CNMC COMISIÓN NACIONAL DE LOS MERCADOS Y LA COMPETENCIA

PRESS RELEASE

CNMC calls for better coordination of support schemes for photovoltaic self-consumption and improvements in their design and processing

- Photovoltaic self-consumption has experienced exponential growth in the last four years and has boosted competition in the electricity sector.
- Public support schemes granted by the various authorities should be better coordinated and simplified.
- The CNMC has analysed the impact of subsidies, tax deductions and reductions at national, regional and local level, making several recommendations to improve their efficiency and pro-competitive focus.

Madrid, November 26, 2025.- Households and businesses can apply in Spain for various public grants for the deployment of photovoltaic self-consumption (PVSC). The Spanish National Markets and Competition Commission (CNMC) (CNMC) has published an assessment on the impact of these support schemes (EI/02/2023), in which it puts forward several recommendations.

The study focuses on the effect of these measures on the penetration of PVSC and draws implications for competition in energy markets and in the wider economy. As a novelty, the CNMC is publishing a dedicated data annex that allows users to consult the figures and graphs.

Impact on competition in the energy sector

Since 2021, photovoltaic self-consumption in Spain has recorded very strong growth. By June 2025, there were around 696,000 installations and 5.4 GW of installed capacity.

The roll-out of PVSC installations is greater in areas with higher solar irradiation and in municipalities with higher income levels and a larger share of single-family homes. In addition, customers with PVSC installations are much more present in the liberalised market than in the regulated one; they contract more often with smaller retailers and, in the case of households, their switching rate is higher.

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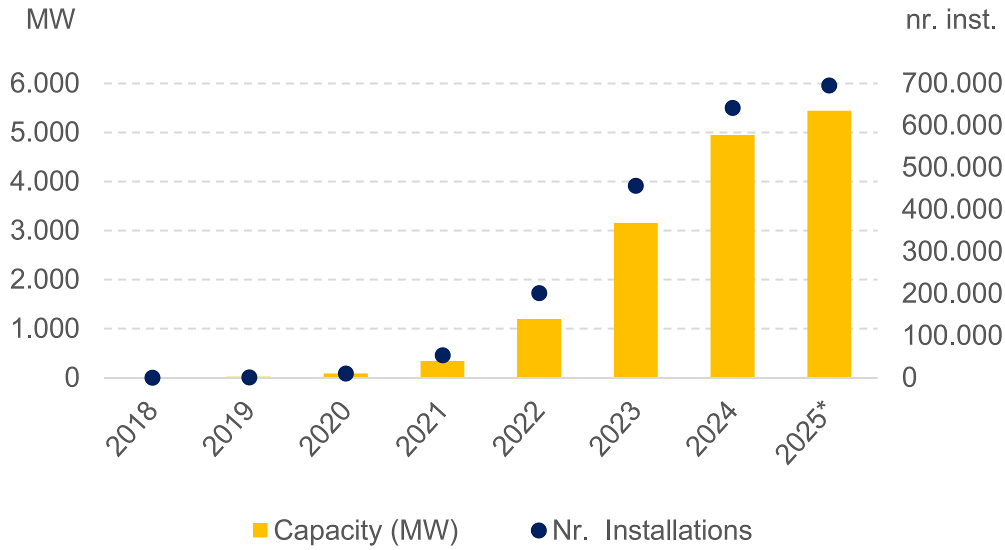
Capacity and number of PVSC installations in Spain, 2018-2025



Source: Own elaboration based on REE data.

Diversity of public support schemes

The analysis shows that public support for self-consumption come from all levels of government. The main ones include:

- Direct subsidies from the Recovery, Transformation and Resilience Plan (more than 2 billion euros budgeted),
- Local tax reductions on the Property Tax (IBI), the Construction, Installations and Works Tax (ICIO) and Economic Activities Tax (IAE),
- National and regional deductions in Personal Income Tax (IRPF) and deductions in the Corporate Income Tax in the foral territories of the Basque Country and Navarra.

The coexistence of so many instruments, administered by different authorities, generates complex procedures, which may create barriers to access, especially for SMEs and low-income households. Inadequate design may also generate differences in access to support that distort competition.

Main recommendations

- National framework and inter-administrative coordination
    - Establish a joint strategy of all administrations in order to cut red tape, avoid overlaps and improve the effectiveness and stability of incentives.
    - Consider setting up a digital one-stop shop to simplify procedures and improve information and statistics. This would allow self-consumers to identify and apply digitally for all incentives –

subsidies, tax reductions or deductions – through a single procedure.

- Assess the feasibility of grouping incentives within each level of administration (national, regional, local).
- Enhance transparency and statistics on support schemes to facilitate ex-post evaluation.
- Continue facilitating grid connection and improve the information available on the installations (in line with the recommendations of the Self-Consumption Dialogue Roundtable).

- Pro-competitive and efficient design
  - Define support schemes as fixed unit amounts linked to specific objectives, instead of schemes that depend on the cost incurred or on unrelated variables (such as the cadastral value, in the case of IBI).
  - Prioritise support where it is most necessary and effective for the system (such as storage or other areas), in order to avoid unnecessary distortions.
- Faster and more neutral access
  - Simplify and automate application procedures and consider granting some support measures automatically.
  - Broaden and make more flexible the system of subsidy advances so that low-income households and businesses can meet the initial investment costs. Where collaborating entities are used to process subsidies on behalf of beneficiaries, ensure that their participation is optional and neutral.
  - Concentrate tax reductions in the first year after installation.
  - Complement incentives with public financial instruments (concessional loans or guarantees) in cooperation with private entities, in order to broaden access and reduce barriers for households and SMEs facing difficulties, while minimising the budgetary impact.

Related content:

- EI/02/2023 Assessment of the impact of public aid for photovoltaic self-consumption
- Questions & Answers
- INF/DE/106/24 Report on the Conclusions of the Self-Consumption Dialogue Roundtable
- Municipalities and Competition Initiative in Renewable Energies

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