

October 3 2022

New law aims to simplify second phase of licensing procedures for RES plants

Rokas Law Firm | Energy & Natural Resources - Greece



MIRA
TODOROVIC
SYMEONIDES



GKANA
EVANGELIA

➤ Introduction

➤ Final offer for connection to grid

➤ Deadlines for submission applications for installation and operation licences

Introduction

On 4 July 2022, a new law on the modernisation of the licensing procedure for renewable energy source (RES) plants was enacted (Law No. 4951/2022).⁽¹⁾ The law regulates the second phase of the licensing of RES plants, which begins with the submission of an application to the competent grid operator for granting of a final offer for connection to the grid and ends with the issuance of the operating licence.

The first phase of the RES licensing procedure was previously simplified by Law No. 4685/2020,⁽²⁾ which regulates the issuance of RES producers' certificates and RES special projects producers' certificates and implemented a simplified procedure for environmental approvals.

Both laws aim to:

- simplify the licensing procedure;
- reduce the number of supporting documents required at each licensing stage;
- impose reasonable deadlines for the licensing process; and
- digitalise the licensing procedures.

Final offer for connection to grid

Prospective project holders, after receiving environmental approvals, should submit an application to the respective grid operator (ie, the electricity transmission system operator (ADMIE) or the electricity distribution network operator) for the granting of a final offer for connection to the grid, together with a letter of guarantee⁽³⁾ in the amount of:

- €42 per kilowatt for the part of the capacity up to one megawatt;
- €21 per kilowatt for the part of the capacity from one to 10 megawatts;
- €14 per kilowatt for the part of the capacity from 10 to 100 megawatts; and
- €7 per kilowatt for the part of the capacity above 100 megawatts.

The application may be submitted jointly by several holders of an RES producers certificate to ADMIE if the total production capacity of all the plants involved exceeds eight megawatts.

For pending applications submitted to the respective grid operator before the enactment of this law, the guarantee should be submitted within four months of the law coming into force (ie, before 4 October 2022).

Different deadlines apply to the plants which determined the power purchase reference price for the operational state aid in competitive procedures organised by the Regulatory Authority for Energy, in compliance with the law regulating these procedures.

The amount of the above guarantee will be reduced to one quarter following the signing and coming into force of the agreement on connection to the grid, and will be returned upon:

- the beginning of operation of the plant,
- the submission of a statement of readiness (confirming that the construction of the plant has been finalised, although it may not be connected due to the fact that the connection works have not been finalised); or
- the undertaking of actions for connection to the grid.

The priority of applications for connection to the grid⁽⁴⁾ was, in compliance with this law, provided in ministerial decision No. 84014/7123/2022,⁽⁵⁾ which also regulates that applicants should submit an additional bank guarantee (called a "priority guarantee") in the amount of €100,000 per megawatt together with the acceptance of the binding offer. Following the acceptance of the binding offer, the holder of an RES producers certificate or special projects RES producers certificate (collectively, certificate holders) and the respective grid operator conclude the agreement on connection to the grid.

Until now, only one bank guarantee was required and it would be submitted with the acceptance of the binding offer.

Deadlines for submission applications for installation and operation licences

The certificate holders should submit the application for granting the installation licence within the following deadlines from the acceptance of the final offer for connection to the grid:

- within 12 months for onshore photovoltaic plants and hybrid plants;
- within 18 months for other RES, high efficiency combined heat and power and electricity storage plants; or

- within 24 months for special projects and hybrid plants that have undersea connections to two or more islands.

The penalty for failure to comply with these deadlines is the automatic cessation of the validity of the above certificates.

These deadlines may be extended for an additional 12 months if the certificate holder:

- declares in writing to the licensing authority and the respective grid operator its intention to complete the project; and
- pays a levy of €1,000 per megawatt of the plant's maximum production capacity per month of extension.

The installation licence is issued for a period of three years or, for special projects, four years. It may be extended in compliance with the law by payment of the respective levy in the amount of €1,000 per megawatt of the plant's maximum production capacity per month of extension.

The certificate shall cease to be valid if the holder:

- fails to submit the declaration of readiness or the application for issuance of the operation licence before expiration of the installation licence;
- fails to accept the binding offer for connection to the grid within the prescribed time limit and has not extended its validity by extending the validity of the respective bank guarantee; or
- decides not to extend the application time after a notification by the respective grid operator that the application will not be accepted for technical reasons.

The expiration of the RES producers certificate or special projects RES producers certificate results in the cessation of all licences and approvals previously issued for the plant.

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

Endnotes

(1) Law No. 4951/2022 Updating of the licensing procedure for renewable resources of energy – B phase, licensing of production and storage of electricity, framework for development of pilot floating offshore solar PV projects and special provisions for energy and protection of environment, Official Journal B' 129/4 July 2022.

(2) Law No. 4685/2020 Updating of the environmental laws, harmonization of the Greek laws with the Directives 2018/844 and 2019/692 of the European Parliament and Council, and other provisions, Official Journal A' 92/7 May 2020.

(3) Except in particular cases, such as RES plants installed in buildings, regardless of capacity, as well as RES and high efficiency combined heat and power stations installed by auto-producers.

(4) For further details, see "Ministry of Environment and Energy issues decision regulating priority of access for connection of plants to grid".

(5) *Official Journal* No. 4333/2022.