



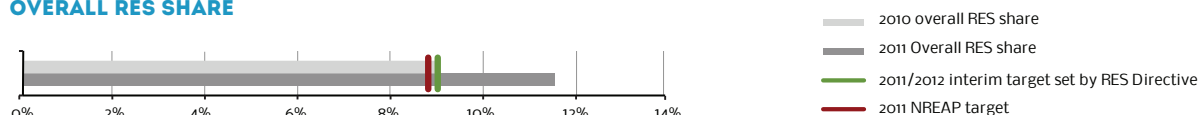
# Is Greece ON TRACK?

- Greece has achieved its 2011/2012 interim target and the 2011 NREAP target due to a positive deviation in the heat sector share.
- The overall growth rate in the RES sector from 2010-2011 would be more than high enough to achieve the 2020 target if it could be maintained. This is mainly due to a strong growth trend in the heat sector. The extremely high growth rate in the transport sector may be due to data reporting inconsistencies. Growth in the electricity sector was just slightly too low.

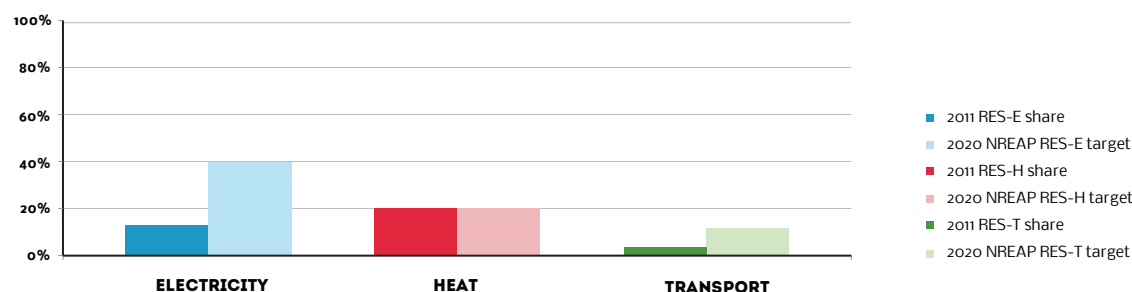
**Source:** Fraunhofer ISI (based on Eurostat and other sources)

To access more detailed information on the deviations of each EU Member State from its indicative trajectory, please visit the Keep on Track! website - [www.keepontrack.eu](http://www.keepontrack.eu) - and read the Analysis of Deviations and Barriers Report.

## OVERALL RES SHARE

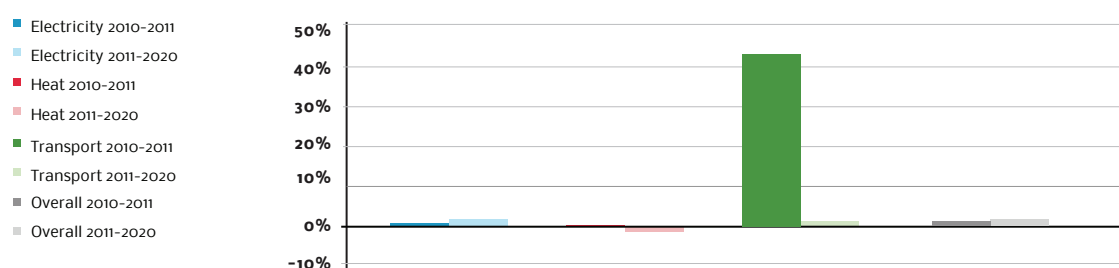


## 2011 RES SHARE COMPARED TO 2020 TARGET IN SECTORAL GROSS FINAL ENERGY DEMAND



	ELECTRICITY	HEAT	TRANSPORT	TOTAL
2011 actual share of RES in sectoral gross final energy demand	14.6%	20.1%	1.8%	11.6%
2011 NREAP target	15.7%	15.7%	3.3%	8.8%
2011/2012 interim target set by RES Directive	-	-	-	9.1%
2020 NREAP target	39.8%	19.7%	10.1%	18%
Percentage of sector consumption in total final energy consumption in 2011	27%	33%	39%	100%
2011 Production [ktoe]	781	1.354	108	2.243
2010 Production [ktoe]	709	1.099	130	1.937
2005 Production [ktoe]	551	1.075	0	1.625
2020 NREAP target production [ktoe]	2.345	1.908	634	4.870
Deviation [%] of actual from planned share in 2011	-7.29%	28.11%	-44.40%	31.44%


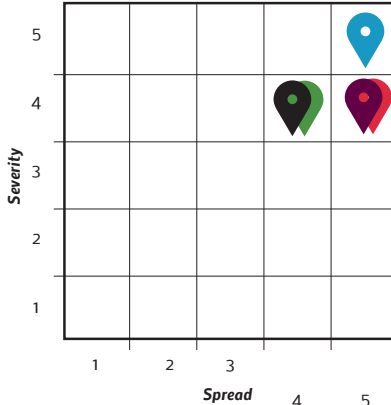




## 2010-2011 RES GROWTH RATES VS. AVERAGE ANNUAL GROWTH RATES REQUIRED TO MEET THE 2020 TARGET





## BARRIERS to RES deployment

### ELECTRICITY

BARRIER		
 <b>RETROSPECTIVE LEVY ON THE REVENUES OF RES PROJECTS</b>	<p>The retrospective levy imposed by the Government on the guaranteed gross revenues of all operating RES projects in November 2012 further undermines the credibility of the Greek State, threatens the viability of European RES companies based in Greece and drives away investments. The levy ranges from 10% to 30% depending on RES technology and covers the period from 01.07.2012 to 30.06.2014.</p>	
 <b>UNCERTAINTIES OF FIT</b>	<p>The abrupt reduction of the FiT for PV in Greece adopted in August 2012 along with the existing economic crisis, liquidity problems and the imposition of the levy on the guaranteed gross revenues of RES projects have caused uncertainties concerning the future of the FiT system in Greece.</p>	
 <b>LACK OF LIQUIDITY OF THE ELECTRICITY MARKET OPERATOR</b>	<p>As a result of a rising debt and serious liquidity problems, the Greek Electricity Market Operator has delayed payments to RES producers since the beginning of 2012, making it difficult for them to pay back their loans. This affects the confidence of investors and creditors in the ability of the Greek State to honour its obligations.</p>	
 <b>INSUFFICIENT SUPPORT OF NEW RES PROJECTS</b>	<p>As a result of the rising debt and serious liquidity problems of the Greek Electricity Market Operator and the financial crisis in Greece, financial institutions have shown reluctance to provide financial support to new RES projects. This barrier has existed since the year 2011.</p>	
 <b>INSUFFICIENT INTERCONNECTION NETWORKS</b>	<p>The reinforcement and expansion of the existing grid and the construction of new electrical networks in order to accommodate the NREAP-targeted capacity are required. This is especially the case for the interconnection of the Greek islands with the mainland and for interconnection with other countries.</p>	

**Severity:** 1 - almost negligible effects, 2 - minor effects, 3 - moderate effects, 4 - substantial effects, 5 - severe effects

**Spread:** 1 - impacts sporadic installations, 2 - affects a small fraction, 3 - affects a moderate share, 4 - affects a predominant share, 5 - concerns almost all installations

The absence of barrier and policy analysis on the renewable heating and cooling and the transport sector is due to the non-availability of relevant basic data and information updates.

## KEY TRENDS IN THE RES SECTOR

- In Greece, the development of commercial RES projects has been associated over the past decade almost exclusively with power production, primarily wind and PV. The implementation of other RES-E technologies accounts for a small fraction of the total national installed RES capacity.
- Newly installed RES capacity has been rapidly increasing in 2011 and 2012, mainly as a result of overcompensation for PV projects. Such growth is not sustainable for the reasons outlined below:
  - a) The burgeoning RES account deficit of the Electricity Market Operator and the increasing lack of liquidity of the electricity market.
  - b) The inability/unwillingness of the national and international investors and creditors to finance energy and RES projects in Greece because of national financial problems.
  - c) The crisis-induced change of attitude of the national Government from a pro-RES to “No More RES” philosophy as documented by a series of recent government decisions namely:
    - ✦ The imposition of an indefinite freeze on new PV projects.
    - ✦ The imposition of a retrospective levy on the revenues of all operating RES projects.
    - ✦ The planned imposition of new financial and administrative barriers to the further development of RES projects outlined in a new draft law for RES.
    - ✦ The intention to revise (reduce) the NREAP RES targets for 2020 and the FiT support scheme.
- Currently, RES project developments are frozen except for already licensed and financed RES projects.

## POLICY RECOMMENDATIONS

- Immediately suspend the application of the retrospective levy introduced by the Government in November 2012 on the guaranteed gross revenues of all operating RES-E projects in Greece, at least for wind, small hydro and biomass.
- Come up with alternative, constructive solutions to reduce the RES account deficit and protect the viability of the national RES market.
- Cancel planned requirements for the issuance of expensive bank guarantees put in place to retain existing RES grid connection commitments by the TSO or to obtain new ones.
- Cancel the planned requirement for bank guarantees to retain RES generation licenses and other administrative measures contained in the new draft law for RES which raise obstacles to the development of RES projects.
- Invite representatives of independent RES power producers to join the Committee that the Energy Ministry has formed to

propose RES target revisions for 2020 and modifications of the RES support system to the Troika (European Commission, International Monetary Fund, European Central Bank).

- As many EU countries are facing similar problems, formulate common solutions at a European level.



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