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New law introduces significant changes to energy regulatory framework

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Law 5037/2023, published in the *Official Journal*,⁽¹⁾ introduces significant amendments regarding various energy- and environment-related practices. This article sets out the changes.

Regulatory Authority for Energy

The law renames the Regulatory Authority for Energy to the Regulatory Authority of Waste, Energy and Water (RAAEY). It also regulates issues regarding RAAEY's additional powers and staffing. In making these changes, the law aims to establish and operate a single regulatory authority which will monitor and regulate water, wastewater and waste management, as well as the energy market.

Harmonisation of Greek and EU legislation

The law harmonises Greek legislation with the:

- Renewable Energy Directive EU 2018/2001; and
- Electricity Directive EU 2019/944.

Specifically, the law implements the EU Renewable Energy Directive which:

- regulates that at least 14% of renewable energy sources (RES) will be used in transport by 2030 (1% by 2025);
- imposes this obligation on transport fuel suppliers; and
- regulates rules on the calculation of the above percentages.

RE communities

The law provides for important amendments regarding energy communities. From now on they will be formed as renewable energy communities (RE communities) or energy communities of citizens. Communities that were previously established in compliance with law 4513/2018 may be transformed in line with these new communities.

RE communities may produce electricity from RES, and either store, consume or sell it. They should be invested in the local area; at least 70% of their profit should remain within the community. Additionally, they should have at least 30 members (made up of either individuals, small to medium enterprises, agricultural partners, decentralised local government or non-governmental organisations) or at least 15 members if all of them are small to medium enterprises. For private legal entities, electricity production should not be the main commercial activity.

The law provides various benefits for RE communities, including priority in the licensing procedure and the ability to have virtual net metering.

RES self-consumers legal framework

The law introduces substantial amendments to the RES self-consumers legal framework. It reduces the maximum capacities for self-consumers who are eligible for net metering to 10.8 kilovolts for households and 100 kilovolts for local administration. The law also limits the eligibility for virtual net metering for RE communities to:

- certain categories of their members;
- local government bodies; and
- registered agricultural producers (with a capacity limitation of up to 100 kilovolts).

On the other hand, the law introduces net billing without these limitations: surplus energy can be paid as feed-in tariff or feed-in premium or through other support measures as applicable. Self-consumers may sell the surplus of the produced energy on the markets, to traders, to suppliers or directly to consumers without limitation. Guarantees of origin will be issued for self-consumers for the surplus electricity sold as well as for the total electricity they produce from RES.

Hybrid plants

The law establishes a special legal framework for hybrid plants on the non-interconnected islands (NIIs) that is applicable until the end of 2026. In particular, this framework regulates the operational aid for the NIIs and licensing procedure for these plants.

New licences

The law prohibits the issuance of new licences for electricity production from black coal, lignite, natural gas or petrol products.

However, it increases existing licences' capacity, with the following caveats:

- increasing the capacity of these plants is only permitted for those that were already operational or in a trial period when the law was enacted; and
- the following types of plants are exempt:
 - plants on the NIIIs;
 - production units on the NIIIs used for backup supply; and
 - high-efficiency combined heat and power plants.

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Endnotes

(1) B' 78/28 March 2023.