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Ministry of Environment and Energy issues decision regulating priority of access for connection of plants to grid

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Introduction

On 12 August 2022, the Ministry of Environment and Energy issued a long-awaited decision concerning the priority access of submitted applications for connection to the grids (ie, the electricity distribution network and the electricity transmission system).⁽¹⁾ Previously, priority was allocated according to the general criteria of the submission date of the completed file (including environmental approvals) and certain special criteria such as priority of the projects of strategic interest, projects in certain areas of Greece with low development of RES projects or projects held by energy communities. The level of priority to be allocated among the general and special criteria required clarification, particularly given the increased number of applications for connection to the grid.

Key changes

One of the main purposes of the decision was to address the issue of significant capacities requested in submitted applications and the insufficient capacities of the grids.

The main changes introduced by the decision are as follows:

- It divides all applications into six categories (from A to F), each often having numerous sub-categories.
- Applications will be processed by grid operators by category (starting from A) and within a category by sub-categories. The priority within one category or within a sub-category is based on the submission date of the completed application file. However, in categories D, E and F, only the submission date counts.
- It provides for the reduction of capacity declared in the application on the basis of the previously issued production certificate or licence of 20% for almost all categories and sub-categories.
- It provides for a maximum capacity limit for each sub-category.
- The applicants should, in some sub-categories, provide additional documents and guarantees.
- It provides a priority framework for electricity storage plants.

Category breakdown

The A category includes 10 sub-categories. Several sub-categories are related to certain geographical regions and areas and big projects:

- A1 is for projects above 200 megawatts per plant within 30 kilometres of the Greek border (total sub-category capacity 800 megawatts);
- A2 is reserved for plants approved as strategic investments (total sub-category capacity 1,600 megawatts);
- A3 is for projects above 300 megawatts in west Macedonia (total sub-category capacity 1,500 megawatts);
- A4 is for special projects above 150 megawatts (total sub-category capacity 700 megawatts),
- A5 is for plants above 300 megawatts with internal storage per plant of the minimum storage capacity of 250 megawatts per hour (total sub-category capacity 500 megawatts);
- A6 is for wind farms (total sub-category capacity 500 megawatts); and
- A7, A8, A9 and A10 are related to certain geographical areas (total capacity for all four categories is 1,150 megawatts).

The B category, which has a maximum capacity of 1,500 megawatts, includes projects which have concluded or will conclude power purchase agreements with suppliers or industrial consumers for at least 80% of the produced electricity and for which they should provide evidence and a bank guarantee for the amount equal to €100,000 per megawatt.

The C category, which has a maximum capacity of 1,240 megawatts, includes energy communities, specific territories or a combination of the two. It should be noted that this category also regulates future applications, which should be submitted by 10 December 2022.

The D category regulates plants with internal storage (not included in A5) and renewable energy source (RES) plants with connection to the storage plants with operational capacity limitation. The E category includes high efficiency combined heat and power cogeneration plants, biofuel, small high-pressure processing geothermic plants and roof photovoltaics.

Finally, the F category includes all other RES plants not listed in the above categories.

The plants that do not receive a binding offer in compliance with the above criteria in their initial sub-category (ie, due to lack of maximum capacity regulated for the sub-category) may be moved to a subsequent category or sub-category, or to the F category as a final resort. Alternatively, they may accept or propose further reduction of such plant's capacity (up to or more than 40%) if applicable.

Feedback

It is expected that a certain number of projects will not receive a binding offer for the connection to the grid while the capacities of most of the projects will be reduced. Thus, as provided in the business press, the decision caused disapproval on the part of the public and stakeholders.

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Endnotes

(1) Decision No. 84014/7123, published in the *Official Journal of Greece* (No. B' 4333/2022), Regulation of the priority framework for issuing of the binding connection offers for RES and HE CHP and storage plants by the Network Operator and the System Operator, including for the regions characterised as saturated grids, as an exception for any other general or special provision, in compliance with article 89 of Law 4651/2022.