# News of the Energy Industry | March – April 2022

**Editorial: New regulatory framework concerning renewables and energy storage comes at a critical juncture**

During a profound energy and geopolitical crisis for Europe, Brussels and governments have set renewables as a primary solution, since they have the lowest cost among all energy sources.

Therefore, renewables are highlighted in the Repower EU plan presented by the European Commission, but also in the national energy and climate plans for 2030, in order to reduce dependence on fossil fuel imports and energy cost for consumers.

However, in order to do that it will require a parallel growth of energy storage, which will allow renewables to "behave" like conventional plants and cover the system's needs more steadily in time by reducing their intermittency.

There are many in the Greek energy sector who said that the new regulatory framework for storage is late, since these plants could have provided significant solutions already if they had been forwarded without delays.

While late, the energy ministry presented the new bill of law and after its consultation it will take effect in order to quickly develop storage plants with or without renewables. Since we are possibly faced with a new escalation and a halting of Russian gas supplies to Europe, the importance of these plants is even greater, and their advancement required for the Greek energy system.

The development of storage goes hand-in-hand with the new, easier and quicker licensing of renewables. The new bill of law solves long standing issues of the sector and aims to decrease investing time. Now, it remains to be seen how these two initiatives will be carried out, while a third one is still expected, concerning offshore wind.

**Greek government presents new regulatory framework for renewables licensing and energy storage**

The new regulatory framework for renewables licensing, energy storage and floating photovoltaics was submitted for public consultation by the Greek Ministry of Environment and Energy.

According to an official announcement, the basic goals of the new framework for renewables licensing and energy storage are as follows:

– Reduce the average licensing time for renewables from five years to 14 months.

– Develop energy storage projects of at least 3.5 GW by 2030.

– Increase the power grid’s ability to include more renewables and enhance net metering.

The measures are expected to have a decisive effect on the country’s goal for 2030, which calls for renewables to reach 35% of the primary energy mix and 70% of the electricity production mix.

The framework introduces simplification, digitalization and acceleration of procedures, since all actions will be made online, while the number of documents required will be drastically reduced and prepared in parallel instead of consecutively.

In this way, Greece's goal to have 25 GW of renewables by 2030, compared to the current 8.62 GW, will be made possible, according to the government.

Reduced licensing time for renewables

The new framework includes the following changes when it comes to licensing:

– The number of licensing stages is reduced from seven to five.

– Average time is reduced from five years to 14 months.

– The number of required documents is reduced from 91 to 54.

– The amendment of existing licenses is simplified.

In addition, there is now a specific milestone for investors in order to realize their projects in a timely and quick manner.

The competent public bodies and grid operators are now exempted from having to go through all the required documents as they will be examined by third parties, such as lawyers.

The economic credibility of investors is checked through the submission of a letter of guarantee during their application for grid space and not during its commitment, thus reducing the number of applications.

Actions and licenses that were previously connected and serial are now separate and parallel, such as connection terms and installation permits.

A one-stop service is created under the ministry that will maintain oversight of the entire licensing process. Also, a digital platform will connect all the various sub-systems and databases of all bodies in order to have better communication and immediate contact with investors.

Energy storage projects

The goal for energy storage is set at 3.5 GW by 2030 without counting pumped storage projects.

By 2025, energy storage projects of 1.5 GW are expected, of which 800 MW to 900 MW should be in batteries and 700 MW in pumped storage plants.

The main changes introduced in energy storage under the new law are as follows:

– Improve the licensing procedure for energy storage plants.

– Introduce measures for renewables plus storage that may also absorb energy from the transmission or distribution grid.

– Measures for the compatibility of existing licenses and applications to the new framework.

Under the new framework, storage projects are separated into two categories: ones only using storage and those combining storage with renewables.

In the second category, the project may operate through supporting renewables and will not draw energy from the grid, in which case it will be awarded a producer's permit and a tariff like any other renewable project. On the other hand, there will also be projects that may draw energy from the grid, which will be awarded a special producer's permit and no tariff.

Grid space for renewables and net metering

The transmission and distribution operators will be able to introduce constraints in the injection of power to the grid, of no more than 5% of the annual production of renewable plants in each region. The percentage can be raised through a decree by the regulatory authority after a study by the operators.

Furthermore, within 45 days of the new law taking effect, distribution system operator HEDNO will calculate available capacity in all substations of its grid. In substations where available capacity is up to 10 MW, it will be made available exclusively for self-production, net metering and rooftop photovoltaics.

New margins are 30% for households, 30% for farmers, 30% for industry and 10% for independent producers.

For substations where the available margin is over 10 MW, the exceeding capacity will be directed as follows: At least 30% in total to the four categories above and at least 70% for other renewable energy projects.

Pilot floating PV

Last but not least, the new framework includes requirements for the licensing of floating photovoltaic plants.

It allows for the installation of 10 pilot floating PV plants in coastal areas with a capacity of 0.5 MW to 1 MW.

**Deal between Terna and Econergy for 460 MW PVs**

Greek Terna concluded a deal with Israeli company Econergy for the development of 460 MW of photovoltaic plants in Northern Greece.

According to Reuters, the deal includes the buying of a 49% share from Renven Limited in "Iliaki Pirkolimnis" that belongs to Terna Energy and maintains a portfolio of PV plants in Kilkis.

Specifically, "Iliaki Pikrolimnis" has two subsidiaries with each one developing projects of 240 and 220 MW correspondingly.

**PPC's supply share at 65% in March**

PPC's share in the supply of electricity was stable at 65% in March, since it was 64.59% in February.

Mytilineos's share was 6.98% from 6.97% in February, while Heron's was 6.52% from 6.48%.

**Total withdraws from two hydrocarbon blocks off Crete**

TotalEnergies announced its decision to withdraw from two hydrocarbon exploration blocks near Crete – the block of Western Crete and that of Southwest Crete – after the completion of surveys in those areas, saying it has informed the authorities and its partners of its decision.

According to the announcement, TotalEnergies remains committed to developing renewable energy sources in Greece and will continue its activity in the country via its local subsidiary TotalEnergies Marketing Hellas.

**HELPE's solar power plant in Kozani inaugurated**

The Solar Power Plant of HELLENIC PETROLEUM Group in Kozani, Western Macedonia, a landmark project in Greece's energy transformation, but also a confirmation of the Group's rapid transition into new, "cleaner" energy forms, was inaugurated by the Group's Management and Prime Minister Mr. Kyriakos Mitsotakis.

It is presently the largest in operation RES project in Greece and in the wider Southeast Mediterranean, as well as one of the largest photovoltaic parks in Europe, with a total installed capacity amounting to 204.3 MW. It is estimated that it will generate 350 GWh of energy per year, meeting the needs of 75,000 households through zero-emissions energy. The total investment has reached €130 million, with significant returns for the national economy as well as Western Macedonia, as over 350 job opportunities have been created during construction, while tens of direct and indirect jobs will be sustained during operation, most of which will be covered by local inhabitants.

The construction of the plant, which is the largest one in Europe with bifacial photovoltaic modules and has a state-of-the-art Automated Monitoring and Energy Management Systems, was completed within schedule, despite the difficulties caused by the pandemic. JUWI has been assigned the project contractor, while HELPE Group subsidiary, ASPROFOS, undertook the project supervision, developing expertise in the new sector, fully in line with the Group's strategy.

**PPC reported €871.7 million EBITDA for 2021**

Public Power Corporation (PPC) on Tuesday reported pre-tax losses of 149.8 million euros and after tax losses of €18.4 million in 2021, although earnings before interest, tax, depreciation and amortization (EBITDA) totaled €871.7 million, ensuring the continuation of investments.

PPC said a package of support measures for its clients to offset higher energy prices reached €800 million and led to negative results in 2021.

The electricity utility said the energy crisis that began in 2021 more than tripled spending for natural gas purchases to €910.1 million, with spending on natural gas rising five times in the fourth quarter of last year.

Spending on carbon dioxide emissions rights jumped to €699.2 million in 2021 from €393.5 million in 2020, while net debt fell by €1.4 billion to €1.9 billion after completion of a share capital increase plan last autumn.

**Power production through natural gas rises in February**

The production of power through natural gas rose considerably on an annual basis in February, by 72.3% or 622 Gwh, according to IPTO.

At the same time, hydroelectric production was reduced by 76.3% or 659 Gwh, while lignite was also reduced by 20.3% or 105 Gwh.

Total power production stood at 3,506 GWh, reduced by 2.61% annually, with thermal plants producing 54.13%, renewables 40,02% and hydro 5.85%.

**Energean announces Israeli gas purchase agreement with IEC**

Energean plc made a positive step in the continued development of its Israeli natural gas operations, signing a supply agreement with the Israel Electric Company, the largest Israeli buyer of natural gas.

IEC will now have the right to purchase natural gas from Energean's fields. The gas price will be determined in each period, with purchased amounts determined on a daily basis. Starting upon the commencement of first gas production from Karish, the agreement will be valid for an initial one-year period with an option to extend subject to ratification by both parties.

This is the first agreement of its kind for Energean and represents a significant step in the development of the Company's position in the Israeli gas market. The agreement will optimise Energean's gas sales portfolio and ensures full utilization of its FPSO capacity.