

Greece sets out legal framework for offshore wind plants

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The legal framework for the development of offshore wind plants in Greece was introduced in July 2022 by Law No. 4964/2022.⁽¹⁾ It regulates the main steps of the licencing and approval procedures, the authorities in charge and provides authorisations to the Ministry of Environment and Energy and other ministries for further, more detailed regulations.

Main steps of procedures

Offshore wind research licence

A research licence grants the right to the investor, its holder, to perform the research, technical studies and measuring necessary for the planning and developing of offshore wind parks in each area of planned development of offshore wind parks (the development area). The licences will be issued by the state-owned company Hellenic Hydrocarbons Management Company, which will be renamed the Hellenic Hydrocarbons and Energy Resources Management Company (HEREMA). The eligible investors should:

- be individuals or legal entities established in an EU member state or in third countries which have concluded international agreement(s) with the European Union, providing mutual opening of renewables markets and to the extent that the issuing of the licence falls within the scope of these agreements;
- have sufficient professional and technical capacity and evidenced specific experience;
- have sufficient financial strength; and
- provide a bank guarantee in the amount of €10 thousand per megawatt.

Tenders for receiving of operational state aid

The Regulatory Authority for Energy (RAE) will organise tenders for receiving operational state aid for each development area. Only investors that hold a research licence may participate in these tenders. The winners of such tenders shall, in addition to securing the price for sold electricity, have the exclusive right to proceed with further licensing to develop and exploit each respective development area. Subsequently, they will sign an agreement on operational aid – which is a contract for difference – with the reference price achieved in the bidding process.

Producers certificate

The RAE will issue producers' certificates, in compliance with the renewable energy source (RES) Licensing Regulation, to research licence holders that receive exclusivity on certain development areas. The certificate will be valid for up to 30 years and may be renewed for the same period of time. The maximum capacities shall be determined in a presidential decree to be issued in compliance with this law.

Other licences

The producers' certificate holders must further obtain all other licences and permits provided in the RES legislation for onshore RES plants and within the time limits provided to them.

Connection to grid

The holders of the producers' certificates must apply to the Independent Power Transmission Operator (IPTO) for the issuance of a binding offer for connection to the grid, and must also submit a technical study regarding connection to the grid. The cost of the connection is paid for by the investor. The binding offer remains in effect until the installation licence is issued and an agreement on connection to the grid is signed by IPTO. Subsequently, the grid bond is returned to the investor. IPTO has exclusive responsibility for planning, the performance of the connection works and the operation of the connection from the system to the connection point with the offshore wind development area. All of this must comply with the study on the strategic planning of development of connection works for offshore wind included in the 10-year system development plan approved by the RAE.

Concession for use of seashore, beach, sea and seabed

Following the grant of environmental approvals, concessions may be granted by the Ministry of Finance (its real estate service) allowing installation of the necessary meteorological instruments.

Future legislative and regulative work

This law sets out the legal framework for the development of offshore wind farms for the first time in Greece. However, significant preparatory and executive tasks must be completed before the above procedures can be put in practice:

- HEREMA will develop studies and propose a National Programme for Development of Offshore Wind to be determined by a joint decision of several ministries such as the Ministry of Environment and Energy, the Ministry of Development and Investments, the Ministry of National Defense and the Ministry of Maritime and Island Policy. Planning of offshore wind development must comply with the National Plan for Energy and Climate, the country's spatial plans and the national maritime spatial strategy.
- HEREMA will prepare an environmental impact study and submit it for approval to the Ministry of Environment and Energy.
- A committee will be formed for the coordination, connection and development of offshore wind tasked with facilitating cooperation

between investors, IPTO and other authorities. Among other things, the committee will :

- determine the maximum capacities of electricity from offshore wind plants that may be absorbed by the grid from each of the offshore maritime areas;
 - determine the indicative timeframe and costs for connection to the grid; and
 - propose technical solutions for the connection.
- The committee will be in charge of the approval of HEREMA's proposal for the division of the areas of planned development.
 - A presidential decree will determine the areas for development of offshore wind plants and the conditions for their development before 2030.

Special levy for offshore wind

A levy, equal to 2% of the before value-added tax income from the sale of electricity, which may not be below €2 per megawatt hour, will be paid by producers from the beginning of the trial operations of offshore wind farms until the end of their operations to the Renewable Energy Sources & Guarantees of Origin Operator.

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Endnotes

(1) Provisions for the simplification of the environmental licensing, regulating the framework for development of offshore wind farms, facing of energy crisis, protection of environment and other provisions (OJ A' 150 30 July 2022).