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A Brief Overview of the Draft National OWP Program for the Development of Offshore Wind Parks

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Introduction

The Hellenic Hydrocarbons and Energy Resources Management Company (hereafter "**HEREMA**"), which is the entity responsible for the deployment of Offshore Wind Parks (hereafter "**OWPs**"), released on 31 October 2023 the Draft National Program for the Development of Offshore Wind Parks (hereafter "**Draft National OWP Program**").

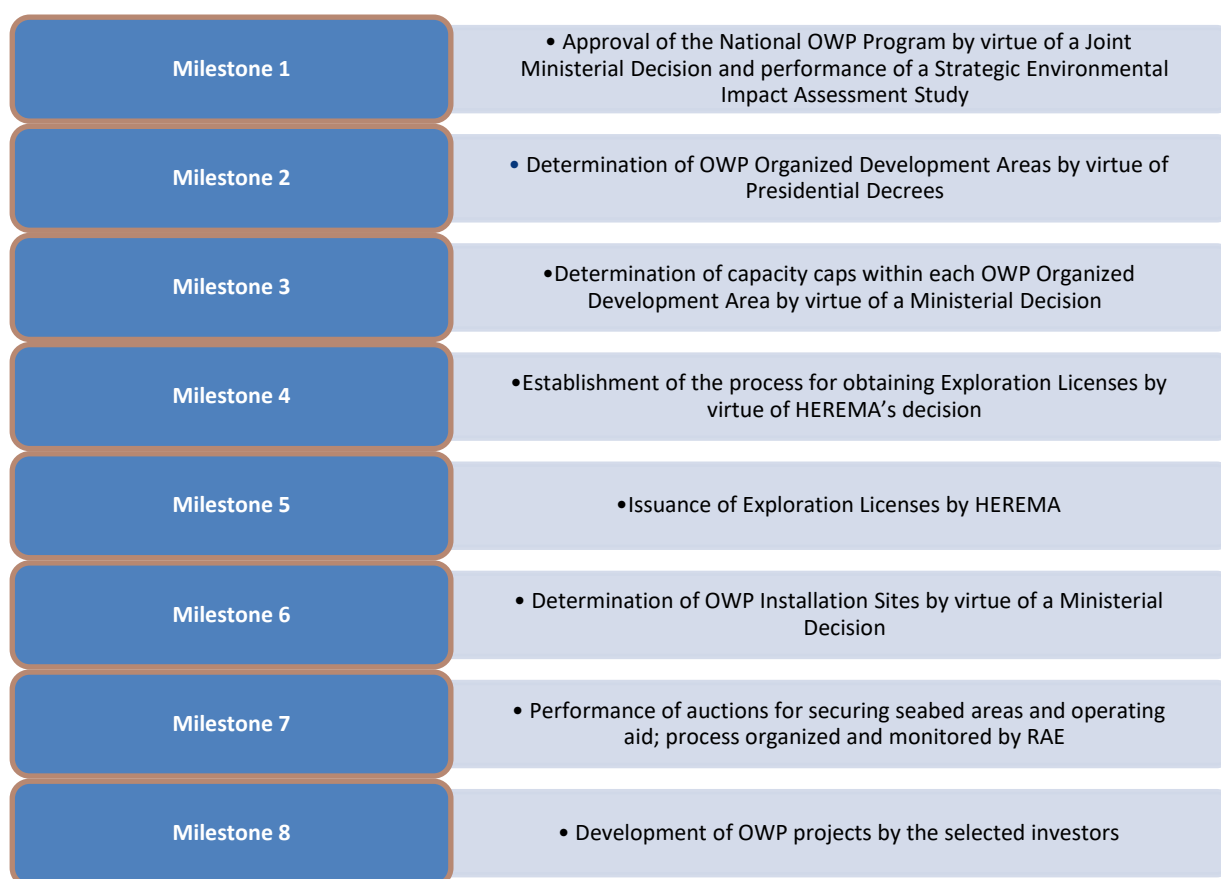
The Draft National OWP Program, which is the first step towards the entry into force of the **National OWP Program** establishes an indicative timeline for the implementation of the key milestones pertaining to the development of OWPs in Greece and conducts an analysis of the marine areas in Greece which are considered suitable for organized development of OWPs. These identified areas, termed potential **Organized OWP Development Areas**, are seen as

highly suitable for OWP placement in the medium to long term. Upon its entry into force, the National OWP Program will constitute the first milestone in a series of actions towards the establishment of the full-scale framework for the licensing and development of OWPs, in accordance with the provisions of Law 4964/2022.

The following sections constitute a high-level analysis of the key features of the Draft National OWP Program.

Milestones and timelines for the implementation of the National OWP Program

Law 4964/2022 provisions the following key legislative milestones to be realized by various authorities in the process of creating a comprehensive OWP framework:



The Draft National OWP Program provides further details regarding the implementation process of the above steps, which are classified into three different development stages, and indicates a timeline for their realization.

More specifically, the implementation process of the Draft National OWP Program is divided into the following three stages:

- **Stage 1:** Determination of potential OWP Organized Development Areas and performance of the Strategic Environmental Impact Assessment Study.
- **Stage 2:** Technical studies for the finalization of OWP Organized Development Areas and calculation of the installed capacity that each area can accommodate based on technical studies.
- **Stage 3:** Award of Exploration Licenses, selection of investors and development of OWP projects.

The indicative timeline for the fulfillment of the abovementioned stages is also indicated in the Draft National OWP Program as follows:

Stage	Milestones	Action	Indicative Timeline
Stage 1	1	Ratification of National OWP Program	Q4 2023
Stage 2	2 & 3	Submission of technical studies and Strategic Environmental Impact Assessment Study for determining OWP Organized Development Areas	Q1 2024
		Issuance of Presidential Decrees establishing OWP Organized Development Areas	Q2 2024
Stage 3	4	Determination of Exploration Licenses auction framework & Call for Auction	Q3 2024
		End of 1 st auction cycle for the award of Exploration Licenses	Q4 2024
	5	Issuance of Exploration Licenses	Q1 2025
	6	Public consultation regarding OWP Installation Sites (established within OWP Organized Development Areas)	Q3 2026
		Issuance of Ministerial Decisions establishing OWP Installation Sites	Q4 2026
	7	Auctions for securing seabed areas & operating aid	Q1 2027
	8	OWP projects reach RtB stage	Q1 2028
		Completion of construction works and electrification	Q3 2028 – Q3 2031

Methodology for identifying the OWP Organized Development Areas

According to the applicable legislation, the identification of the OWP Organized Development Areas in the National OWP Program shall be subject to specific guidelines, such as national environmental and biodiversity protection strategies, international best practices, and methodologies, as well as the input of the Spatial Planning Directorate of the Ministry of Environment and Energy and various other stakeholders. On such basis, the Draft National OWP Program considers various factors for assessing the viability of maritime areas to host OWP projects.

Exclusion Zones

The Draft National OWP Program identifies exclusion zones where OWP projects cannot be installed, including:

- Zones of absolute environmental protection, as defined in the applicable environmental legislation.
- Cores of national forests, monuments of nature, and aesthetic forests that are not classified as zones of absolute environmental protection.
- Areas distanced closer than one (1) nautical mile to the shore.
- Sites of archaeological and cultural significance
- Ramsar wetlands and other environmentally protected areas
- Shipping routes
- Areas of military significance
- Infrastructure networks and special uses (underwater cables, telecommunication, natural gas pipes etc.)

Evaluation Criteria

Marine areas which are not within exclusion zones, as per the above, are assessed based on the following criteria for being proposed as potential OWP Organized Development Areas:

- Water depth (“bathymetry”)
- Wind speed data
- Availability of electrical interconnection capacity
- Capacity density

Proposed OWP Organized Development Areas

By applying the above criteria, the Draft National OWP Program indicates 25 marine areas of 2,712 km² with an estimated OWP capacity of 12,4 GW, the majority of which expected to host floating OWPs due to the water depth and the overall characteristics of the seabed. For achieving the medium-term goal of energizing 1.9 to 2.5 GW of OWP capacity until 2030, the Draft National OWP Program indicates the following marine areas as potential OWP Organized Development Areas:

- **Eastern Crete** with an estimated total capacity of 800 MW;
- **Southern Rhodes** with an estimated maximum installed capacity of at least 300 MW and up to 550 MW;
- **Central Aegean** with an estimated maximum installed capacity up to 450 MW;
- **Evia – Chios** with an estimated maximum installed capacity of 300 MW; and
- **Ionian Sea** with an estimated maximum installed capacity of 450 MW.

Interconnection / Infrastructure Network

According to the Draft National OWP Program, the optimal interconnection solution for the development of OWPs involves the location of Organized OWP Development Areas near Ultra High Voltage Centers (UHVC) or Substations (S/S) which meet the requirements for transmission and absorption of the power generated by OWPs over a medium-term period.

According to the studies performed by the Independent Power Transmission Operator (IPTO), considering the projects foreseen in the Ten-Year Development Program of the Transmission System for the period 2024-2033, six (6) connection points were indicated along with the maximum installed capacity that they can accommodate.

The Potential of OWPs

According to the Draft National OWP Program, the development of OWPs and the consequent exploitation of the high offshore wind potential of the Greek seas will contribute to addressing the energy isolation of Greek islands through the production of renewable energy since it will create an additional incentive for the completion of interconnection infrastructure for the country's entire island complex. Moreover, due to the complementary nature of solar and wind energy, the integration of OWP generated

electricity is expected to add balance and stability to the transmission system.

The Draft National OWP Program also highlights the advantages of using OWP generated electricity to produce green hydrogen. Due to the higher capacity factor of OWP generated electricity, it can be utilized as an electrolyzer for longer periods, thus boosting the production capacity for green hydrogen. Furthermore, the possibility of interconnecting multiple OWPs could allow more capacity to enter hydrogen production nodes.

The Way Forward

Greece is ready to embrace the international developments in the OWP market and follow the lead of northern countries, like Denmark, Ireland, Belgium, and the Netherlands, in the pursuit of its goal to deploy 1.9 to 2.5 GW of OWPs by 2030. Despite the Greece's competitive advantage deriving from weather conditions, what remains the biggest challenge is the strict observance of the implementation timeline of the various regulatory milestones required for the completion of the regulatory framework, considering the need for increased coordination between various state agencies involved in the process. The MEE's immediate goal is to complete all preparatory studies within 2024 to launch the auctions for the award of Exploration Licenses in 2025.

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