COUNTRY POLICY PROFILE

Greece

October 2014

LOG FILE OF CHANGES IN SUPPORT POLICIES AS COMPARED TO LATEST MEMBER STATE PROGRESS REPORT

EurObserv'ER

The EurObserv’ER project

The EurObserv'ER Barometers monitor the renewable energy progress in each Member State of the European Union. Every two months a barometer dedicated to one particular renewable energy technology is published. Moreover, once a year a EurObserv’ER Overview Barometer[1] collects the main indicators published during the year and completes these with additional renewable sectors which have not been detailed in the individual Barometers. Finally, the Overview Barometer also reports on socio-economic aspects: employment and turnover in the field of renewables, and the renewable energy investment climate. The country policy reports monitor policy developments by providing an overview of policy changes compared to the Member State Progress Reports.

All Barometers are available for download at http://www.eurobserv-er.org. An overview of direct links to Barometers is available in Annex A.

New Barometer releases are announced on Twitter (https://twitter.com/eurobserv_er).

Co-funded by the Intelligent Energy Europe
Programme of the European Union

The EurObserv’ER barometer is a project supported by the European Commission within the DG Energy "Intelligent Energy Europe" programme. It is also supported by Ademe, the French Environment and Energy management Agency, and Caisse des Dépôts.

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[1] Free download at http://www.eurobserv-er.org/pdf/bilan13-gb.asp, latest edition is 2013.

Abstract

In Greece, electricity from renewable sources is promoted through a feed-in tariff, subsidies a tax exemption and a net metering scheme. Renewable energy sources for heating purposes profit from a tax exemption and a subsidy scheme. The main incentive for renewable energy use in transport is a quota system. The Greek progress report was released by the EC in March 2014. This EurObserv'ER report reports on a new Greek law: "*Measures for the support and development of Greek economy within the scope of application of Law 4046/2012 & other provisions*", published in the Government Gazette on 7 April 2014, introducing various new elements in the Greek RES policy.

Abbreviations

BTL	Biomass-to-Liquids
CHP	Combined heat and power plant
EEAG	Environmental and energy aid guidelines
EU-27	European Union, 27 Member States (excludes Croatia)
EU-28	European Union, 28 Member States (includes Croatia)
FiP	Feed-in premium (scheme)
FiT	Feed-in tariff (scheme)
GHG	Greenhouse gas(es)
GHG	Greenhouse gas
ktoe	Kiloton oil equivalent
MSW	Municipal solid waste
NREAP	National Renewable Energy Action Plan
PV	Photovoltaic energy
RE	Renewable energy
RED	Renewable Energy Directive
RES	Renewable energy sources
RMSW	Renewable Municipal solid waste (renewable fraction in MSW)
RQS	Renewable quota scheme
TSO	Transmission system operator

Renewable energy mix and 2020 target

Main source of renewable energy production in Greece is solid biomass (1133 ktoe in 2012). Second and third are hydropower (385 ktoe) and wind energy (330 ktoe). Next, solar thermal energy, solar PV and biofuels have important contributions. Source: EurObserv'ER, 2014, www.eurobserv-er.org. The 2012 share of renewable energy in Greece amounted to 12.5%; the target for 2020 has been defined as 18% (source: EurObserv'ER report 'The State of Renewable Energies in Europe'[2]).

Table *Renewable energy production in the 27 Member States of the European Union (EU-27) and the corresponding figures for Greece. Data have been expressed in ktoe and refer to the year 2012*

[ktoe, 2012]	European Union (27 countries)	Greece	Contribution of Greece to EU-27
Hydro*	29408	385	1.3%
Wind*	17089	330	1.9%
Solar PV	5732	106	1.8%
Solar thermal**	2116	183	8.6%
Solid Biomass***	74804	1133	1.5%
Biogas	6212	33	0.5%
MSW****	4426	0	0.0%
Geothermal	7825	13	0.2%
Biofuels	11711	125	1.1%
Ocean energy	44	0	0.0%

* Normalised electricity generation

** Including electricity generation from Concentrated Solar Power

*** Including liquid biomass

**** Municipal Solid Waste only regards the renewable fraction in the waste

Source: EurObserv'ER, 2014 (www.eurobserv-er.org)

[2] Free download at http://www.eurobserv-er.org/pdf/bilan13-gb.asp, latest edition is 2013.

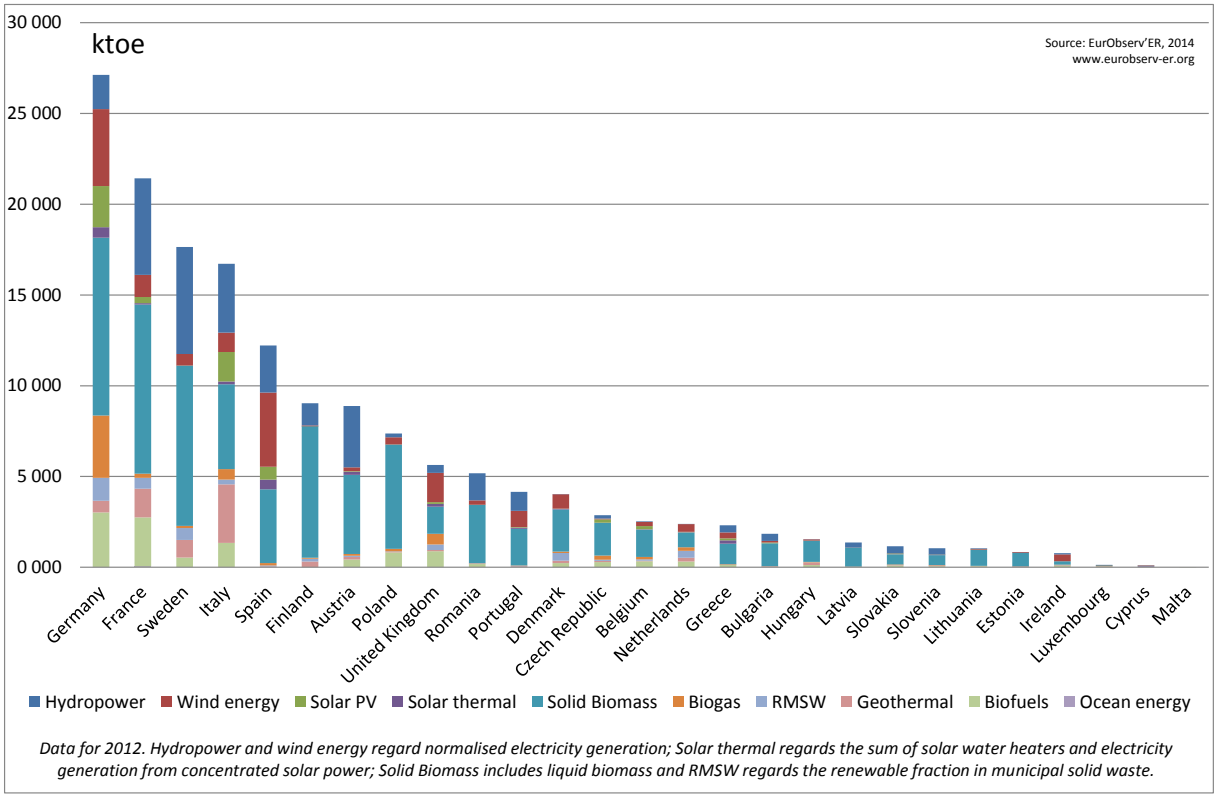

Figure *Renewable energy production in the European Union Member States. Data have been expressed in ktoe and refer to the year 2012. Source: EurObserv'ER, 2014 (www.eurobserv-er.org)*

Recent RES Policy Developments

The current EurObserv'ER policy profile is listing recent policy changes in the EU Member States. Starting point for this monitoring is the situation as it has been described in the country's Progress Report (which were due end of 2013). All Renewable Energy Progress Reports are available in English language from www.eurobserv-er.org (translated versions).

Date	Technology	Policy change
January 2014		*Greek progress report not released yet*
March 2014		The Greek progress report was released by the EC in March 2014. Section 3 and Section 4 (pages 15 – 20) report on the RES support measures for Greece up to and including 2013.
April 2014		On 30 March 2014, the Hellenic Parliament published a new law: "Measures for the support and development of Greek economy within the scope of application of Law 4046/2012 & other provisions", published in the Government Gazette on 7 April 2014 (Issue A'85/07.04.2014). The Ministry of Environment, Energy & Climate Change claims that the provisions within the new law will help resolve many of the problems currently faced by the Greek RES market – such as the lack of liquidity and the delayed payment for electricity. The provisions of the Law are in line with the basic principles of the Ministry, particularly their commitment to controlling the costs of electricity supply for end-users. The Ministry expects that, once implemented, the provisions of the Law will resolve the deficit in the Special Account of Article 40 Law 2773/1999 by the end of 2014. The paragraph in the Law, entitled "Provisions in the competency of the Ministry of Environment, Energy & Climate Change", focuses on the provisions affecting wind and photovoltaic installations. These provisions entered into force on 7 April 2014, when Law was published in the Government Gazette. An overview of the changes: **a.)** Revision of tariffs for operating projects: the feed-in tariffs for electricity produced by RES and co-generation facilities operating at the time that this subparagraph enters into force are to be adjusted for solar-PV and wind energy. **b.)** Grants: new arrangements have been introduced. **c.)** Discount: all operating facilities are required to grant a discount on their electricity income for 2013. **d.)** RES stations which have been operating for less than 12 years (as of 1 January 2014) are automatically extended for seven years beyond their expected 20-year term; the same extension is granted to production and operation licences for their installed capacity as of 1 January 2014. In order to determine the

		applicable feed-in tariff during the seven-year extension period, the producer will have to choose one of the following options: i. sell the generated energy at the market rate (which will be determined by a methodology provided by the Ministry); or ii. sell the generated energy for a price of 90 EUR/MWh up to a maximum annual energy quantity. **e.)** Amendment of Article 13 of Law 3468/2006 ("*Tariffs for new projects*"). **f.)** New PV capacity will be capped. The level of the total capacity of PV stations entering into trial operation or activating their grid connection after 1 January 2014, and the level of energy that will be compensated for is 200 MW per annum until 2020. In the event that the newly added capacity falls short of 200 MW in any given year, the remaining balance will be added to the total capacity for the following year. The above information has been summarised from a briefing on renewables by Watson, Farley & William (June 2014, see references).
May 2014		*No change to be reported*
July 2014		*No change to be reported*
September 2014		*No change to be reported*
November 2014		<yet to come>

Note to the reader: the above overview had been compiled with care. However, in case you miss recent developments please be invited to inform EurObserv'ER on policy changes in a Member State. For communication use e-mail (policy@eurobserv-er.org) or Twitter (https://twitter.com/eurobserv_er).

Glossary

Auctions for granting renewable energy support	An auction is a process, organised by a governmental renewable energy implementation agency, of granting production or investment support to a specified volume of eligible renewable energy (or renewable energy generation capacity) based on the lowest bids per unit of renewable energy (or renewable energy generation capacity) by eligible renewable project developers.
Degression rate	See under 'Sliding feed-in tarif'
Feed-in tariff (FiT)	A technology-specific support scheme which provides for a technology-specific remuneration per unit of renewable energy payable to eligible renewable energy producers, typically for a period of 10-20 years. The FiT level is set *ex ante* by the National Regulatory Agency (NRA). It is to cover all future production costs including a *normal* rate of return to capital invested. In many schemes priority network access is offered to eligible renewable electricity generators, whilst a designated third party - e.g. the transmission or distribution network operator concerned - is being mandated to pay the FiT remuneration due. A proper, periodic review of FiT rates is often undertaken with the aim to prevent both too high FiTs so as to minimise regulatory rents, i.e. supra-normal returns and too low FiTs to preclude below-target market uptake because of FiT levels that are perceived by market participants to be less attractive.
Feed-in premium (FiP)	A technology-specific support scheme which provides for a technology-specific subsidy level per unit of renewable energy to eligible renewable energy producers, typically for a period of 10-20 years, at a pre-set fixed or floating (see under 'Floating FiP') rate, projected by the National Regulatory Agency (NRA) to enable renewable energy generation investments deemed commercially attractive by project developers without yielding supra-normal profits.
Floating FiP	A feed-in premium, which is periodically adjusted to exactly offset the change in the average energy wholesale market price, based on a pre-specified benchmark market price. A floating FiP may move freely or may only be allowed to move within a pre-set interval.
Grants	Grants are non-repayable funds disbursed by one party (grant makers), often a government department, corporation, foundation or trust, to a recipient, often (but not always) a non-profit entity, educational institution, business or an individual. (Source: Wikipedia.org)
Green public procurement	In Green public procurement contracting authorities take environmental issues into account when tendering for goods or services. The goal is to reduce the impact of the procurement on human health and the environment. (Source: Wikipedia.org)

NRA	National Regulatory Agency
Renewable quota scheme (RQS)	A renewable quota scheme mandates certain market actors (typically retail suppliers or large energy end-users) to respect a pre-set minimum share or amount of their total energy procurements from renewable sources of energy. Typically a tradable green certificate (TGC) scheme is operated to enable the obligated parties to prove their compliance with the prevailing renewable quota target by means of TGCs. Typically the renewable quota target is increased gradually over time. Renewable quota systems are also known under terms such as quota (obligation) schemes or renewable portfolio standards.
Request for tenders (RFT)	A request for tenders (RFT) is a formal, structured invitation to suppliers, to bid, to supply products or services. In the public sector an official fee is needed to fortify and secure the tender bid engagement/win documents, such a process may be required and determined in detail by law to ensure that such competition for the use of public is open, fair and free from bribery and nepotism. For example, a government may put a certain level of MW of offshore wind energy at a pre-defined location 'out to tender'; that is, publish an invitation for other parties to make a proposal for the construction of offshore wind farms, on the understanding that any competition for the relevant government contract must be conducted in response to the tender, no parties having the unfair advantage of separate, prior, closed-door negotiations for the contract. An evaluation team will go through the tenders and decide who will get the contract. (source: adapted from Wikipedia.org)
RD&D funding	The funding of research, development and demonstration activities and programmes. For technologies far remote from commercial maturity, government grants or subsidies might be considered. For technologies close to commercial maturity which are not taken up for commercial research any way, instruments such as fiscal instruments (tax credits, accelerated depreciation, etc.) and public-private partnerships may be considered, based on shared public and private RD&D funding.
Sliding feed-in-tariff	A FiT scheme which pre-sets technology-specific declining feed-in tariffs for certain prospective vintages in line with the technology-specific learning curve, as projected by the National Regulatory Agency (NRA). Often a degression rate is used indicating the %/annum decrease in the rate level.
Soft loans	Loans at concessional (below market-based) terms, for example at sub-market-conform interest rates, made available in several Member States to stimulate certain renewable energy technologies.
Tax credits	These are amounts a tax paying entity is allowed to deduct when declaring payable taxes, for example company tax or income tax, to the tax authorities , for example the producer tax credits (PTCs) used in the United States to stimulate among others wind energy deployment.
Tenders	See ‘Request for tenders’

References

EurObserv'ER, 2014, www.eurobserv-er.org

Energy Newsflash, Rokas, April 2014,
http://www.rokas.com/uploads/Newsletter/April_2014/ROKAS_Energy_Newsflash_April_2014.pdf

Watson, Farley & William , *Greece: Renewables Briefing*, June 2014,
http://www.wfw.com/Publications/Publication1445/$File/WFW-GreeceRenewables2014.pdf

RES Legal, www.res-legal.eu, October 2014

Annex

EurObserv'ER Barometers published are all available for download. Direct links to all EurObserv'ER publications:

Biofuels Barometer
(July 2014, PDF, English language, 14 pages)
http://www.eurobserv-er.org/pdf/baro222_en.asp

Solar Thermal Barometer (CSP and solar water heaters)
(May 2014, PDF, 18 pages, English language, 3.6 MB)
http://www.eurobserv-er.org/pdf/baro221_en.asp

Solar Photovoltaic Barometer
(April 2014, PDF, 16 pages, English language, 2.9 MB)
http://www.eurobserv-er.org/pdf/baro-jdp11_en.asp

Wind Power Barometer
(February 2014, PDF, English, 14 pages, 2.8 MB)
http://www.eurobserv-er.org/pdf/baro-jde14_en.asp

'The State of Renewable Energies in Europe', 2013 edition
(January 2014, PDF, English language, 200 pages, 12 MB)
http://www.eurobserv-er.org/pdf/bilan13-gb.asp

Solid Biomass Barometer
(December 2013, PDF, English language, 14 pages, 2.9 MB)
http://www.eurobserv-er.org/pdf/baro219_en.asp

Heat Pump Barometer
(October 2013, PDF, English language, 18 pages, 2.5 MB)
http://www.eurobserv-er.org/pdf/baro218.asp

Biogas Barometer
(December 2012, PDF, English/French language, 14 pages, 2.0 MB)
http://www.eurobserv-er.org/pdf/baro212biogasEu.asp

Renewable Municipal Waste Barometer
(December 2012, PDF, English/French language, 12 pages, 1.9 MB)
http://www.eurobserv-er.org/pdf/baro212mswEu.asp