



Competing for grid access so that the transition from coal is just

In June 2020, the Spanish government through the Just Transition Institute¹ included an **innovative energy policy** instrument to allocate the power lost through the closure of coal-fired thermal power plants to renewable projects in the same area, incorporating Just Transition criteria. The **Just Transition tenders** award the grid access nodes freed by the closure of the thermal power plants to renewable projects with special attention to their social and economic impact in the area, to their support for a just transition.

What are the just transition objectives sought with this process?

- ✓ Conservation of employment for **ex-workers** of the thermal power plant
- ✓ **Female employment** creation
- ✓ Creation of employment in **alternative activities** to the energy sector: industrial projects or of other sectors to guarantee long-term sustainable employment
- ✓ **Vocational training** for unemployed people in the area
- ✓ Promotion of electrical **self-consumption**
- ✓ Investments maximization and optimization in the area
- ✓ Participation of local investors in the projects

The first tender was that of the **Andorra node**, bidding for **1,202 MW**. As of November 18th, 2022, the 1,202 MW released were awarded to **Endesa** through its subsidiary Enel Green Power, among the 12 projects presented.

The energetic project

The project foresees the investment of more than **1,500 million euros**, to install **1,800MW of renewable power** in the area. To meet these objectives, seven wind farms will be created, and another seven solar power plants. Out of these 14 plants, seven will be projects with hybridizations. Additionally, to manage the surplus of renewable energy, an **electrolyser** will be installed for the production of green hydrogen. A **synchronous compensator** will also be set, to deliver renewable energy with greater quality and stability, and thus contribute to the proper functioning of the electricity grid.

The associated Just Transition Project:

- Training for **1,300 unemployed people** in the region. In agreement with various associations and local entities, the project will provide **337,650 hours** of training, with priority given to less favored groups
- Between 25% and 30% of the employment created will be for **unemployed women** and 10% of direct employment for **ex workers** of the plant and their auxiliaries

¹ The Just Transition Institute is a Directorate General depending on the Secretary of State for Energy created in 2020



- Citizen and local participation
 - o **Self-consumption** power = 3,063 kW
 - o Number of self-consumption beneficiaries = 3,795 consumers
 - o Creation of **energy communities** in the 9 municipalities with renewable facilities
 - o Participation of **local investors** in the project = €189 million
- Green industrial development
 - o Green **hydrogen** plant
 - o Solar components factory
 - o Factory of **electrolysers** for the production of green H₂
 - o Expansion of a factory of towers for wind mills
 - o Center for the recovery of wind turbines, for a greater circularity in the renewable energy industry
 - o Digital platform for agri-food **logistics chain optimization**
 - o Manufacture and storage of **biomass**, proceeding of installed renewable plants.
- Sustainable primary sector and environment
 - o **Recovery of 50,000 abandoned olive trees** in the mining basins, for the production of olive oil and oil preserved food
 - o Inclusive Olive Grove and Nursery project, to facilitate the inclusion of people with disabilities
 - o “**Agrovoltaic**” project, with aromatic herbs in three of the photovoltaic power plants. Beehives will also be installed in the solar plants
 - o The creation of a birdlife center and the promotion of sheep grazing
- **Tourism** and just transition
 - o Green mile of the energy transition, a walking route in the region
 - o Expansion of the Ariño Spa
 - o “Apiturism” and a beekeeping museum
 - o Inclusive picto-town in Andorra
 - o Green line of Val de Zafán on the eponymous railway line.

A transition with a focus on employment

The thermal power plant had an associated employment of **300 jobs**, between its own workers and subcontractors. The tender will generate **380 direct jobs**, and Endesa compromised to create an additional **5,994 indirect jobs** in the area.

Beyond the node contest

The closure of the Teruel thermal power plant (Andorra) comes after those of the Ariño, Foz-Calanda and Estercuel **coal mines** in 2018, lastingly affecting the province of Teruel and the 34 municipalities that depended on coal. To compensate for this job loss, a general action protocol was signed in May 2020 between MITERD, the municipalities and the Government of Aragon, launching the process for signing the Just Transition Agreement.

The Just Transition agreement is a tool for co-governance aimed at guaranteeing the commitment and coordination of public administrations and proposing support instruments in the just transition process.



One of the priority objectives of the JTAs is to maintain and create economic activity and employment, as well as to prevent depopulation in rural regions. To that end, diversification and specialization in line with the socio-economic context is promoted, and at-risk sectors and groups are provided with tools to support investment, the restoration of territories, the improvement of public infrastructures, support for industrial projects, the retraining of workers and the development of SMEs.

The starting point for just transition agreements is the drafting of a socio-economic diagnosis of each area and the launching of public participation processes where local actors can contribute to the diagnosis and propose projects and ideas to reactivate their areas².

In this particular process, **91 organizations** participated in the diagnosis and proposals for projects.

The **Aragón Just Transition Agreement** is the first in Spain to have a base document, which allocates **200 million euros of public funds to the 34 affected municipalities**. MITERD has already awarded 64 million euros in the area, and another 34 million are expected. The just transition has brought **innovative projects** in the area, such as Forgasa's leofertilizers, that use leornadite (a carbon derivative) from Teruel to manufacture new generation fertilizers. Over 60 other projects have been supported:

- Municipal and infrastructure improvement projects, 26
- Business investment projects, 17
- Small investment projects, 15
- Restoration projects in Foz Calanda, Ariño, Cañizar del Olivar and Estercuel, 2

Up to now, in the long term, the investments carried out to date will allow the creation of additional **249 jobs**.

² Just Transition Institute is working on 15 agreements for closures related to coal and 2 nuclear sites. They have all been drawn up and they have been subject to public participation and external evaluation. Public participation processes have been carried out involving the participation of over 700 agents, and more than 1,800 ideas and proposals have been received.