

Energy Community Workshop

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Protection of existing RES producers

The Greek experience and retroactivity

Presentation by

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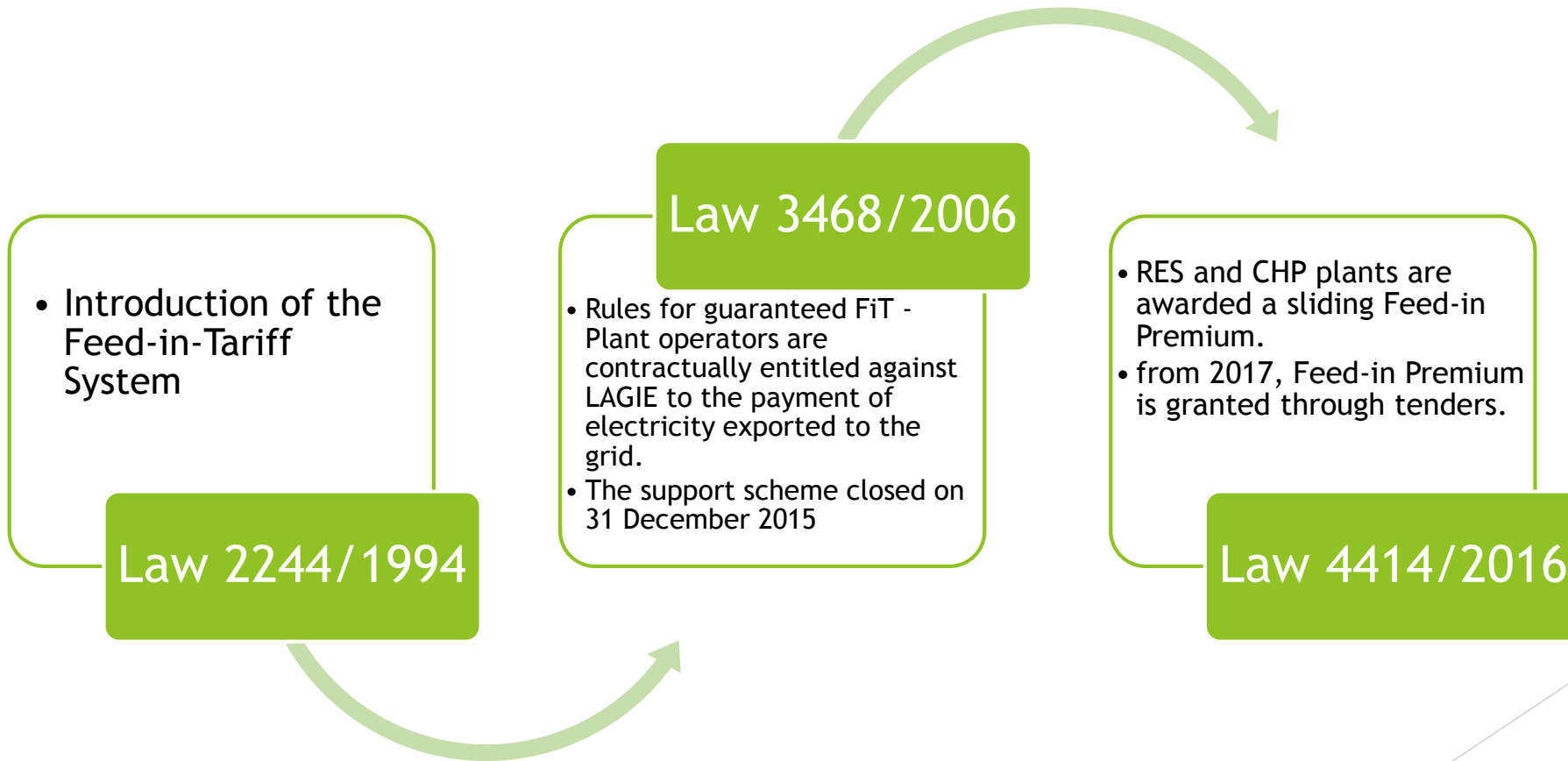
I. Introduction

Retroactive measures refer to provisions of laws or other administrative acts that modify vested rights and obligations related to facts that have occurred before the entry into force of the legal provision

Retrospective measures are the ones brought upon by laws or other administrative acts that modify vested rights and obligations only ex nunc, i.e. from the date of their publication.



The evolution of the RES support scheme



II. Structure of the market

Market participants in the Greek electricity market

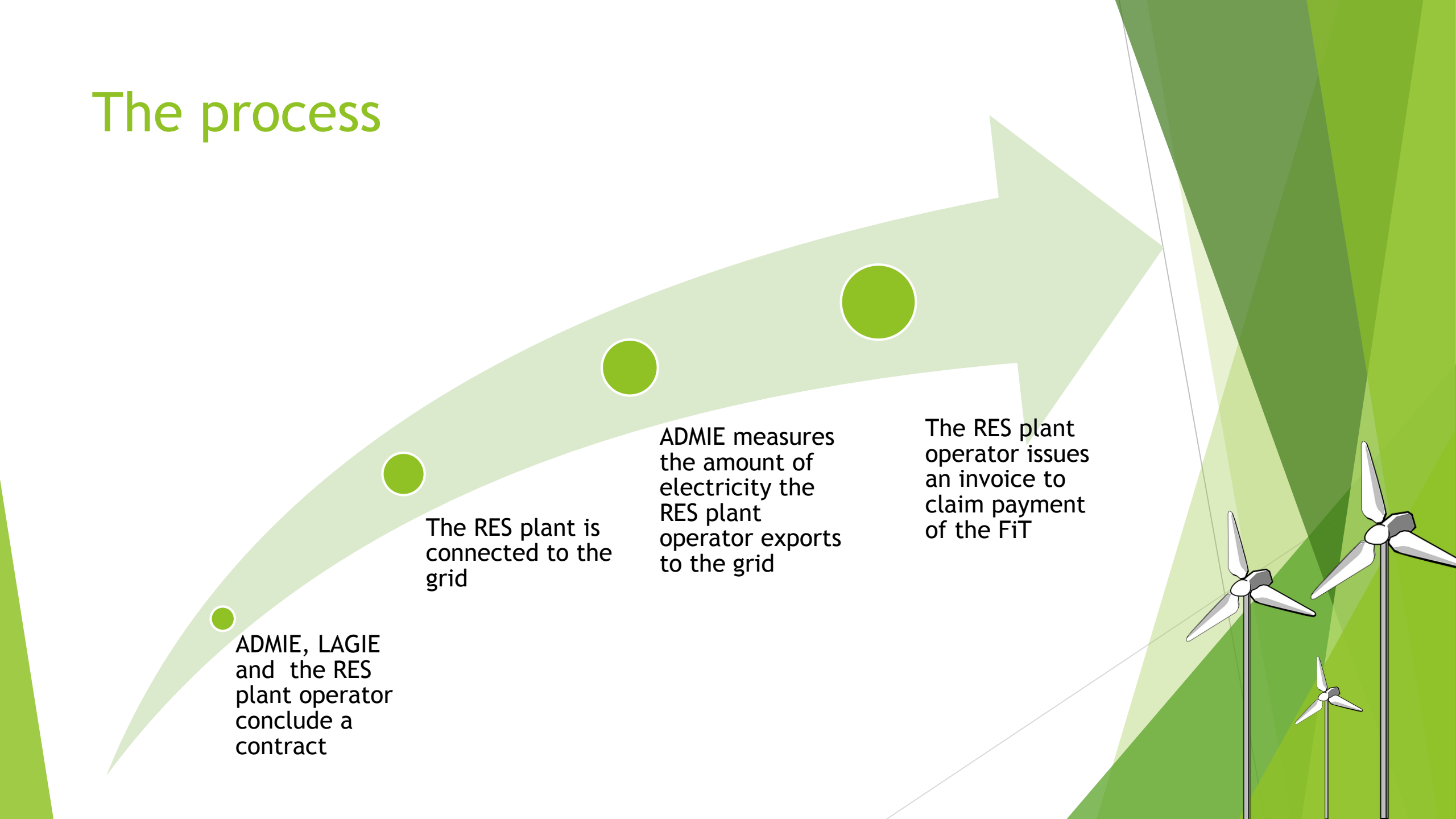
Generators and Importers who inject energy to the System. Under the current energy legislative framework, generators are obliged to sell the entire electricity produced to a mandatory pool (mandatory pool market structure).

The **Market and System Operators** (LAGIE S.A, DEDDIE S.A, IPTO), representing the non-competitive aspects of the market and administering all the financial transactions between generators and suppliers.

Suppliers who purchase energy from the mandatory pool and sell to the final retail consumers.

Consumers (domestic, industrial or commercial) who receive and pay electricity on the basis of retail contracts concluded with suppliers.

The process



ADMIE, LAGIE
and the RES
plant operator
conclude a
contract

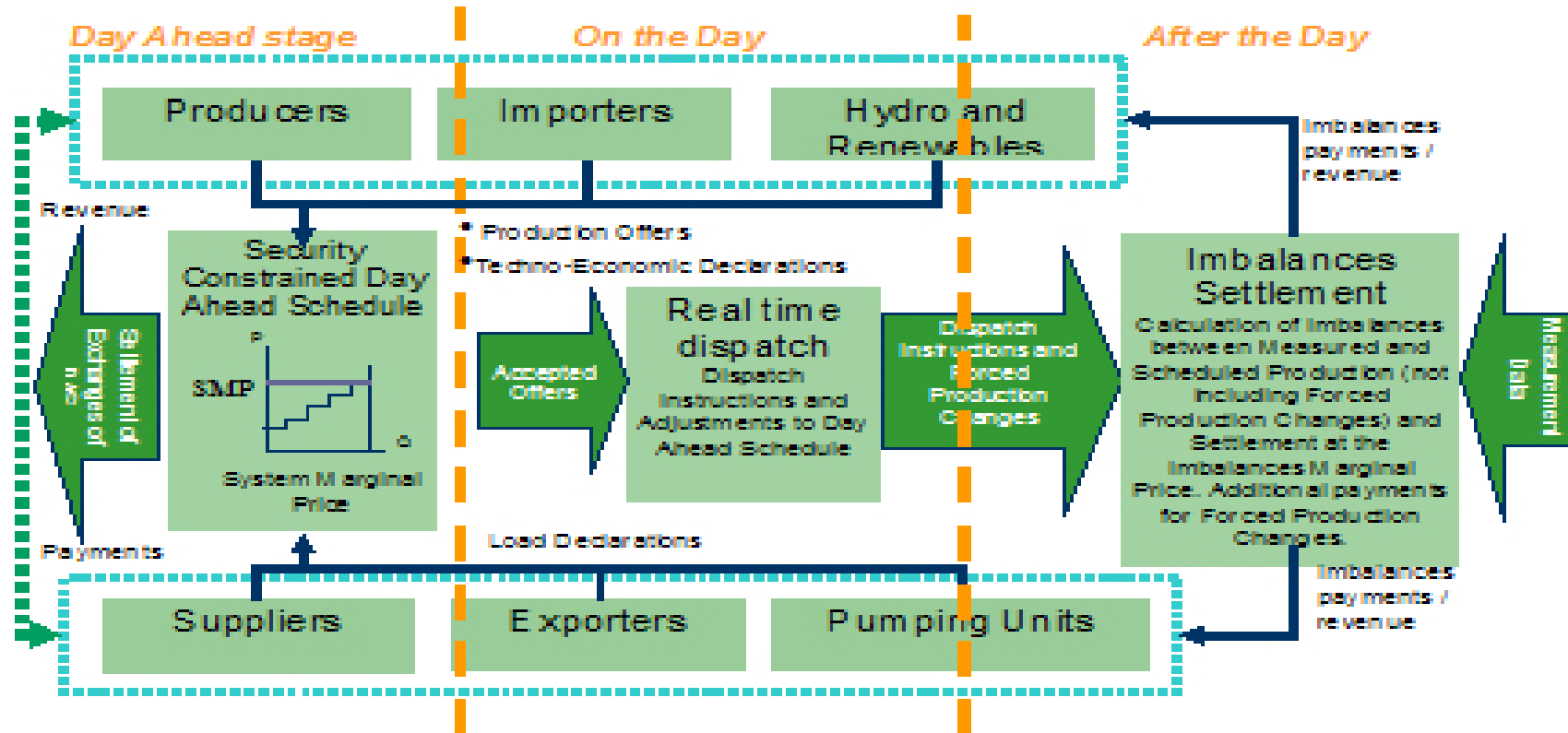
The RES plant is
connected to the
grid

ADMIE measures
the amount of
electricity the
RES plant
operator exports
to the grid

The RES plant
operator issues
an invoice to
claim payment
of the FiT



The Greek wholesale electricity market model



Description of the Greek Electricity Market
 (source: Greek Regulatory Authority of Energy - www.rae.gr)

RES Special Account

Inflows

Amounts paid by the electricity suppliers, corresponding to the **renewable electricity** injected in the transmission system and distribution grid situated in the mainland and on the interconnected islands (SMP).

Amounts paid by the Suppliers of the Non-Interconnected Islands for the power absorbed on these islands' systems.

«*Special Levy for the Reduction of Greenhouse Gas*» (SLRGG, in Greek: ETMEAR) which varies among different customers' categories and which is paid by every single electricity consumer in the country.

Special levy of 2 euros per MWh of energy produced has been imposed on lignite fired units.

Extraordinarily, the revenues accrued from the auctioning of the undistributed greenhouse gases emission rights for the period 2013-2015 will also be transferred to the RES Special Account.

III. Special Solidarity Levy

↳ Law 4093/2012

According to Law 4093/2012, the solidarity levy is calculated as a percentage of the price for electricity injected to the System or the Grid by the Producer, before taxes, and amounts to:

25% for PV stations before 31.12.2011

30% for PV stations before 01.01.2012

27% for PV stations after 01.01.2012

10% for remaining RES and C.H.P. stations

III. Special Solidarity Levy

↳ Law 4152/2013

These percentages of the “*solidarity levy*” were further adjusted and increased according to Law 4152/2013

34% to 37% for PV stations from 01.01.2013 to 20.06.2013 and for sales after the 01.01.2013

40% to 42% for PV stations after 01.06.2013



IV. New Deal

Law 4254/2014, also called the New Deal, introduced a reduction in the feed-in tariffs for existing Power Purchase Agreements concluded between RES Producers and the Greek Market Operator

The parameters defining the reduced prices

a. The stations' connection date to the System.

a. The stations' installed capacity (P/V stations up to 100kW, P/V stations from 100kW to 500kW, P/V stations from 500kW to 1MW, P/V stations from 1MW to 5MW, P/V stations larger than 5 MW)

a. Their location (Interconnected System - Non Interconnected Grid).

a. Whether the specific project has been awarded any kind of public aid or financial support (e.g. in accordance with the Development Act No 3299/2004).

a. Whether the project is installed on a rooftop.

a. Whether the station belongs to a professional farmer.

IV. New Deal

Obligation to issue a credit invoice

*“Within two (2) months after the enforcement of this paragraph, the RES and CHP electricity Producers,..., proceed to the issuing and delivery **of a credit invoice** based on the Specific Information Note issued by LAGIE for the Interconnected System and DEDDIE for the net of the Non Interconnected Islands. The RES and CHP electricity Producers are obliged to issue a credit invoice according to the Code of Tax Reporting of Transactions (law 4093/2010), according to which they provide **a discount on the total value of the energy infused in 2013** which amounts to:*

- a) 34% for P/V stations connected until 31.12.2009,*
- b) 35% for P/V stations connected from 1.1.2010 to 31.12.2011*
- c) 37% for P/V stations connected from 1.1.2012 to 31.12.2012,*
- d) 37.5% for P/V stations connected from 1.1.2013 to 31.12.2013,*
- e) 20% especially for P/V stations up to 100KW (including stations owned by professional farmers) f) 10% for other RES/ CHP.”*

IV. New Deal

↳ Judicial Remedies

Tax appeal

- National Administrative Courts
- In case the measure is considered to be taxation
- Electricity Market Operator is considered a public body

Action for annulment

- Council of State
- Electricity Market Operator is considered a public body

Law suit

- Civil Jurisdiction
- Compensation stemming from the unilateral modification of their contracts

Complaint to European Commission

- DG COMP
- Illegal and incompatible State Aid



That's it

Thank you for your time and attention!

