

News of the Energy Industry | October – December 2022

Editorial: 2022 was the hardest year yet, until perhaps the next one

2022 was the year when the energy crisis was really escalated through the war in Ukraine and the massive drop of Russian gas reaching the EU.

Over a year after the crisis started, the EU has been forced to pay a huge amount of money, close to EUR 1 trillion, according to estimates, in order to protect consumers as well as energy companies and keep its energy system intact.

The fact that these subsidies and guarantees have now reached a substantial percentage of member-states' GDP means that they cannot continue indefinitely since they are eating into growth and relative investments.

Regardless, most experts believe that 2023 will be just as hard, if not harder than 2022. The reason is that this time around the EU will have to make do with no Russian gas for an entire year. In order to maintain a steady flow of gas and at the same time replenish its storage, Europe will rely on continuous large scale inflow of LNG. A potential threat looming over the horizon is China, who aims to restart its economy soon and increase its own imports of fuel.

Europe is also faced with issues in its effort to secure long term LNG deals, while there is also the matter of its own decarbonization effort that must not be undermined through locking in natural gas for too long in the future.

These are all variables that affect decision making in Brussels, while friction between member-states regarding the natural gas price ceiling is still ongoing.

Everything points to another tough year for Europe energy-wise, but the continent has the ability to pull through and acquire for itself a better and cleaner future.

Andriosopoulos: Offshore wind to commence with income from the islands decarbonization fund

Offshore wind energy can have multiplying effects for Greece, said Audencia Business School Energy Economics Professor, Kostantinos Andriosopoulos, while speaking at the Renewable & Storage Forum.

He noted that the sector, due to its size, concerns large investors and consortia. At the same time, it has similarities to hydrocarbons, therefore it makes sense that the Greek states awarded oversight to the national hydrocarbon authority, since it knows the local seas, the environmental effect and limitations for protecting the environment.

Dr. Andriosopoulos also said that in the Energy and Environment ministry's offshore wind committee, there is a lot of good will and planning, while funds from the islands decarbonization fund will be directed to offshore wind.



"There will probably be a need for changes in the consortia, as has happened abroad. At the same time, our seas are a challenge, but it is the right choice to point investors toward something checked and licenced by the state", he concluded.

Special windfall profits mechanism has collected 2.65 billion euros

A total of 2.65 billion euros has been collected so far through the special windfall profits mechanism that was enacted by the government in July 2022, according to the regulator's latest data.

Specifically, lignite and hydro plants belonging to PPC have contributed 770 million euros, while renewables 1.6 billion and natural gas plants 376 million euros.

These funds are directed to cover consumer subsidies in the country.

Skrekas: Gas consumption has fallen by 32% in the last three months

Natural gas consumption in Greece has been reduced by 32% within the last three months, according to Energy and Environment minister, Kostas Skrekas. The minister spoke during a conference organized by the Greek-American chamber of commerce and added that in the last year the drop in gas consumption was 18%, while the drop in electricity consumption was 12% in the last three months.

The minister spoke in a session together with vice-chairman and director of Gastrade, Kostas Sifnaios, Cheniere's VP Andrew Walker, Deloitte's partner, Constantine Eleytheriades and the head of the Greek-American chamber energy committee, Kostas Andriosopoulos.

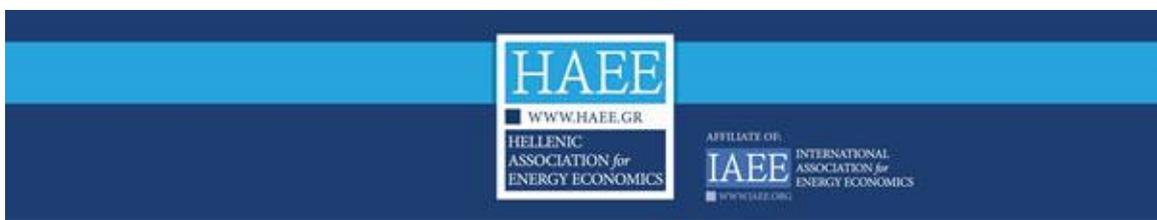
Mr. Skrekas added that the EU took a long time to approve actions to battle the energy crisis and the results are now evident as we head into winter. He mentioned the issues that heavy industries are facing because of high energy cost.

Special renewables account to end 2022 with 134 million euro surplus

The special renewables account is expected to end 2022 with a surplus of 134 million euros, while the new sub-account for new projects is expected to have a surplus of 91 million, according to DAPEEP's latest report.

As the chairman and CEO of DAPEEP, Giannis Giarentis, said, "there is a trend that new projects' account will increase its surplus as new projects are completed".

Moreover, he mentioned that "today we are near 10 GW in installations. Society must understand that faster renewable penetration will mean a reduction of dependency on natural gas and will improve high energy prices".



Terna Energy: Improved sales and profits for the first nine months of 2022

Terna Energy reported improved results for the first nine months of 2022, since sales increased from 247 to 448 million euros and EBITDA from 106 to 150 million.

According to the company, results were better as a result of previous years' investments, as well as good project characteristics, which had high load factors.

During the first nine months, installed capacity reached 895.3 MW.

PPC with increased EBITDA in first nine months of 2022

PPC saw its repeated EBITDA rise by 2.8% to 644.2 million euros during the first nine months of 2022.

EBITDA rose from 155 to 215 million and was affected by the special charge for power producers during the period October 2021-June 2022, which was 276 million in PPC's case.

Earning before profits were minus 151.1 million versus minus 85 million a year earlier.

Earnings stood at minus 169.8 million, down from minus 42.2 million.

Energy ministry upgrades renewables and storage goals for 2020

The Energy and Environment ministry is expected to significantly increase the national energy and climate plan's (NECP) 2030 goals for green energy, which is currently under revision.

According to the latest info and statements, renewables are expected to reach 25-30 GW together with two large hydro plants. This means that Greece must increase its installed capacity by 10-20 GW in just eight years.

At the same time, the ministry aims for 5-8 GW of energy storage to be installed, which will consist of both batteries and pump hydro.

Through this way, the share of renewable energy in the country is aimed to reach around 80% by 2030, versus 65% in the previous national plan.

HEDNO invests 386.3 million for upgrading the grid and underground cables

The Greek distribution operator, HEDNO, will make 386.3 million euros of investments for upgrading its grid and place cables underground in order to increase renewables penetration.

According to a ministerial decree, the first funds of 112 million euros have been approved and necessary auctions will proceed on behalf of HEDNO.

The total of 386.3 million has been included in the national resiliency fund.