

February 13 2023

# Greece energy update in 2022

Rokas Law Firm | Energy & Natural Resources - Greece

## > Introduction

## > Electricity markets – facing increased electricity prices

## > RES and storage

## > Offshore RES

### Introduction

In 2022, Greece faced an extraordinary increase in energy prices which required immediate state measures. Electricity grid operators struggled with an overload of applications for connection to the grid and insufficient grid capacities. Subsequently, electricity producers faced significant delay in resolving various priority issues for connection to the grid. The state increased its regulatory activity with respect to the promotion of the green transition, regulations relating to offshore renewable energy systems (RESs) and electricity storage.

This article outlines the most important legislative updates that took place in the electricity market in Greece in 2022.

### Electricity markets – facing increased electricity prices

#### *Energy Transition Fund*

In March 2022, the minister of environment issued a decision regarding the financing of the Energy Transition Fund, which was established to temporarily fund consumers' electricity and gas bills.<sup>(1)</sup> The administrator of the fund is the Administrator for Renewable Energy Sources and Origin Guarantees SA (DAPEEP SA), and the fund would derive from:

- the state budget; and
- the special fund for RES and high efficiency combined heat and power cogeneration (HE CHP) systems.

#### *Financial support for consumers*

In May 2022, the first financial support to electricity final consumers (ie, households) was introduced to cover the period from 1 December 2021 until 31 May 2022.<sup>(2)</sup> The amount due to consumers was to be transferred to their accounts as a discount from the electricity suppliers.

#### *Levies on producers*

In June 2022, extraordinary levies were imposed on producers participating in the markets from October 2021 until the end of June 2022. The levies were equal to 90% of the positive difference in the profit margin of the same month in the previous year.<sup>(3)</sup>

#### *Refund of profits*

In July 2022, the above measure was replaced by a temporary measure that would refund the part of the profits acquired on the day-ahead market from the end of June 2022 until the end of June 2023 that was above the administratively determined electricity price.<sup>(4)</sup>

#### *Electricity supplies measures*

In 2022, Greece introduced two measures on electricity supplies. For further details see, "[Greece introduces emergency intervention measures in electricity supply sector to combat energy crisis](#)". The first was introduced in June 2022 and suspended the application of the so-called "adjustment clause" included in supply agreements. This clause enabled suppliers to increase the electricity price paid by the end consumers to match each increase in the wholesale electricity price, and notify consumers of the adjustment.<sup>(5)</sup> The second measure, introduced in November 2022, provided that electricity suppliers must pay an extraordinary contribution if they have particularly high incomes (ie "surplus revenues") between 1 August 2022 and 1 July 2023 (the same period as the suspension of the adjustment clauses).<sup>(6)</sup> Both measures are temporary and aim to deal with the energy crisis, support consumers and boost the operation of the energy market.

Other measures include:

- reducing the electricity consumption of the state administration and improving the energy efficiency of public buildings introduced in September 2022; and
- reducing electricity demand, boosting smart readiness and developing energy efficiency.

Many other measures are continuing to encourage prosumers, net metering and energy communities. Corporate power purchase agreements will potentially be included in the Energy Exchange over-the-counter market, regulating offshore wind and solar energy and further regulating energy communities.

### RES and storage

In February 2022, the New Greek Development Law was introduced, which regulates incentives aimed at promoting the digital and green transition and innovation, and supporting less-favoured regions, as well as regions affected by the delignification process.<sup>(7)</sup> The eligible costs for state aid, which are set at 30% or 45% of the eligible costs, include expenditure on high-efficiency cogeneration as well as costs for the production of energy from renewable sources, such as the costs of:



MIRA  
TODOROVIC  
SYMEONIDES



ATHINA ZOI

- auto production of electricity and/or production of heat or cooling from RESs;
- electricity generation from small hydroelectric projects;
- the production of sustainable biofuels; and
- hybrid RES stations.

In July 2022, a law regulating numerous RES production issues was adopted.<sup>(8)</sup> For further details, see "[New law aims to simplify second phase of licensing procedures for RES plants](#)". Among other things, it regulates the second phase of the licensing of RES plants, which begins with the submission of an application to the competent grid operator for the granting of a final offer for connection to the grid and ends with the issuance of the operating licence. Aiming to speed up the licensing procedure, it regulates deadlines for the finalisation of each step of the procedure and introduces strict penalties and additional bank guarantees covering the obligations of the producers from the obtained licences and approvals.

In August 2022, the Ministry of Environment and Energy issued a decision concerning the priority access of submitted applications for connection to RES and HE CHP grids and storage.<sup>(9)</sup> For further details, see "[Ministry of Environment and Energy issues decision regulating priority of access for connection of plants to grid](#)". The main changes introduced include:

- the division of applications into six categories (from A to F), many of which have numerous sub-categories;
- 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;
- the maximum capacity limit for each sub-category;
- additional documents and guarantees for some categories; and
- a priority framework for electricity storage plants.

### Offshore RES

The legal framework for the development of offshore wind plants in Greece was introduced in July 2022.<sup>(10)</sup> It regulates the main steps of the licensing 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. It initially provides for up to 10 pilot projects with capacities of between 0.5 and one megawatt, fixed either to the seabed or to the shore.

In February 2022, a public consultation was held on the draft comprehensive marine spatial strategy for Greece. The draft strategy aimed to adopt a comprehensive marine management policy by 2050, which will enable the structured development of otherwise conflicting marine activities (eg, tourism, offshore RESs and fisheries) and respective investments. This will help reduce any anticipated conflicts between marine uses and enhance the use of marine resources (including the offshore RES potential) and synergy.

*For further information on this topic please contact [Mira Todorovic Symeonides](#) or [Athina Zoi](#) at Rokas Law Firm by telephone (+30 210 361 6816) or email ([m.todorovic@rokas.com](mailto:m.todorovic@rokas.com) or [a.zoi@rokas.com](mailto:a.zoi@rokas.com)). The Rokas Law Firm website can be accessed at [www.rokas.com](http://www.rokas.com).*

### Endnotes

(1) ΥΠΕΝ/ΔΑΠΕΕΚ/24031/1214, *Government Gazette B'* 1101/2022.

(2) Article 36 of the law 4936/2022, *Government Gazette A'* 105/2022.

(3) Article 37 of the law 4936/2022, *Government Gazette A'* 105/2022.

(4) Article 122 of the law 4951/2022, *Government Gazette A'* 129/2022.

(5) Article 138 Law No. 4951/2022, *Government Gazette A'* 129/2022.

(6) Article 40 Law No. 4994/2022.

(7) Law 4887/2022 *Government Gazette A'* 16/04.02.2022.

(8) Law 4951/2022 *Government Gazette A'* 129/2022.

(9) Ministerial Decision No. 84014/7123/2022, *Government Gazette B'* 4333/2022.

(10) Law No. 4964/2022 *Government Gazette B'* 150/2022.