



Brussels, 19 July 2021

To the attention of:

Mr Konstantinos Mitsotakis, Prime Minister of Greece
Mr Grigoris Dimitriadis, General Secretary of the Prime Minister
Mr Kostas Skrekas, Minister of Environment and Energy
Mrs Alexandra Scloukou, General Secretary at the Ministry of Environment & Energy
Mr Athanasios Dagoumas, President of Regulatory Authority for Energy

Draft Law suspending the issuance of environmental licensing procedure and binding interconnection terms for hybrid installations

Dear Sirs and Madam,

I am writing to you to express the strong concerns of the European Solar Industry regarding latest developments for renewables and storage investments in Greece.

The Greek government has demonstrated strong leadership to further enhance the deployment of renewable and storage capacities over the next years. **In its National Energy and Climate Plan, Greece has established an ambitious target to achieve 33% of renewables in its final energy demand by 2030.** The need for new investments will increase even further, following the European Commission's proposal to increase the EU 2030 renewable target to at least 40% by 2030.

The development of storage technologies, standalone or combined with renewable installations will be a key driver to achieve this ambition and constitutes a privileged solution to support the country's grid stability and security of supply with higher shares of renewables in the energy mix.

Back in December 2020, the Greek government confirmed that until the approval of a new national framework for storage, the "production license framework of conventional and hydro plants" could be used as a transitional licensing framework for the application and approval of new storage investments. **Following this decision, no less than 12GW of storage technologies have submitted their application for licensing**, amongst which 1.1GW are represented by hybrid plants which have been granted a production license, and 605MW are still submitted.

In this context, the introduction of a draft law to the Greek Parliament proposing to suspend until the 31st of December, the issuance of environmental licensing procedure and binding interconnection terms for hybrid installations (storage combined with renewable installations) already authorized by the Greek Regulatory Authority for Energy (RAE), and for hybrid installations which have already submitted their application pending for approval, is extremely worrying.

First, because it **puts hybrid installations combining storage and renewable technologies at a competitive disadvantage compared to other storage technologies** such as standalone storage and pump hydro. According to the draft law, the development of standalone Battery Energy Storage Systems (BESS) and Pump Hydro are allowed to proceed with their permitting process, securing grid access, and benefitting from a strong advance in the upcoming flexibility market auction that is going to be financed under Recovery and Resilience Funds.

Second, because preventing the participation to the market of hybrid plants at least until 31st of December 2021, **would result into higher cost for the Greek consumers** since hybrid plants have proven to be very cost-efficient for procuring flexibility and grid services.



Finally, such requirements which i) are introduced without consultation of the solar and renewable industry and ii) retro-actively affect projects for which investment decisions have already been initiated is **impacting the confidence of energy investors into the Greek regulatory framework and harms the country's ability to achieve its 2030 renewable targets in the most cost-efficient way.**

We therefore urge you to withdraw this proposal, which would affect negatively regulatory transparency and investment certainty for new renewable and storage projects in Greece.

We remain at your disposal to discuss this matter over a meeting and thank you very much for your consideration.

Best regards,

Walburga Hemetsberger
CEO, SolarPower Europe