



Energy Newsflash
83rd issue | April 2024

Headlines

Page

- | | |
|--|----|
| 1. Editor's note | 3 |
| 2. Funding of hydrogen and alternative fuels infrastructure projects in the EU | 5 |
| 3. Change of the priority for connection in the agricultural and industrial sector | 7 |
| 4. Update on the offshore wind farms licensing development | 10 |
| 5. New law on the protection of European consumers from the market manipulation | 11 |

Editor's note

Dear Readers,

In the 83rd issue of Rokas Energy Newsflash, we bring you concise highlights of major legal developments in Greece's energy sector:

Our April Newsflash issue delves into significant strides and legislative evolutions within the EU's energy sector, directly affecting Greek energy sector. The EU's commitment to a greener future is evident through substantial funding initiatives for hydrogen and alternative fuels infrastructure, reflecting a robust move towards reducing carbon footprints and fostering sustainable energy solutions.

On a national scale, Greece's legislative advancements reveal a focused effort to adapt and thrive within this evolving energy landscape. The recent law prioritizing connection in the agricultural and industrial sectors to the grid signifies a strategic move to lower energy costs and enhance competitive advantages in these critical sectors.

The update on the offshore wind farms licensing development underscores Greece's potential in harnessing wind energy, a critical component of the EU's renewable energy strategy.

Lastly, the adoption of new regulations to protect European consumers from market manipulation fortifies the legal framework surrounding energy markets, ensuring transparency, fairness, and resilience against manipulative practices and increased prices of electricity.

As we navigate these developments, the significance of legal frameworks in shaping the future of energy cannot be overstated.

*Mira Todorovic Symeonides
Partner / Head of Energy Team
Rokas Law Firm*



Funding of hydrogen and alternative fuels infrastructure projects in the EU

Hydrogen

On 23 November 2023, the European Commission launched the very first (pilot) auction under the European Hydrogen Bank for the facilitation of the production of renewable hydrogen throughout Europe via the deployment of innovative technologies (for a certain volume of hydrogen production). The available budget for this action was set at €800 million, coming directly from the Innovation Fund, which capitalises on the revenues from the auctioning of allowances under the EU Emissions Trading System. The mechanism for the bidding was laid out as follows: producers of renewable hydrogen would be entitled to bid for the support and funding of their projects in the form of a proposed fixed premium per kilogram of hydrogen produced (up to €4,5 per kilo). The goal of the project is to boost productivity of renewable hydrogen, taking into consideration that the production costs for the latter are significantly higher than the price which the consumers are willing to pay, given that non-renewable hydrogen is, to date, cheaper to produce.

Pursuant to the above, on 19 February 2024, after the successful completion of the auction, the Commission released the results, according to which, the initiative attracted a total of 132 bids from projects located in 17 European countries, with the total requested support far exceeding the currently available budget of €800 million, provided by the Innovation Fund, whereas the result of the bids provides for a total planned electrolyser capacity of 8.5 gigawatts (GWe), which could in turn lead to a cumulative production of 8,8 million tons of renewable hydrogen, over a 10-year span, i.e. the designated maximum time for the provision of the subsidy under the auction. The eligible bids will be ranked by the end of May 2024 and the selected applicants will have to sign the grant agreements by November 2024, after which time, they will have to initiate production within five years.



Alternative fuels infrastructure for transportations

Further to the above, the European Commission launched yet another initiative, more specifically a call for proposals, on 29 February 2024, under the Connecting Europe Facility (CEF) for Transport Programme - Alternative Fuels Infrastructure Facility (AFIF). In more detail, this call for proposals, constitutes part of the Connecting Europe Facility (CEF) Transport programme and the second phase of AFIF, following the first phase (running between 2021 and 2024), during which 131 projects received a combined total of over EUR 1.3 billion in EU support. For this call, a total of EUR 1 billion (EUR 780 million under the General envelope and EUR 220 million under the Cohesion envelope) will be made available to support the alternative fuels supply infrastructure along the Trans-European Network of Transport (TEN-T), mainly focusing on electric recharging stations, hydrogen refueling stations and ammonia/methanol refueling points throughout EU's main transport hubs, in alignment with and for the support of the objectives set in the new Regulation for the deployment of alternative fuels infrastructure (AFIR), as well as the objectives set in the ReFuelEU aviation and the FuelEU maritime Regulations. The application of the projects will involve road transport, maritime transport, inland waterways, rail transport and aviation, whereas, new funding opportunities are made available, such as support to Megawatt recharging stations for Heavy Duty Vehicles, support to electricity and hydrogen supply at airports and support to electricity supply and ammonia and methanol bunkering facilities in ports.

As far as the call is concerned, it will be implemented with three cut-off dates for the submission of proposals until the end of 2025. In other words, a multiple cut-off deadline model will be followed for three dates: 24 September 2024, 11 June 2025 and 17 December 2025. In order for the proposed projects to be eligible, they will need to have obtained prior approval from the Member States, where they will be implemented, as well as a pre-agreement with an Implementing Partner or a financial institution established in the EU to guarantee a loan to support the project. The proposals will then be evaluated by the European Commission and the European Climate, Infrastructure and Environment Executive Agency (CINEA), whereas the applicants will be able to receive their evaluations approximately within four months after the respective submission deadline. The grant agreements are also anticipated to be signed within nine months after the submission deadline. Interested parties will be able to receive more info on the call, its objectives and prerequisites during the virtual Info Day organised by CINEA on 8 April 2024 from 14:30 until 17:00 (CET).

by [Andriani Kantilieraki](#) | Senior Associate
ROKAS (Athens)



Change of the priority for connection in the agricultural and industrial sector

On 15 March 2024, the law no. 5095/2024 (OJ A' 40/2024) (the "Law") adopted, by virtue of article 30, the measures proposed by the Ministry of Environment and Energy (YPEN) aiming at the reduction of the energy cost in the primary and secondary sector.

Agricultural sector

Within the framework of the necessity for the reduction of the power cost incurred by the farmers, YPEN has announced a program providing low prices by means of PPAs¹. It is estimated by YPEN that out of the 10-year duration of the said bilateral agreements, in the first two years the price will be formulated between €0.09 and €0.11 per kWh and in the rest eight years, the 1/3 of the consumption will be formulated at €0.09 per kWh, while regarding the 2/3 thereof, the farmers will be entitled to a free supply from the market, either by the same or a different supplier. However, such specific pieces of information are not laid out by the Law and a respective ministerial decision is anticipated.

In particular, according to the first paragraph of article 30 of the Law, the interested holders of RES plants, which have already -before the entry into force thereof-, submitted applications for the granting of the binding connection offers to IPTO², shall sign PPAs with suppliers willing to aggregate holders of agricultural electricity connections, in the form of financial settlement or of physical delivery and submit them thereto within 3 months from the coming into effect of the respective ministerial decision, regulating, inter alia, the total installed capacity of the RES projects falling within the new priority category for connection to the grid regarding the agricultural sector.

The interested suppliers will have to announce the characteristics of the relevant invoice under the name "Invoice GAIA" within 15 days from the entry into force of the above ministerial decision and to propose to the interested parties the conclusion of a supply agreement of at least 10-year duration, while the interested agricultural power consumers will be entitled to enter into the said supply agreement up to 2 months upon the lapse of the above 15-days deadline.

The eligible plants will be able to connect to ESMIE³ prior to all the other plants, regarding the capacity corresponding to a percentage of 30% of the annual electricity consumed by

¹ The Power Purchase Agreements are long-term bilateral contracts contributing to price stability and the reduction of the market volatility

² The Independent Power Transmission Operator

³ The National Electricity Transmission System

the holders of the said plants, while they will not be subject to any of the four kinds of injection restrictions of those enacted through article 10 of Law no. 4951/2022 and of which the two first⁴ are currently set out by a ministerial decision⁵.

The industrial sector

The same grounds regarding the necessity for the reduction of the energy cost applies also in the industrial sector. Another parameter taken into consideration is the fact that recently energy intensive industries in the USA as well as in different countries in the European Union have been supported by means of subsidies, a fact which renders vital the need for the encouragement of production of such Greek industries to be rendered competitive.



Pursuant to the new provisions, holders of RES plants will be entitled to the granting of a binding connection offer in prioritization against other complete applications having been submitted before the entry into force of the Law, as long as the said plants have submitted, before the entry into force of the Law, a relevant complete application and fulfill the requirements for their falling into the B' category of the ministerial decision setting out the priority framework for the connection to the grid⁶ (the "Ministerial Decision on the Priority Framework"), or they fall within the maximum capacity limit for connection offers of this category, corresponding to 4,000 MW⁷. The Law provides the same facility to projects of

⁴ The restriction of the total production capacity of the plant on a permanent basis or on determined periods during the day

⁵ No.53563/1556 (Government Gazette 3328B'/19.05.2023)

⁶ No. 84014/7123/2022 (Government Gazette 4333B'/12.08.2022), as applies

⁷ The said maximum capacity limit is provided by article 2 of the Ministerial Decision on the Priority Framework

ROKAS

any subcategory of the A' category, as set out by the Ministerial Decision on the Priority Framework, as long as they fulfill the requirement of the maximum capacity limit set out by the specific subcategory, they have not received the binding connection offer until the taking effect of the Law and they abide by the provisions laid out for the B' category projects, including the submission of a letter of guarantee and the signing of a PPA.

Further requirements also include the conclusion of a PPA in the form of either financial settlement or physical delivery between a RES producer as the seller and an electricity supplier as the buyer for the sale of the electricity produced by the RES plants falling into the B' category or a solemn declaration signed by the producer and the supplier committed to sign a PPA with a supplier and a final industrial consumer respectively, and on the other hand, the conclusion of a PPA between the same supplier and an energy intensive industrial consumer, which shall belong to one of the sectors referred to by the Annex I of the TCTF⁸. The PPA signed by the producer should comply with the Ministerial Decision on the Priority Framework, meaning that it should be of a duration of at least 8 years and cover at least 80% of the produced from the plant energy⁹.

The measure concerning the priority given to the industrial sector will be further specified by a ministerial decision issued within 60 days from the entry into force of the Law, including, among others, the installed capacity of the RES projects falling within this specific category, as well as criteria for their classification, based on the conclusion and execution of the PPAs signed between the suppliers and the final consumers before or after the entry into force of the Law and the express or not mentioning therein, from their conclusion, of the respective RES plants.

by Panagiota Maragkozoglou | Associate
ROKAS (Athens)



⁸ Temporary Crisis and Transition Framework

⁹ Article 2 B.6 of the Ministerial Decision on the Priority Framework

Update on the offshore wind farms licensing development

On 1 November 2023, the Hellenic Hydrocarbons and Energy Resources Management Company (HEREMA) announced the publication of the Strategic Environmental Impact Assessment (SEIA) of the draft of the National Offshore Wind Farm Development Programme (NDP-OWF) for consultation and comments of interested parties within the 30 days from the publication.

The general picture of the consultation is that although there have been numerous comments, resulting in the work of the Environmental Licensing Directorate becoming time-consuming, there have been no notable reactions from local stakeholders nor legal obstacles that could trigger the "freezing" of the approval of the Strategic Environmental Impact Assessment.

The only reactions which seem to have a noteworthy impact are the ones in the case of Crete, since in the prefecture of Lasithi only, there has been a proposed installation of four projects, resulting in a possibility of excessive burden in the area, which probable asks for intervention. In particular, according to reports, the partial relocation of the plot selected for the development of offshore wind farms outside Elounda in Crete is being discussed, following the reactions of the local community.

In any case, the SEIA of the National Offshore Wind Development Program is the first stage of environmental permit that considers general environmental parameters. The second stage will consist of an individual Strategic Study, one for each area separately, which will present in detail all the data for the individual marine zones. In this second phase, the Ministry of Environment and Energy confirms that there will be a greater tightening of environmental conditions in order to safeguard investors to the greatest extent.

Subsequently, the approval of the SEIA and of the National Offshore Wind Development Program in order to install projects for a total of 25 areas, through a joint ministerial decision is the first milestone in the offshore wind licensing procedure and is expected soon.

by Angela Moysidou
Senior Associate | ROKAS (Athens)



New law on protection of the European consumers from the market manipulation

On 18 March 2024, the Council of the EU formally adopted a Regulation to protect energy consumers from wholesale market manipulation, aiming to strengthen surveillance of wholesale markets and guarantee open and fair electricity competition in the EU. The new Regulation amends the Regulation *EU 1227/2011* (REMIT) and the Regulation *EU 2019/942* establishing the Agency for the Cooperation of Energy Regulators in the European Union (ACER) to improve the Union's protection against market manipulation in the wholesale energy market.

The Council and Parliament first reached an agreement in November 2023. Under the new regulation, ACER is given the right to investigate cross-border agreements where at least two Member States are involved, carry out on-the-spot checks, issue requests for information and collect extracts. ACER will have the power to impose periodic penalty payments to ensure compliance with on-the-spot inspection decisions and information requests while the Member State regulatory authorities will have the right to object, within 3 months, to such inspection. The regulation imposes more strict conditions for the participation of third countries' residents in the EU wholesale energy market, requesting them to appoint a representative in the Member State where they participate in the electricity wholesale market. Such representative should be authorized to act in their name in the market.



ROKAS

On 28 February 2024, a new Directive (EU) 2024/825 of the European Parliament and of the Council was adopted amending Directives 2005/29/EC and 2011/83/EU as regards empowering consumers for the green transition through better protection against unfair practices and through better information. The objective is to fight the increasing greenwashing risks for consumers through misleading environmental claims. The Directive amends two existing directives, namely the unfair commercial practices directive and the consumer rights directive. It aims at granting consumers access to additional information about the environmental impact of certain products and sustainability characteristics of such products.



by Mira Todorovic Symeonides
Partner | ROKAS (Athens / Belgrade)
