

# Iberian blackout exposes financial oligarchy's looting of European energy infrastructure

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On April 28, a massive blackout plunged nearly the entire Iberian Peninsula, including mainland Spain, Portugal, Andorra and parts of southern France, into darkness. It was the most extensive power outage in the history of the European Union, affecting more than 60 million people.

Public life came to a standstill: trains stopped, communication networks failed, hospitals switched to emergency power and entire cities were paralysed as traffic lights stopped working. At least five people are known to have died.

Three family members perished in Ourense from fumes from a generator powering a fan. A woman in Valencia, reliant on an oxygen machine, suffocated. Another died in a fire in Madrid.

Power was not fully restored for 10 hours. Although initial speculation pointed to a cyberattack or sabotage, government cybersecurity agencies have now ruled these out.

A fairly clear picture has emerged of what caused the blackout. At exactly 12:33 p.m., 15 gigawatts of generation, over 60 percent of the peninsula's load, detached from the grid in five seconds, causing a total system collapse. Voltage surged past 470,000 volts, and frequency hit 50.2 hertz, triggering automatic disconnections and disabling the grid's balancing mechanisms.

Experts have pointed to a critical shortage of synchronous generation, particularly hydraulic and gas-fired turbines, which could have stabilised the grid in seconds. Of the 26 gigawatts scheduled for that day, only 5 gigawatts were synchronous. Three of Spain's five major hydroelectric plants were offline for maintenance, and all nuclear reactors except one were shut down.

These decisions were authorised by Red Eléctrica Española (REE), the utility responsible for operating Spain's national electricity transmission system. Although the Spanish state owns 20 percent of REE through the public investment agency SEPI, the remaining 80 percent is held by private shareholders and global investment funds, including BlackRock and the holding company of billionaire Amancio

Ortega.

In practice, this structure ensures that REE operates according to private profit imperatives, not public need. Despite the state's minority stake, oversight is negligible. REE functions as a nominally public utility managed in the interests of private capital.

According to comments made in *El País* by Jorge Sanz, former Director of Energy and former President of the Commission for the Energy Transition, "the theory that explains 99% of what happened is that there was an overvoltage and the system suddenly disconnected because REE had not scheduled enough hydroelectric and gas (synchronous) generation, which would have allowed the supply to be reduced—since these plants can cut production in just one second." This is what the energy sector refers to as "spinning reserves."

The result was a preventable overvoltage, which disconnected all generation and plunged the entire grid to zero. The French grid briefly decoupled, averting a wider European failure. Portugal, more deeply interconnected with Spain, went down entirely.

Spain's energy sector is controlled by a handful of conglomerates—Endesa, Iberdrola, Naturgy, Repsol and Acciona—that dominate both generation and distribution. Behind them stand financial giants like BlackRock, Norges Bank, Vanguard and the Qatar Investment Authority, alongside Pontegadea, the asset management firm of billionaire Amancio Ortega. In 2024 alone, they earned over €11 billion in profits.

These firms have repeatedly blocked grid modernisation, delayed investment in battery storage and refused to maintain reserve capacity in combined cycle gas plants—all to maximise shareholder returns.

Warnings about the risks of inadequate infrastructure to support renewable energy have been voiced for years. Engineers, grid operators and researchers have warned that Spain's rapid growth in solar and wind generation, while essential, has not been matched by investment in battery storage, grid reinforcement, or system inertia solutions.

In California, battery storage has increased from 500 megawatts to over 13,000 megawatts between 2018 and 2024. Spain, in contrast, has allowed its energy system to become “a giant with feet of clay,” as CSIC expert Fernando Valladares aptly described it in an interview with Público. “Security has a cost that companies don’t want to pay,” he explained, warning that “we are doing an energy transition in a capitalist system that has not socially or economically transformed.”

Antonio Turiel of the CSIC accused the energy companies Iberdrola, Endesa and Naturgy of “criminal responsibility,” stating that “if the combined-cycle gas plants had been ready to take over, the blackout would have been much smaller. But they had them shut down.”

Political responsibility lies with successive governments, led not only by right-wing parties, but also by social democratic, pseudo-left and Stalinist parties. This includes the current PSOE–Sumar coalition, and its predecessor the PSOE–Podemos government (2019–2023). These forces have administered years of energy liberalisation, refused to reverse privatization, protected corporate profiteering, and systematically dismantled public oversight, leaving the electricity system exposed to collapse.

After initially praising the recovery effort, Prime Minister Pedro Sánchez abruptly blamed “private operators” and called for accountability, claiming he only learned of REE’s internal investigation “through the media.” He then announced the formation of an independent commission to investigate the blackout. This is little more than an attempt to deflect public anger from his own government’s complicity in decades of privatisation and deregulation.

Tensions have exploded between the government, REE and private firms. Government sources have criticised REE’s president, former PSOE minister Beatriz Corredor, for “failing to lead” during the crisis and evading public explanation. REE and the operators are accused of stonewalling the government’s demand for detailed telemetry and legal accountability.

While the government now insists on “transparency,” its priority remains political damage control. This farce extends to Sumar, PSOE’s pseudo-left coalition partner. Sumar’s leader and Deputy Prime Minister Yolanda Díaz first urged the public “not to get tangled up in partisan disputes,” then, amid mass outrage, she demanded, “The electrical grid must be in public hands. It is a strategic sector and today it is privatised and operates not as an oligopoly, but as a monopoly.” But neither the social democrats nor its “Left Populist” allies oppose the system that enabled the blackout. They have acted as its administrators for years.

Without a doubt, private operators are not being transparent, shielding themselves from billion-euro lawsuits.

Corredor, president of Redeia (REE’s parent company) insisted in interviews that “our grid did not fail” and blamed an unknown disruption beyond REE’s control. She rejected any responsibility for the failure to schedule sufficient stabilising capacity, refused to resign and dismissed the idea that greater use of nuclear power would have helped.

While some media outlets have suggested solar plants in Extremadura triggered the cascade, REE itself admitted that the Spanish grid “depends heavily on variable renewables, which disconnect under instability and lack physical inertia reserves.” The day after the blackout, under identical conditions of supply and temperature, no failure occurred. This confirmed the blackout was not caused by renewables, but by how the grid was configured, which directly points to disinvestment in critical infrastructure.

To avoid further disruption, REE has since programmed massive activation of combined cycle gas plants, causing electricity prices to soar by 500 percent, from €35 per megawatt-hour on April 29 to €117 on April 30. The blackout occurred during a period of negative electricity prices, when producers lost money on every megawatt-hour generated. Under Spain’s market design, they are compensated through subsidies and backup contracts. Now, with REE’s programme, energy companies are now making a killing of profits.

The blackout has also exposed the grotesque priorities of Sánchez’s government. While enabling private energy monopolies to loot the national grid and refusing to invest in critical infrastructure, the PSOE-Sumar government is diverting more than €10 billion to military spending.

The debate over this vast increase in the defence budget was already scheduled for his May 7 congressional appearance, now to be shared with an explanation of the blackout. Rather than being subjected to a vote, the military budget is being pushed through by decree to avoid defeat in parliament, laying bare the government’s contempt for democratic oversight.

The convergence of the blackout and the weapons spending debate has laid bare the character of the PSOE-Sumar regime: a government of imperialist rearmament for war abroad while attacking workers at home with blackouts, price shocks and corporate impunity.



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