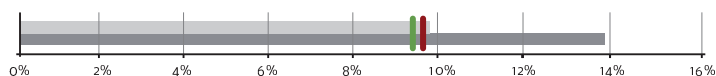




Is Greece ON TRACK?

- Greece has achieved both its NREAP 2012 target and the interim target 2011/2012, in part still as a result of the economic crisis and subsequent lower energy consumption.
- The growth rate in the RES-E sector would be enough to achieve the 2020 target if it could be maintained. For RES-H&C, the 2020 target share has already been achieved. The negative growth rate in the RES-T sector may possibly be due to statistical issues but must be closely monitored.

OVERALL RES SHARE



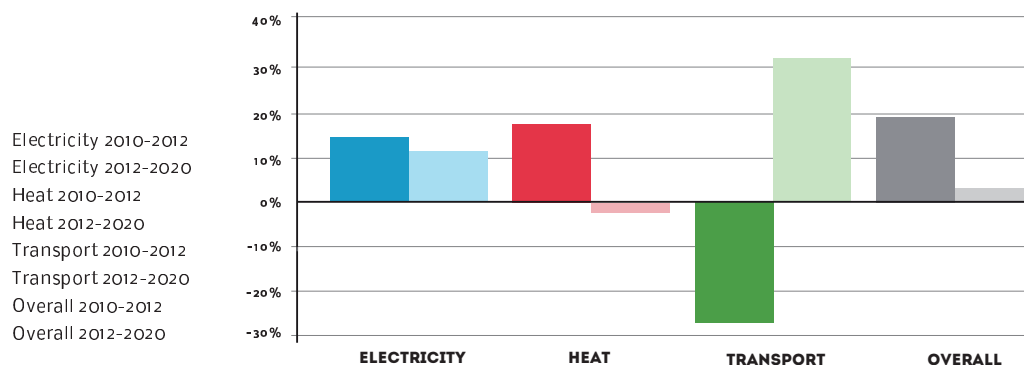
- 2011 Overall RES share
- 2012 Overall RES share
- 2011/2012 interim target set by RES Directive
- 2012 NREAP target

2012 RES SHARE COMPARED TO 2020 TARGET SHARE IN CORRESPONDING SECTORAL GROSS FINAL ENERGY DEMAND



	ELECTRICITY	HEAT	TRANSPORT	TOTAL
2012 actual share of RES in sectoral gross final energy demand	16.5%	24.4%	1.1%	13.8%
2012 NREAP target	18.8%	16.2%	4.1%	9.5%
2011/2012 interim target set by RES Directive	-	-	-	9.1%

AVERAGE ANNUAL GROWTH RATES OF RES SHARES FROM 2010 TO 2012 COMPARED TO GROWTH RATES REQUIRED FROM 2012 TO 2020





BARRIERS to RES deployment

ELECTRICITY

BARRIER	DESCRIPTION
TARIFF DEFICIT AND LONG DELAYS IN REMUNERATION	The weaknesses of the national RES-E strategy formulated in 2010, coupled with serious mistakes in its implementation, have produced a burgeoning tariff deficit and long delays in the remuneration of RES-E producers. The RES-E strategy did not provide for the establishment of effective tariff monitoring and control mechanisms and for the correction of the calculation of the required support for RES-E projects.
RETROACTIVE MEASURES	Uncontrollable growth of the deficit of the Special Account for RES of the Market Regulator, the resulting liquidity problems due to the explosive growth of PV and the absence of an effective monitoring and control mechanism that could promptly adjust the Feed-In Tariff scheme to the market conditions puts the revenue for RES-E producers at risk. The imposition of a series of retrospective and new restrictive measures by the Government in an effort to contain the problem has had a further detrimental impact on the viability of existing and the planning of new RES projects.
LIMITED ACCESS TO FINANCE	The fairly unstable and uncertain situation in the RES-E sector along with the ongoing financial crisis hinders the financing of new RES-E projects.

HEAT

BARRIER	DESCRIPTION
LACK OF A GENERAL RES-H STRATEGY	The major barrier in RES heating and cooling has always been the lack of an integrated relevant strategy at the regional and the national level, as well as of a relevant legal framework featuring proper incentives. Only a small number of policies were directed to RES-H and those were mainly integrated into more general energy efficiency policies and measures. In addition, the RES H&C technologies cannot be promoted through a Feed-In Tariff support scheme, like RES-E technologies.
RESTRICTIVE FRAMEWORK FOR BIOMASS	A very restrictive legislative framework for the exploitation of forest residuals is in place. There is also a lack of necessary storage facilities for biomass due to the inefficient coordination between the relevant stakeholders.

TRANSPORT

BARRIER	DESCRIPTION
NON EXISTENCE AND EFFECTIVENESS OF A GENERAL RES-T STRATEGY	The prospects were harmed by the inconsistent policies in the sector. Firstly, the amount of biofuels that should be distributed is defined annually by a Ministerial Decree and secondly, the amount of kiloliters announced diverges from the amount that is finally distributed. In addition, a lack of monitoring mechanisms has been observed concerning the blending ratio of conventional fuels with biofuels and local cultivations are substituted with cheaper imports.

KEY TRENDS IN THE RES SECTOR

- In 2013 the RES sector has been strongly influenced by the ongoing recession, the obsolete design and the distortions in the operation of the energy market.
- In 2013, support for RES-E has dwindled further. A moratorium has been imposed on the licensing and the connection of new PV projects to the grid. Tariffs for new PV projects were halved. A new levy on the annual revenues of all RES-E producers has been imposed. Since January 2014, new wind projects are not eligible to receive capital subsidies.
- RES-H: The use of biomass has increased in 2013. This can be explained through the burning of increased quantities of cheap, low quality wood for space heating by low as well as middle income families.
- The utilisation of RES in the transport sector has been limited to the introduction of small quantities of local biodiesel in the national automotive fuel mix.

POLICY RECOMMENDATIONS



ELECTRICITY SECTOR

- Propose and implement a viable solution on the electricity tariff deficit problem. The most realistic option includes an increase of the levy imposed on energy consumption coupled with a voluntary, permanent decrease of the annual revenues of RES (mainly PV) producers in exchange for an extension of the duration of their Power Purchase Agreements and an extension of their bank loans. The Government should formulate a new/improved RES-E development strategy and support scheme. All market actors must be involved. The strategy should be consistent with the principles outlined in the European Commission guidance for the design of renewable support schemes announced in November 2013. It should uphold the current national RES targets for 2020 and further expand them for 2030.
- Support/secure the financing and implementation of new interconnections of the electricity grid, both with the non-connected islands and with neighbouring countries. Support the implementation of pump-storage systems.



HEATING AND COOLING SECTOR

- Formulate a national RES-H strategy identifying priorities and setting realistic targets and incentives for its implementation.



TRANSPORT SECTOR

- Formulate a RES-T strategy to deal with the limitations in the use of biofuels in the transportation sector and to monitor and promote the implementation of new, reliable RES-T technologies.



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