

## News of the Energy Industry | August – September 2022

### **Editorial: A paradigm change or another temporary crisis?**

French president Emmanuel Macron, warned recently that this is "the end of abundance", signaling a new and radically different landscape not just for energy supply, but for the economy as a whole.

Given that the energy crisis affects all other sectors and has led to a steep rise of persistent inflation, his remarks should be taken into account.

According to most experts, it would be very hard to repair the West-Russia relationship given the war in Ukraine, therefore a large chunk of global energy is now permanently off limits to many nations. This means that other producers, both conventional and renewable, will be hard pressed to cover the gap from the loss of Russian production.

At the same time, new technologies, such as renewables, storage and hydrogen, will take years to achieve desired results and until then high prices and low availability could be permanent.

However, in this new reality, there are certain technologies and mindsets that are going to get a huge boost. One of them is energy saving both on a personal and collective level.

In this regard, the energy crisis can also act as an opportunity to create a more robust and stable energy sector with long term benefits.

### **New floating LNG tank ready in Revythousa**

DESFA has installed a new floating LNG tank in the terminal of Revythousa, which is ready to support cargoes ahead of a difficult winter for Greece and Europe as a whole.

This means that the terminal can now support the unloading of two LNG carriers at the same time, thus reducing the time required and increasing flexibility.

### **Italgas: completed the acquisition of 100% of Depa Infrastructure S.A.**

The sale of Depa Infrastructure S.A., Greece's leading gas distribution operator, was completed in Athens. Depa Infrastructure S.A. was the subject of an international tender aimed at enhancing state assets and creating added value through their development.

Italgas CEO, Paolo Gallo, commented: "Today we start writing an important page in the history of Italgas, which after nearly twenty years is returning to cross national borders and is enriched with new colleagues, a new language and new communities to serve. It has been a long journey that has brought us this far, but now begins a new phase of intense work and development, which we will tackle with our usual enthusiasm:



we will put our experience and our technological know-how at the disposal of the country to build an infrastructure of excellence and with it contribute to achieving the coal and lignite phase-out targets set by the government, in line with those of the EU. In the European scenario, Italy and Greece can aim to become the benchmark for the strategic role of smart, digital and flexible gas networks fostering the energy transition. We are here to make this happen”.

Dimitris Politis, CEO of HRADF commented: “The completion of the sale of DEPA Infrastructure to Italgas Group is one of the most important asset development projects carried out by HRADF, with significant benefits for the Greek economy and the Greek citizens. It represents a clear vote of confidence in Greece’s growth prospects, as it marks the return of Italgas to the international markets after almost two decades. DEPA Infrastructure is owned by a powerful shareholder, one of the leading energy groups in Europe. It is also an important step towards realizing the ambitious goals of our country’s energy transition by reducing greenhouse gas emissions and ensuring that the company will have plentiful access to financing for the expansion of the natural gas distribution networks”.

#### **A new landscape in the Greek retail market**

Since July, the Greek government introduced a new mechanism for taking advantage of windfall profits of power producers in order to finance subsidies towards consumers.

The further rise of the wholesale power price means that this income is no longer enough to finance subsidies and a part of it (around 40% or EUR 800 million in August) was covered by the state budget.

In the retail market suppliers announce the next month's price at the end of each month. For September there are acute differences between suppliers with tariffs reaching as low as 0,02/KWh compared to 0,149 for PPC after the subsidy has been included.

This development is expected to lead to big mobility between suppliers, as consumers seek to find the best possible price during a difficult time.

#### **New renewables tender to take place on September 6 for 1,000 MW**

The first tender under the new auctioning system in Greece will take place on September 6 for a total capacity of 1,000 MW in wind and solar.

The process will take place under the previous system of bidding, while there is a minimum level of 30% that each technology will acquire.

The starting price is set at EUR 54/MWh for photovoltaics and EUR 63/MWh for wind, while the level of competition is set at 80%.



### **Greece passes first offshore wind energy law**

The Greek Parliament passed a law on the development of offshore wind energy and further simplification of renewable energy licensing, including new environmental measures.

The goal is to install at least 2 GW in offshore wind farms by 2030, as part of the National Energy and Climate Plan (NECP).

According to the law, proposed by the Ministry of Environment and Energy, state-owned company Hellenic Hydrocarbon Resources Management (HHRM) will take over the process of developing offshore wind in the country. It will be renamed Hellenic Hydrocarbon Resources and Energy Resources Management to better reflect its new profile.

### **PPC's lignite production to double at 10 TWh**

Given the acute energy crisis experienced in Europe this year, the Greek government decided to raise PPC's lignite power production to levels double than before, at 10 TWh.

Lignite plants will get priority in the system, while the obligation for PPC to sell 50% of the last year's lignite production in forward markets is no longer in place.

In order to achieve this goal, PPC has undertaken new investment in its lignite mines, which have already started.

It should also be noted that recently the share of lignite in the national power production mix has been increased to levels above 15%.

### **Solar power capacity in Greece to overtake wind for the first time**

Photovoltaics are now the number one renewable energy source in Greece with new solar capacities, both connected to the grid and under development, surpassing wind energy capacities for the first time.

According to the latest official data from the Renewable Energy Sources Operator and Guarantees of Origin (DAPEEP), 207.4 MW of new renewable energy capacities were installed in May 2022, out of which 153.2 MW were solar power plants and just 51.8 MW were wind farms.

In comparison, 904 MW of new renewables were installed in 2019 – 747 MW in wind farms and 147 MW in PV.

The latest figures bring total installations to 4.294 MW for wind and 4.173 MW for PV. However, if 371 MW in rooftop PVs are included, total photovoltaic capacity has surpassed wind energy for the first time in the country.



### **E. Scotto (Akuo Energy): 2 GW of renewables and storage under construction for the next year in 10 countries**

French company, Akuo Energy, sets forward a grand development cycle, as Mr. Eric Scotto, its CEO and co-founder told energypress. Within the next 12 months the group plans to begin construction of new renewable and storage projects in 10 different countries.

Akuo Energy also has ambitious plans for Greece, since in the next few months a portfolio of 500 MW is expected to be licensed in order to begin construction. According to Mr. Scotto, Greece is a “key” for renewable development, since it has a large renewable potential and can become an exporter of green energy and green hydrogen in the wider region.

The head of Akuo also mentioned that its goal is to remain a leader in innovative green applications, in order to facilitate the energy transition. These applications will be added to previous achievements, such as floating PV plants, solar roof tiles and agricultural PV solutions.

According to Mr. Scotto, renewables are the best solution for fighting climate change, since many technologies are now mature, reliable and competitive. “Companies are ready and technical difficulties have been surpassed. The only thing missing is political will, but I am sure it is going to happen.”

### **Completion of the sale of 100% of the share capital of DEPA Infrastructure S.A. to Italgas SpA Group**

The Hellenic Republic Asset Development Fund (HRADF), a member company of GROWTHFUND – The National Fund of Greece and the "Hellenic Petroleum S.A." Group (HELPE), announce that on Thursday, September 1, 2022, an event was held at the Embassy of Italy in Greece, for the completion of the transfer of 100% of the shares of DEPA Infrastructure to the Italgas SpA Group. Prior to the ceremony at the Italian Embassy, the signing of all the required documents for the completion of the transfer of 100% of the share capital of DEPA Infrastructure S.A. to Italgas, took place at HRADF’s premises.

The event was attended by the Minister of Finance, Christos Staikouras, the Minister of Development and Investments, Adonis Georgiadis, the Minister of Environment and Energy, Kostas Skrekas, the Ambassador of Italy to Greece, Patrizia Falcinelli, the CEO of HRADF, Dimitris Politis, the CEO of the GROWTHFUND – The National Fund of Greece, Grigoris D. Dimitriadis, the CEO of HELPE, Andreas Shiamishis, the President of the Board of Directors, Giannis Papathanasiou, the General Manager of Strategic Planning and New Business, Georgios Alexopoulos, the General Manager of Legal Services, Ioannis Apsouris, the General Manager of Finance, Vassilis Tsaitas, the CEO of Italgas, Paolo Gallo, the President of the Board of Directors, Benedetta Navarra and the CEO of Italgas NewCo SRL, Pier Lorenzo Dell’Orco.

DEPA Infrastructure S.A. was established in April 2020 following the partial split of the infrastructure sector of the Public Gas Corporation S.A. (DEPA). The company's mission is to develop natural gas networks throughout Greece, through the Distribution Network Companies, ensuring the supply of gas throughout the country.



In the tender process successfully carried out by HRADF, for the joint sale with the HELPE Group of 100% of the share capital of DEPA Infrastructure S.A., the Italgas SpA Group was declared the preferred bidder with an offer of € 733 million euros. In the tender, HRADF put up for sale 65% of the share capital of DEPA Infrastructure and HELPE the remaining 35%.

### **MYTILINEOS is rapidly expanding in large scale solar energy projects - Uzbekistan, Chile, Spain, and Greece**

MYTILINEOS through its Renewables & Storage Development Business Unit (RSD) announces that the 131.35 MWp solar project “Tutly” in Uzbekistan has been successfully commissioned.

Specifically, the RSD Business Unit undertook in June of 2021 and completed, according to schedule, a turn - key contract which included the Engineering, Procurement and Construction (EPC) of the PV plant and the High Voltage Substation, for Total Eren, a leading France-based renewable Independent Power Producer (IPP). The solar farm is expected to produce 270 GWh per year, enough to supply the needs of about 140,000 people in Uzbekistan, while reducing CO2 emissions by about 160,000 tons per year.

Furthermore, the RSD Business Unit announces that the energization of the “Pampa Tigre” Project in the Antofagasta region of Chile was successfully completed. “Pampa Tigre” is a 118.4MWp solar project for Mainstream Renewable Power, one of the most successful non-conventional renewable energy companies (NCRE) in Latin America.

The project will eventually produce more than 300GWhs to the grid. This is equivalent to the electricity necessary to provide power to approximately 125.000 homes in Chile, avoiding the emission of 122,000 tons of carbon pollution to the atmosphere.

Additionally, the RSD Business Unit is strengthening its market position in Spain, by executing EPC contracts for two solar parks; Manzanares 90MW for the investment group Nexwell and Badajoz 50MW for global solar Independent Power Producer Sonnedix, respectively. The total contract amount for MYTILINEOS is app. 79 million euros. Manzanares project is already energized, whilst Badajoz has reached mechanical completion

MYTILINEOS has a long-time presence in the Iberian country, having recently completed a 28MW solar project, which is now connected to the grid and received a Provisional Acceptance Certificate (PAC) with the capacity to produce some 53,000 MWh of electricity per year. The project was since 2021 under an agreement with Ellomay Capital Ltd.’s subsidiary, Ellomay Solar S.L.U. (“Ellomay Solar”) and it included engineering, procurement, and construction (EPC). This is the second contract of MYTILINEOS with Ellomay Solar, as the Company has successfully delivered the EPC of the 300 MWp solar plant “Talasol”, one of the largest mega-projects built in Europe.

MYTILINEOS takes on complex and demanding projects across the whole spectrum of solar energy in Greece and abroad. It already ranks amongst the top 10 EPC Contractors globally and passes on this unique

know-how to Greece, making a substantial contribution to the national decarbonization targets.

It is reminded that the RSD Business Unit has already begun the construction of the 200 MW solar project of PPC Renewables SA in Kozani. The contract was signed in May 2021. The project includes the design, engineering works, procurement, transport, installation, and commissioning at the Western Macedonia Lignite Center, as well as the connection of the plant with two 150 kV substations. The construction duration is 18 months. On completion, this project will produce annually 352 GWh of green energy, while avoiding 178 million tons of CO<sub>2</sub>.

### **Large profit increase for Motor Oil in H1 2022**

Greek refiner Motor Oil had a 271.58% rise in its EBITDA during the first six months of 2022. Specifically, the group's EBITDA was EUR 932 million from 250.8 million a year before.

Earnings were EUR 685 million from 121.1 million one year before, having risen by 465.9%.

### **Free financing to cover 40-60% of the cost for 250,000 net metering PV installations**

The Greek government has decided to support the installation of PV in rooftops for the purpose of net metering by financing 40-60% of the cost through a special program.

The prime minister, Kyriakos Mitsotakis, said that the goal is to install 250,000 such Pvs in houses, businesses and farms so that they will produce their own power.

### **PPC's October tariff set at EUR 0.595 per Kwh**

PPC announced its October tariff at a lower level compared to September. Specifically, its basic tariff is set at 0.595 euro/KWh for a consumption up to 500 Kwh and at 0.607 euro/KWh for over 500 Kwh.

Prices announced by all suppliers are around 25% less than they were in September.

### **IGB pipeline to begin operation on October 1**

The Greek-Bulgarian pipeline, IGB, is expected to become operational on October 1, after receiving the last necessary documents by public authorities.

The chairwoman of the European Commission, Ursula von der Leyen is going to visit Bulgaria for the occasion, together with leaders of the two countries and the groups participating in the project.

It should be noted that Bulgaria and other Balkan countries are counting on natural gas from IGB in order to reduce their dependence on Russian gas.

### **Terna Energy with increased earnings for H1 2022**

Terna Energy took advantage of improved wind conditions and increased installed capacity to raise its

earnings during H1 2022.

According to the company, 1.2 GW of new projects are under construction or in an advanced stage, while its goal is to reach 3.3 GW of installed capacity by the end of 2025 and over 6.4 GW by 2029.