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Incentives to attract energy investments in new Greek development law

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On 4 February 2022, Law 4887/2022 was published in the *Official Journal*,⁽¹⁾ containing incentives aimed at promoting a digital and green transition, and innovation. The incentives are also aimed at supporting less-favoured regions, as well as regions that are affected by the delignification process. An additional aim is to accelerate the process of integrating investment projects into the established state aid schemes within the meaning of article 107 of the Treaty on the Functioning of the European Union. According to this law, expenditure on high-efficiency cogeneration is eligible as well as costs for the production of energy from renewable sources.

The "Green Transition - Environmental Business Upgrade" section of Law 4887/2022 is considered particularly important for attracting green investments. This scheme covers not only those investment projects which have as their object the protection of the environment, but also other existing business activities, provided that they carry out expenditure on energy efficiency and environmental protection measures.

Green investment projects – which are supported up to the amount of €10 million, complementary with the eligible regional aid costs – may also be included not only in projects for high-efficiency cogeneration from renewable sources and but also in projects for the production of renewable energy. As regards the aid for the production of energy from renewable sources, this category includes the costs of auto-production of electricity and/or production of heat or cooling from renewable energy sources (RES) for:

- own use;
- investments projects for electricity generation from small hydroelectric projects;
- investment projects for heat and/or cooling production from RES;
- investment projects for the production of sustainable biofuels that are not based on edible plants and are not subject to an obligation of supply or mixing; and
- hybrid RES stations.

In this case, the aid intensity is set at 30% or 45% of the eligible costs, depending on how they are calculated. Costs in cases of self-production of electricity and/or heat or cooling production for own use by RES are supported by up to 20% of the total assisted regional aid costs.

Article 138 of Law 4887/2022 is also of particular importance for RES projects, because those projects will be integrated into the legislative framework for investment strategies, and in particular for exceptional investment funds without the minimum budget line of €75 million, as was initially applicable.

Law 4887/2022 is aimed at the faster integration and commencement of investment projects by extending the application of direct evaluation to more schemes. In addition, specific timetables are established in the evaluation and certification of the completion of investment projects, aiming at recovering business confidence. The assessment of investment projects will now be carried out by the directorate-general for private investment for projects over €1 million. This assessment should be completed either within 30 days, where a direct assessment is applied, or within 45 days from the end of the deadline for applying for inclusion in the scheme, where a comparative assessment is applied.

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Endnotes

(1) A/16/04.02.2022.