

NEWSLETTER

⚡ ENERGY

18 January 2010

>Proposals on the Law on Expediting the Development of Renewable Energy Sources<

Introduction

In December 3 2009 the minister of environment, energy and climate change made a presentation to the Council of Ministers detailing basic proposals on a new law to simplify the regulations governing renewable energy sources (RES). The proposals received a positive response and should act as a conduit for a simpler and more streamlined RES regulatory framework.

Changes have been identified in relation to the structural framework of RES goals and institutions, the licensing framework and the land development plan.

Structural Framework

The national target for RES within total energy consumption is to be set at 20% by 2020 (as opposed to the 18% set out in EU Regulation 28/2009), and within total electricity consumption at a minimum of 40% by 2020. Article 1 of the new law states that the protection of the environment by means of

energy produced through RES will be prioritized.

According to the proposed Article 11, the Ministry of Environment, Energy and Climate Change will create a separate RES investment service, which will act as a one-stop shop and will report directly to the minister. The purpose of the service will be to provide information and coordinate and handle requests from investors that are interested in producing electricity through RES.

In addition, 50% of the RES concession taxes paid by the RES producer to regional and local authorities will be paid directly to household consumers in the municipality in which the RES project is located, in the form of credit added to electricity bills. The remaining 50% will continue to be directed to the regional and local authorities. This measure aims to curtail local opposition to the development of RES projects.

Licensing Framework

Production licence

The issue of production licences is to be simplified. It will now concern only the technical and financial adequacy of the project, and will no longer relate to any environmental licences, which will now be taken into account at a later stage. Furthermore, whereas production licences were previously issued by the Ministry of Development, they will now be issued by the Regulatory Authority for Energy within two months.

RES projects which are characterized as non-nuisance or low-level nuisance projects will be exempt from the requirement to obtain production licences. However, for all projects that require a production permit, the issue of such permit is a prerequisite for making an application to the operator for a connection offer.

Environmental licences

The previously separate actions of obtaining a preliminary environmental impact assessment and evaluation and an environmental terms approval will be unified in a single process. Once the production licence has been issued, the applicant will submit its file and the environmental impact assessment study to the competent authority, which will perform an environmental impact assessment and evaluation. Any opinions on environmental terms must be limited to the areas of concern of each opinion authority and to the land development issues that are applicable to each case. In addition, the timeframes listed for each opinion are exclusive.

The final and binding connection offer with the operator can occur only after environmental terms approval has been granted.

Other Licences

Once the connection offer with the operator and the environmental terms approval have been granted, the applicant can submit applications for:

- an installation licence;
- the connection agreement and power purchase agreement. These can be signed before, but must be activated after the installation licence is granted; and
- other licences, protocol numbers and approvals which may be needed by the forestry or urban planning legislation. These can be issued without an installation licence;

Land Development Plan

The proposed changes to the land development plan cover four main points:

- 'Areas of exclusion' will be redefined on the basis that RES projects are environmentally friendly and therefore allowed everywhere, with the exception of;
- areas of absolute protection;
- monuments of world historical heritage;
- class A protected archaeological zones; and
- The prohibition on installing RES projects on land designated as 'high productivity' will be removed;

- The planning of RES projects will take place according to the RES special zoning framework; and
- The Law on Antiquities (3028/2002) will be supplemented with regard to the inclusion of objective criteria on the installation of RES projects.
- 488,7MW are stuck due to litigation ;
- 414,6MW face local opposition ;
- 187,8MW are waiting for the approval of the Ministry of Culture ;
- 163MW have problems with investors;
- 146,2MW have land use regulation problems; and
- 111,4MW face forestry issues.

The need for a new RES regulatory framework is illustrated by the stalling of wind energy projects with production licences for the following reasons:

- 680,4MW face grid connection issues;
- 625,8MW have problems with the Public Power Corporation with regard to connection terms;

Contact

Gus J. Papamichalopoulos

Partner

E-mail: g.papamichalopoulos@kgdi.gr Tel: +30 210 817 1571

Main (Athens) Offices

28, Dimitriou Soutsou Str.,
115 21, Athens
Greece
Tel: +30 210 817 1500
Fax: +30 210 68 56 657/8

Piraeus Branch

Alassia Building,
13, Defteras Merarchias Str.,
185 35 Piraeus
Greece
Tel: +30 210 413 8800
Fax: +30 210 413 8809

Thessaloniki Branch

17, Ethnikis Antistaseos Str.,
55 134, Thessaloniki
Greece
Tel: +30 2310-478640 / 50 / 60 / 70
Fax: +30 2310-455126

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