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## Regulation of Crete's electricity market

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On 31 July 2021, Law 4821/2021 was published in the *Official Gazette* (134/A). This law regulates, among other things, the electricity market model to be adopted in Crete during the phases of Crete's interconnection with the national transmission system. Crete's interconnection is scheduled to be implemented by the electricity transmission system operator (IPTO) in two phases:

- phase one – Crete's interconnection with Peloponnese; and
- phase two – Crete's interconnection with Attica.

Law 4821/2021, which amends Law 4001/2011, introduces several transitional provisions for the regulation of Crete's electricity market during the first and the second phases of the interconnection period. More specifically, the law stipulates that during the first phase, the IPTO will calculate the absorbed energy of load representatives in Crete in accordance with the Electricity Balancing Rulebook. Further, the IPTO will consider the absorption that corresponds to the metre of the Peloponnese-Crete interconnection, as these estimates are carried out by the network operator of the non-interconnected islands. Moreover, the law regulates the hybrid energy market model, which has been introduced during the transitional period until the completion of phase two of the interconnection.

The aim of the interconnection project is to end Crete's electrical isolation and to provide the island with a more affordable, more reliable and greener energy supply. Moreover, according to article 108 of Law 4821/2021, as of 1 August 2021, all high-voltage fixed assets of Crete's electrical system will be transferred from the Public Power Corporation SA (PPC SA) to the IPTO. More specifically, the high-voltage fixed assets that were owned by the PPC SA, as of 30 June 2021, and managed by the Hellenic Electricity Distribution Network Operator, or by the network operator of the non-interconnected islands, will be included in the Hellenic transmission system of the Hellenic Transmission System Operator. Furthermore, these assets will be transferred to the IPTO at a price that will be calculated in accordance with the provisions of Law 4821/2021 and the rules issued by the Regulatory Authority for Energy. The relevant deed for the transfer of the assets will be concluded within six months of the transfer of such assets; the deadlines for the payment of the transfer price are further specified in Law 4821/2021.

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