



Review of the Greek Energy Sector

Analysis and Policy Recommendations

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Team of Authors



Professor Dr. Kostas Andriosopoulos is the Executive Director of the Research Centre for Energy Management at ESCP Europe Business School where he holds the position of full Professor in Finance and Energy Economics. He is also the Academic Director of the full-time (MEM) and the Executive (EMEM) Masters in Energy Management. Kostas holds a PhD in Finance (Cass Business School, City University London), where he has been the recipient of the prestigious Alexander S. Onassis Public Benefit Foundation's scholarship. He also holds an MBA and MSc in Finance (Northeastern University, Boston, USA), and a bachelor's degree in Production Engineering and Management. Kostas is the Chairman of the Hellenic Association for Energy Economics (HAEE).



Mr. Konstantinos Ioannidis is an Electrical Engineer holding a B.Eng and an MSc in Electrical and Computing Engineering from the Democritus University of Thrace (DUTH). His expertise lies in the field of Energy and Renewable Energy Sources, holding an MSc in Wind Energy Systems from the University of Strathclyde, Glasgow, UK. Konstantinos is currently working as a Research Associate and Energy Advisor for HAEE.



Mr. Filippos Ioannidis is a PhD candidate at the Department of Economics at Aristotle University of Thessaloniki, Greece. Filippos holds an MSc in Banking and Finance from the School of Economics, Business Administration and Legal Studies (International Hellenic University, Thessaloniki, Greece) and an MSc in Economics from School of Economics and Management (Lund University, Lund, Sweden). He obtained his bachelor's degree in Economics from the Department of Economics (University of Macedonia, Thessaloniki, Greece). Filippos also holds the position of Research Associate at HAEE.



Mr. George Papadakis is a Mechanical Engineer holding a B.Eng and an MSc in Production Engineering and Management from the Technical University of Crete, Greece. He also holds an MSc in Energy Management from ESCP Europe Business School. George works as a Senior Business Developer for AKUO Energy, an international IPP in the Renewable Energy field, and is a founding member of HAEE.

Executive Summary

This is a sensitive period for the Greek energy sector, since on the one hand, national elections offer a chance for the realignment of policy regardless of the ruling party, while on the other hand, a series of crucial issues are ongoing with repercussions for the future of the market. Major changes are coming due to the liberalization of the Power and Gas market, ambitious privatization processes of state-controlled energy companies and the target model objectives set by the European institutions and significant investment potential is on the horizon.

Based on the above, HAEE decided it would be appropriate to issue this publication and proceed with an in-depth analysis of everything that is happening today in the energy sector, how these are connected to wider trends and also, the challenges that the new government will have to face. Furthermore, HAEE includes its own recommendations for each one of the sectors addressed in this policy paper (the Energy Exchange, the Electricity Market, the Renewables, the Natural Gas, the Energy Efficiency and the Oil and Refining).

The report comes during the final stretch before 2020, which is the year when the first decade long targets set by the EU and Greece in renewables, energy efficiency and CO₂ emissions, will be concluded. Therefore, in a brief time there will necessarily be a reassessment of the energy sector's course in conjunction to the goals of 2030 and national energy planning. Specifically, the national targets that have been set for 2030 are:

- At least 40% reduction in greenhouse gas emissions (compared to 1990 levels)
- At least 32% share for Renewable Energy
- At least 32.5% improvement in Energy Efficiency (compared to 1990 levels)

Additionally, there are crucial issues such as the divestment of PPC's lignite plants, the full application of the target model, which is delayed, DEPA's breakup and successive privatization, HELPE's privatization, the progress of hydrocarbon exploration, renewables tenders and of course, attracting investments in all fields. The next government will be called to accelerate all the necessary processes from the very first day, since time is of the essence under the commitments stemming from the memorandums with the country's lenders and other obligations.

Of course, there is also a series of long-term issues that concern the energy sector's transformation, such as electrification and alternative fuels, energy storage, smart grids, digitalization, the expansion of the gas network, major international pipeline and LNG projects, as well as the enhancement of energy services.

In this context, HAEE's policy paper attempts to cover all these aspects using the most recent available data and analyses in order to provide an updated and complete picture to everyone interested in the Economics of Energy in Greece.



The **Hellenic Association for Energy Economics (HAEE)** is the Greek think tank that brings together all those who study, debate and promote the knowledge of energy, environment and economy in our country. HAEE is the Greek affiliate of the International Association for Energy Economics (IAEE), which is a non-profit research and professional organization acting as an interdisciplinary forum for the exchange of ideas and experiences among energy experts. HAEE was founded in 2015 in Greece, and has a global orientation welcoming the participation of researchers and practitioners from around the world interested in energy, environmental and economic related subjects. It acts as an independent consulting body for national and international organizations to whom it provides a broad contribution on issues related to energy, economics, policymaking and theory.



The **International Association for Energy Economics (IAEE)** is a global non-profit organization, founded in 1977, and is currently based in the United States. It currently has members in more than 100 countries, which are constantly trying to provide an interdisciplinary forum for the exchange of ideas, experiences and topics between professionals interested in energy economy. IAEE is actively seeking to attract those interested in the energy economy as well as those who form opinions and participate in the events and decisions which affect the energy industry.



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