

New regulation on liberalisation of Greek energy market

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On 3 December 2019, Law 4643/2019 on the liberalisation of the Greek energy market, the modernisation of the Public Power Corporation (PPC), the privatisation of the Public Natural Gas Company (DEPA) and the support of the renewable energy sector (RES) was published in the *Official Journal* (A'193/2019). The law introduces significant changes to the energy industry, particularly in regard to the electricity market, the PPC, DEPA privatisation, the RES and energy efficiency.

Regarding the electricity market, the main amendments concern:

- the commencement of operations in the energy derivatives and intraday markets within the Hellenic Energy Exchange (planned for 2020);
- the implementation in Greece of EU Regulation 1227/2011 on Energy Market Integrity and Transparency, which includes provisions on the competency of the Greek Regulatory Energy Authority (RAE) to monitor the market and impose penalties for the violation of said regulation, to be calculated according to a methodology to be developed by RAE;
- the universal service obligation, which will from now on and in case of lack of other interested parties, be provided not solely by the PPC but by the five suppliers with the largest market shares during the preceding month (which includes the PPC having approximately 70% share of the market);
- the delays in electricity bill payments by municipality enterprises, which will now be guaranteed and paid by the respective municipality; and
- the reduction of the public service obligation on final consumers for electricity consumed during the nighttime.

With regard to the RES market, the new law sets out that RES projects which do not wish to receive state aid may participate directly in the electricity spot market and receive the respective market prices for the electricity produced. Further, the new law sets out the possibility of different remuneration for RES plants with a capacity exceeding 250MW or for conglomerates of RES plant connected to the grid at the same connection point with a combined capacity exceeding 250MW. For such plants, individually agreed prices may be approved by the Ministry of Environment and Energy – without obligatory participation in the auction procedures – if the European Commission has previously approved the respective state aid. The new law also sets out provisions on the construction of solar photovoltaic plants on land of high agricultural productivity.

Regarding the licensing procedure for hybrid power plants on non-interconnected islands, the new law authorises the Ministry of Environment and Energy to decide on the conditions and procedures according to which state aid will be available for such plants, as well as on the conclusion of the respective agreements and on any other related matter, as necessary. The state aid amounts will no longer be proposed by applicants and approved by RAE.

The new legal provisions aim, among other things, to facilitate and expedite the licensing procedure for numerous power production applications already pending before RAE.

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