

January 17 2022

New law regulating agreements on feed-in-premiums, hybrid plants, connection to grid and direct lines

Rokas Law Firm | Energy & Natural Resources - Greece



MIRA
TODOROVIC
SYMEONIDES

› Agreements on feed-in-premiums

› Hybrid plants

› Direct lines

On 20 October 2021, Law No. 4843/2021 regulating numerous issues about energy markets in Greece was published in the *Official Journal*.⁽¹⁾ Among other issues, it amends several provisions of the Law on Energy Communities, but also regulates certain issues regarding agreements on feed-in-premiums (FiP), hybrid plants and connection to the grid.

Agreements on FiP

The Law provides deadlines for the signing of agreements on FiP between renewable energy sources (RES) producers that received reference prices in RES auctions with the Greek Operator of RES and Guarantees of Origin (DAPEEP). The deadlines are as follows:

- within four months from publication of the auction results, for all auctions performed after 1 January 2021; and
- until 28 February 2022 for all auctions performed before 1 January 2021.

While RES producers are obliged to submit the respective applications to DAPEEP by the above deadlines (otherwise their respective bank guarantees for participation in the auctions would be forfeited), DAPEEP is obliged to sign the respective agreements within 10 days from receiving the applications. If the RES producers selected in the auctions after 1 January 2021 fail to apply to DAPEEP and sign the FiP agreements within the above deadlines, they will be replaced with the next producer on the lists of the RES auctions, which are provided by the Regulatory Authority for Energy (RAE) and will have to pay a penalty for four years. The amount will be the difference between the reference price achieved in the auction and the market price for their electricity sold on the Energy Exchange. This penalty is in addition to the forfeiture of their respective bank guarantees. Should they fail to pay the above penalty within four months, they will be deleted from the registers of the Energy Exchange, the Greek transmission system operator (ADMIE) and the joint load representative, and will not be permitted to participate, directly or indirectly, in the electricity markets, or through bilateral agreements.

Hybrid plants

The Law further authorises the Ministry of Environment and Energy to regulate the framework of support for hybrid plants of production of electricity on the non-interconnected islands, the procedure for granting state aid, the issuance of production licences, offers for connection to the grid and any other issue. The same decision may regulate the above framework after the connection of each island to the interconnected system.

Direct lines

The Law also introduced into the Greek legal system article 7 – direct lines – of EU Directive 2019/944 on common rules for the internal market for electricity, amending EU Directive 2012/27. It states that the following entities have the right to submit to the RAE an application for the issuance of a licence for the ownership and operation of a direct line:

- all licensed producers and electricity supply undertakings established within the territory of Greece to supply their own premises, subsidiaries and customers through a direct line; and
- all customers established in Greece, individually or jointly, to be supplied through a direct line by producers and electricity supply undertakings.

The Law shall further regulate the conditions and terms of the procedure for the issuance of the above licence, the content of the licence, terms of operation of direct lines and other issues. It may be possible to regulate that the operation of such direct lines is undertaken by ADMIE or the distribution system operator, under certain conditions. Such lines may operate in parallel with or become part of the transmission system or distribution network.

For further information on this topic please contact [Mira Todorovic Symeonides](mailto:m.todorovic@rokas.com) at Rokas Law Firm by telephone (+30 210 361 6816) or email (m.todorovic@rokas.com). The Rokas Law Firm website can be accessed at www.rokas.com.

Endnotes

(1) OJ A' 193/2021.