

ENERGY & NATURAL RESOURCES - GREECE

Extension of natural gas distribution network

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Decision 677/2020 Decision 853/2020 Decision 673/2020 Public procurement procedures

In May and July 2020 the Regulatory Authority for Energy approved three five-year development plans for the extension of the natural gas distribution network.

Decision 677/2020

Decision 677/2020 (OJ B' 2981/2020), published on 22 July 2020, approved the five-year natural gas network development plan for Thessalonica and Thessaly for 2020 to 2024. The plan provides for the extension of:

- medium-pressure networks (19 bar) by 36.6km in Thessalonica and 7.7km in Thessaly; and
- low-pressure networks by 250.5km in Thessalonica and 175.9km in Thessaly.

This is a significant increase in connections to the network and supply quantities. The extension budget is estimated to be €145 million.

Decision 853/2020

Decision 853/2020 (OJ B 2836/2020), published on 13 July 2020, approved the five-year natural gas network development plan for the rest of Greece (ie, areas of Greece other than Attica, Thessaloniki and Thessaly). This plan regulates the development of the network in the following prefectures:

- Continental Greece;
- Central Macedonia;
- East Macedonia and Traci;
- West Greece;
- Peloponnesus;
- West Macedonia;
- Kozani; and
- Epirus.

A total extension of approximately 130km in medium-pressure networks and 1694km in low-pressure distribution networks is planned. The intention is for the Corporate Pact for Development Framework (a Greek state development fund that is financed predominantly by the European structural and investment funds) to finance 35% of the extension, with the remaining 65% financed by the network operator (through loans and the increase of capital). No tariff increase is planned for this extension. The extension budget is estimated to be \pounds 270 million.

Decision 673/2020

Decision 673/2020 (OJ B' 1715/2020), published on 6 May 2020, approved the five-year natural gas network development plan for Attica. The development includes:

- reinforcement of the current network;
- an increase in connections to the network supply; and
- the extension of the low-pressure network by 665km and the medium-pressure network by 25km in the next five years.

The extension budget is estimated to be ${\mathfrak {C50}}$ million.

Public procurement procedures

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Particularly ambitious is the approximately €270 million allocated under the five-year development plan for areas of Greece other than Attica, Thessaloniki and Thessaly (Decision 853/2020), which will be implemented by the Public Gas Distribution Networks (DEDA). The plan's implementation began on 9 September 2020 with DEDA's launch of the first public procurement procedures, which attracted significant interest in Greece. These competitive procedures were for the selection of the contractor for the construction of networks in the East Macedonia and Thrace region in:

- Xanthi and Drama, with an approximate budget of €17 million; and
- Alexandroupoli and Komotini, with an approximate budget of €16.3 million.

The deadlines for the submission of applications were 12 October 2020 and 15 October 2020, respectively. The next tenders that are expected to be launched are for Orestiada and Kavala.

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