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Greece introduces emergency intervention measures in electricity supply sector to combat energy crisis

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Introduction

Following the implementation of emergency intervention in the electricity market that was imposed on electricity producers during Summer and early Autumn 2022, Greece introduced two measures relating to electricity supplies. The first measure suspends the application of the adjustment clause included in supply agreements that enables suppliers to increase the electricity price paid by end consumers to match an increase of the wholesale electricity price and only to notify consumers about the adjustment.⁽¹⁾

The second measure, introduced in November 2022, provides for the extraordinary contribution that electricity suppliers must pay in case they have particularly high profits.⁽²⁾ Both measures are temporary and aim to deal with the energy crisis, to support consumers and to boost the operation of the energy market.

Prohibition of adjustment clause on floating electricity supplies invoices

The suspension of adjustment clause, which is linked to the fluctuation of prices in the wholesale market, concerns the consumption of electricity for the period from 1 August 2022 until 1 July 2023. The period of validity may be extended, even reduced, by a decision of the minister of environment and energy.

During the application of this measure, electricity suppliers are required to announce on their web pages, every month in advance, the variety of tariffs they apply (ie, fixed charges and electricity supply charges for the capacity and electricity). This measure does not apply to consumers (usually legal entities) which negotiate their supply in compliance with the Electricity Supply Regulation. Moreover, all customers have the right to choose another type of electricity supply agreement if they do not have a supply contract in force.

While the measure is valid, consumers may change their supplier or supply agreement following a change in supply charges. Such a change is free for customers and is permitted without the supplier's right to compensation.

Finally, the Energy Regulatory Authority (RAE) monitors the implementation of the above provisions, digitally publishes a [monthly tariff](#) of all suppliers for the next month and imposes sanctions in case of violations (eg, abusive practices from suppliers).

Temporary mechanism for returning part of revenue from electricity suppliers

Electricity suppliers are required to pay an extraordinary contribution based on any increased (surplus as specified below) revenue from their activity in the domestic retail electricity market. The contribution amount is calculated by the Energy Regulatory Authority (RAE) per supplier and is imposed by the Ministry of Environment and Energy.

This regulation aims to address increased energy costs through the temporary return of retail electricity suppliers' "surplus revenues" obtained in the period from 1 August 2022 until 1 July 2023 (ie, the same period as the suspension of the adjustment clauses).

The measure was first applied from August 2022 to October 2022 and will be repeated every quarter. More specifically, the suppliers' surplus revenue will be calculated by the definition of a "reasonable price" for the supply of electricity for each month. The "reasonable price" is called "a reasonable maximum retail price" which, for each month and for each supplier, will be compared to the nominal charges they have announced – namely, the "average billing price". Thus, excessive revenue per month for each supplier is calculated based on the difference between the "reasonable maximum retail price" and the "average billing price".

The extraordinary contribution is equal to the total excessive revenue of the examination month for each supplier in case they have a positive price. In contrast, if the excessive revenue of the month receives a negative price, the month's contribution to the supplier is zero. By the end of the validity period of this temporary mechanism, 60% of the extraordinary contribution is imposed and collected on a quarterly basis. The remaining 40% is imposed and collected at the end of its validity period.

Via a joint ministerial decision, the Ministry of Environment and Energy and the Ministry of Finance will regulate:

- the methodology for calculation of surplus revenue and extraordinary contribution;
- the procedures; and
- any other issue relevant to the application of these measures.

This decision is expected to be issued soon.

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Endnotes

(1) Article 138 of the law 4951/2022, Official Journal A' 129/2022.

(2) Article 40 of Law No. 4994/2022, Official Journal A' 215/2022.

