

## <u>The important role of social conditionalities in Spain's virtuous green shift:</u> <u>Just Transition Tenders Mechanism</u>

Edited by industriAll October 2024

Since 2018 Spain demonstrated the advancement of its transition, with the closure of coal fired power plants and coal mines that started a process that is expected to come to completion around 2025. Greenhouse emissions were reduced by 80% between 2018 and 2022 and the Spanish government is deploying ambitious measures to achieve the transition in a socially responsible way, with obligations to put in place Just Transition Strategies every 5 years. Agreements between companies, trade unions and the government encompassed commitments to protect and relocate the workers, provide reskilling programs and create projects for the affected areas.

One key element of innovation is the creation of "*Just Transition Tenders*", a mechanism to tender grid access to renewable energy projects and maximize local benefits where coal-fired power plants shut down. This measure will not consider awarding grid access permits only on the basis of technical considerations, but will instead take into account the project's contribution to the Just Transition Strategy in terms of employment, re-skilling programs and activities, local investments and energy self-consumption. This creates a positive exchange where companies that want to implement renewable energy projects must attach social conditionalities to them, improving the socio-economic benefits of the local population.

A virtuous example is the case of Andorra's (Teruel) "*Nudo de Andorra Transicion Justa*" project, where the coal plant was converted into a renewable energy hub accessing the grid for 1.202 MW of solar PV and wind energy storage, generating long-term employment with the creation of new renewable industries (solar tracker manufacturing plant; electrolyzer factory; woodchip processing. ...), training amounting to 337.650 hours from 1.300 participants, and energy self-consumption for citizens and companies through energy communities.

More can be found here: <u>\*Spain\_4 years towards a just energy transition.pdf</u>