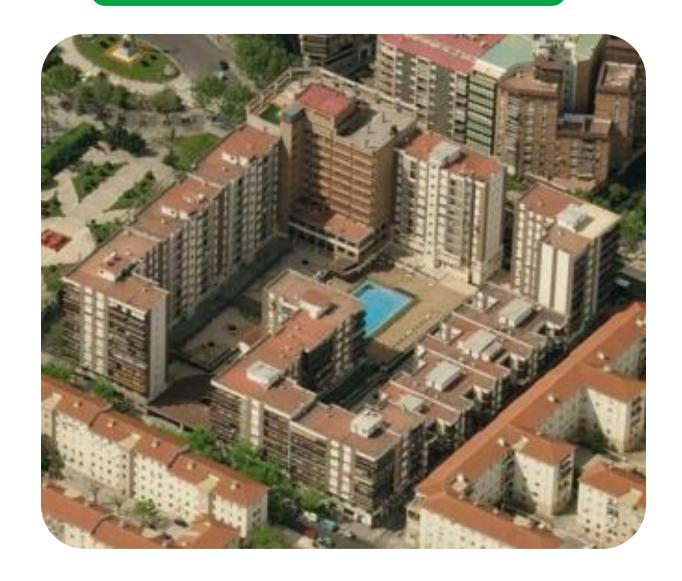




### Situation:

- Community located in Jaen's downtown built in 1976
- 12 Buildings of 4-10 floors with 186 apartments and 2.800m<sup>2</sup> of commercial premises
- Central Fuel Boiler for heating (2.558 kW)
- System Fuel Consumption 1,1GWh (119.000€/year)

## Climate zone: C



## 100% Electrification Heating System - Iberdrola actions:

- Replace boiler for 20 heat pumps (12x80kW & 8x100kW R290 Chillers)
- 125kWp PV System installation
- Reduce the energy demand trough external facades and roof (external thermal insulation system SATE) Turnkey Project, commissioning, legalization.
- Grant/subsidies management



# **Efficiency and Savings**



# PREVIOUS SYSTEM









MA	AIN	EC	ON	OM	MA	GN	ITU	JDES

5,4 M€ **Energy Building Renovation** 

Subsidies RD853 + White Certificates -4,4 M€

**Total Investment** 0,95 M€

Amount estimated per property 6.650€ /resident

After Tax Deduction (-3.990€)

### MAIN ENERGY SAVING DATA

53€/ monthly Fuel Consumption per property

34€/ monthly New Electricity Consumption per property

Energy Savings (€)

Heat Pump System Consumption

**PV Annual Production** 

CO<sub>2</sub> ton Savings

2.260€

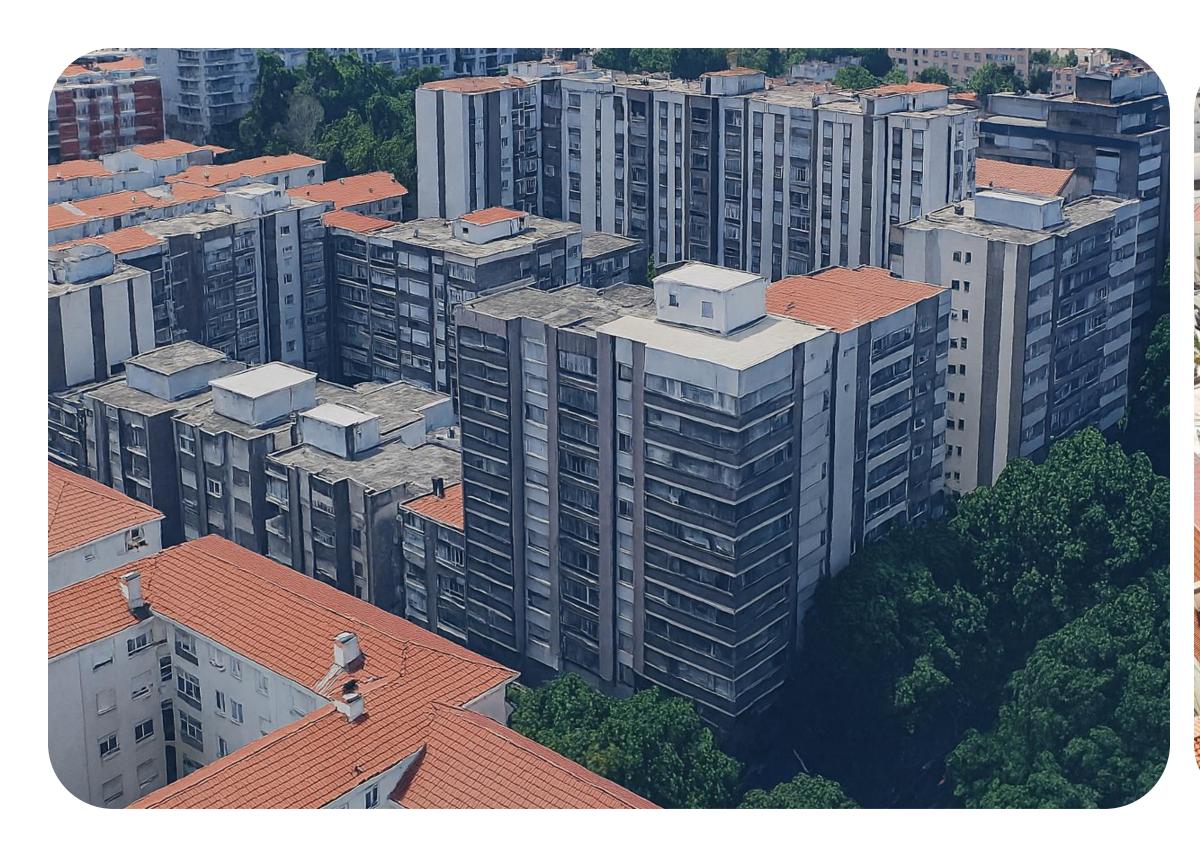
+320 MWh / year

220 MWh / year

286 ton CO<sub>2</sub>/year

## Iberdrola's role at Sierra Magina Condominium







IMPLEMENTATION: Under the "Delegated Development and Turnkey" model, the condominium delegates the complex management of the renovation to a single trusted agent.

GUARANTEE: All responsibilities are consolidated under the role of the Delegated Developer.



## Sierra Magina Condominium Project: timeline and challenges





- ✓ SUBMISSION OF BID
- ✓ APPROVAL OF BID BY THE CCPP
- ✓ SIGNING OF THE CCPP-IBERDROLA CONTRACT
- ✓ APPLICATION FOR NEXTGEN AID

- PREVIOUS GRANTING OF NEXTGEN AID
- ✓ FINAL GRANTING OF NEXTGEN AID
- ✓ START DATE OF WORKS: October 2024
- ESTIMATED COMPLETION DATE OF WORKS: December 2025



#### 5 months

SPEED IN DECISION-MAKING AND VERY SHORT TIME IN MANAGEMENT DUE TO THE HIGH EFICIENCYAWARENESS OF THE **PROPERTY** 



### 16 months

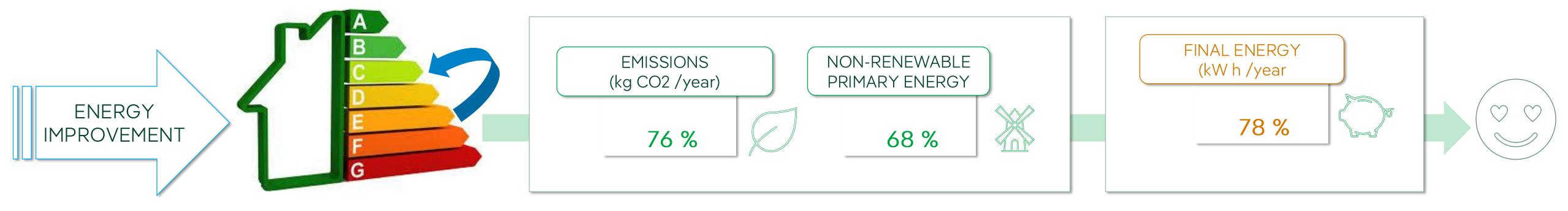
LONG TIME PERIOD FROM THE APPLICATION FOR SUBSIDIE TO ITS CONFIRMATION, DUE TO THE OPERATION OF PUBLIC **ADMINISTRATIONS** 



15 months



Switching to HEAT PUMP and REDUCING the energy DEMAND improves the energy rating by TWO LEVELS:



# **Example of Heat Pump installation cost**





10kW Heat pump in Madrid, replacing a gas boiler in a single-family home



Heat pump installed 12,000€

TVA 21% (IVA) 2,520€

Total (TVA included) 14,520€

White Certificates (ESC or CAE in Spain) -2,800€

Total amount 11,720€



This is the average cost of a gas boiler in Spain





After installation, the customer can benefit from:

60% tax deductions for energy-efficient renovations -7,032€ (Máx. 9.000€)

Total final investment 4,688€

Tax deductions are available until 1st January 2026, what happens next?



## Accelerating the adoption of heat pumps in Spain requires:

- A reduction in VAT applied to both the equipment and the energy it consumes.
- The extension of tax incentives for energy renovation projects including all housing types+ new subsidies for energy-efficient building renovation projects in condominiums.
- A reduction in local property taxes (IBI), as currently applied to photovoltaic installations.
- Citizen awareness of the economic benefits of implementing heat pumps and energy efficiency

### External needs



Increase grid capacity and shorten permitting and approval timelines

