

April 18 2022

# Construction of hydroelectricity storage facility in Amfilochia approved

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On 20 December 2021, the European Commission issued a press release on the decision to approve, under EU state aid rules, a Greek measure to facilitate the construction and operation of a pumped hydroelectricity storage facility in Amfilochia.<sup>(1)</sup> The approved measure will be financed in part by the Recovery and Resilience Facility, following the Commission's positive assessment of the Greek Recovery and Resilience Plan and its adoption by the Council of the European Union.

The project involves the construction and operation of a storage facility with the capacity of 680 megawatts in Amfilochia, which will be connected to high-voltage transmission lines. The goal of the undertaking is to ensure the effective transition of the Greek system to renewable energy, abiding by the decarbonisation target set under the European Green Deal. This transition will be facilitated by the provision of support to the existing renewable energy source units and the introduction of new ones.

After the assessment of the above in line with the EU state aid rules (in particular, article 107(3)(c) of the Treaty on the Functioning of the European Union), the Commission held that the aid is both necessary and effective as the project would not be carried out without the public support. The measure was also held to be proportionate and, in light of its inclusion in the European Projects of Common Interest, the Commission further concluded that the positive effects of the measure outweigh any potential distortion of competition and trade brought about by the support. In conclusion, the Commission approved the aid, which will take the form of a €250 million investment grant and of annual support – financed from a levy on electricity suppliers – to complement market revenues, in order to reach an acceptable rate of return on the investment.

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## Endnotes

(1) Case number SA.57473.