

July 2016

## NEW STABLE LANDSCAPE FOR GREEK RENEWABLES?

The Greek Ministry of Environment and Energy introduced recently new draft legislation aimed at attracting developers and investors back into its much maligned renewable energy market.

Establishing operations within a stable regulatory framework should be among the top priorities for any such prospective developer looking to build solar or wind power plants in any market, namely in the form of secure incentives.

Virginia Murray, Partner and Head of the Greek law corporate, projects and finance practice at Watson Farley & Williams, spoke to Clean Energy Pipeline about the varying feed-in tariff offerings put forward by the Greek government in a bid to secure the country's pipeline of renewable energy projects.

From January 1, 2016, the Greek government will offer a new type of support scheme for new renewable energy and co-generation of high-efficiency heat and power projects that supply electricity to Greece's interconnected system or mainland grid.

"The operating projects and those projects which have power purchase agreement signed by the end of 2015 will effectively continue to be governed under the old feed-in tariff system," Murray explained.

"New projects that have PPAs signed this year will go into the deed-in premium system and from the beginning of next year there will be a gradual move to competitive tendering.

"We're waiting to see how that will actually work - some pilot PV tenders are intended to be held in the latter part of this year."

Under both schemes, operating aid lasting 25 years will be given to rooftop PV and solar thermal projects, while 20-year contracts will be provided to all other technologies. After that, Greece will move into a competitive bidding model from January 1, 2017. In anticipation of that, a 40 MW pilot PV tender will be launched in the second half of this year, with a maximum tender price of €94/MWh for PVs with production licences and €104/MWh for PVs exempted from the obligation to obtain a production licence.

For many of Greece's sprawling islands that aren't hooked up to the interconnected system, they will move into the new feed-in tariff system.

Murray has been active in Greece since 1998 and has worked with some of the world's most notable developers and investors in the region including EDF EN, Investec, Alpha Bank, and Turner Renewable Energy.



Virginia Murray, Partner at Watson Farley & Williams LLP

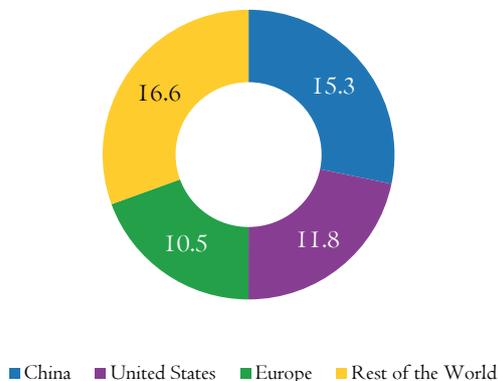
“The Greek renewables market was principally wind until 2007 when they started licensing PV,” Murray said. “There was a massive PV bubble here and that’s largely worked its way out due to retroactive cuts in the tariff and now it’s largely over, it is fair to say.

“The legislation has not yet been passed although we understand it is being given priority in the parliamentary schedule. Realistically it may be a couple of months before we actually see how the structure will function, as subordinate legislation needs to be passed.

“There is a great deal of pressure because effectively there are no PPA contracts being signed at all at the moment. From the first of January they’ve stopped signing anything so there is a pressure to go ahead.”

Global onshore wind and solar PV project finance  
1H16

\* Figures are in \$ billion



Greece has been besieged in recent years by a host of socioeconomic problems which have stalled a range of industries. The new legislation is likely to give stability to those with fully-developed and construction-ready projects to go ahead and secure the necessary financing needed, particularly on projects which would fall under the old FIT system.

However, it is the availability of finance that is the key stumbling block for Greece’s realisation of its renewable energy ambitions.

“There are a lot of pipeline projects that are almost ready to go if financing can be found; I think we’re talking of up to 1 GW of projects that could well be covered under the grandfathering system,” Murray said.

“The banks have been recapitalised so there does appear to be money available. Also, the international financial institutions are getting involved; the EIB is financing energy and the EBRD is financing renewable energy in Greece for the first time this year.

“There are some really exciting big projects in the pipeline, some very large wind projects in Evia, and some interesting ones across in uninhabited islands of the Cyclades connected by undersea cables. These will really add some new interest and new technologies to the market.”

Virginia Murray, Partner at Watson Farley & Williams, can be reached at [vmurray@wfw.com](mailto:vmurray@wfw.com).

The author, Andrew Nguyen, can be reached at [andrew.nguyen@cleanenergypipeline.com](mailto:andrew.nguyen@cleanenergypipeline.com).

**For further information, please contact:**

Munir Bello  
Senior Account Manager  
+44 (0) 20 7970 4144  
[munir.bello@cleanenergypipeline.com](mailto:munir.bello@cleanenergypipeline.com)

**About Clean Energy Pipeline**

Founded in 2005, Clean Energy Pipeline is an independent provider of online financial news, data and research globally. Clients include governments, multinational and privately owned companies, investment banks, law firms, venture capital private equity and hedge funds in over fifty-five countries. In addition to its online news and data service, the company offers customized research and organizes senior executive forums.

[www.cleanenergypipeline.com](http://www.cleanenergypipeline.com)