

ENERGY BRIEFING: Special Edition

Recent Developments in the Energy Sector: Urgent Measures Relating to the Covid-19 Pandemic

This Briefing provides an overview of Article 55 of the Act of Legislative Content dated 30 March 2020 which introduces measures in relation to the Energy sector

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A. Extension of Deadlines for RES and CPH Producers

1. Most development and construction companies dealing in the RES and CPH sectors have suspended their activities, mainly due to their inability to secure the supply of materials. In response to this, the Government has introduced measures aimed at supporting RES and CPH producers by facilitating their efforts to meet their statutory obligations relating to the operation of power plants in a timely manner and avoiding being held accountable for any delays incurred due to the Covid-19 pandemic.
2. In particular, Article 55 of the Act of Legislative Content dated 30 March 2020 stipulates that:
 - a. installation permits and binding connection offers granted to RES and CPH plants, originally set to expire by 30 June 2020 are granted a six-month extension;

- b. installation permits and binding connection offers, originally set to expire any time between 1 July 2020 and 31 December 2020, are extended for 4 months.
3. RES plants that have been awarded, or are in the process of being awarded, feed-in premium contracts (FiP Contracts) as of 31 March 2020 through tenders conducted by the Regulatory Authority for Energy (RAE) under Article 7 par. 1 of Law 4414/2016, currently set to enter into operation (either on a trial or regular basis) on any date before 30 June 2020, will enjoy a 6 month extension of their obligation to start trial operations. Where this deadline expires between 1 July 2020 and 31 December 2020, a 4-month extension is granted.
4. A new tariff regime originally due to become effective on 1 January 2021 for onshore wind farms by virtue of Ministerial Decision No. ΥΠΕΝ/ΔΑΠΕ-ΕΚ/25511/882/20.03.2019-GGB 1021/2019, will be further delayed by 4 months and will enter into force on 1 May 2021. Similarly, the date that fixed tariffs applying to PV plants enter into force, which has been originally set for 1 January 2021, as recently determined by virtue of the Ministerial Decision ΥΠΕΝ/ΔΑΠΕΕΚ/30971/1190/26.03.2020, is extended to 1 May 2021. This extension concerns:

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- a. PV plants with a capacity of up to 500kW to be assigned a fixed tariff of €63 /MWh;
 - b. PV plants with a capacity of up to 500kW developed by farmers to be assigned a fixed tariff of €65/MWh; and
 - c. PV plants with a capacity of up to 1MW developed by energy communities to be assigned a fixed tariff of €65/MWh.
5. RES and CPH plants that have entered into power purchase agreements on a fixed tariff basis pursuant to Article 12 of Law 3468/2006 before 31 December 2015, are granted a 4 month additional period in order to enter into trial or regular operation and therefore continue being released from the obligation to participate in RAE's capacity tenders and seek award of an FiP Contract. In other words, before the Act of Legislative Content of 30 March 2020 was issued, the above RES and CPH plants would continue to operate under the previously applicable fixed tariff regime, provided that they would have entered into operation by 30 September 2020, a deadline that has now been extended to 30 January 2021.
6. Finally, the Act of Legislative Content dated 30 March 2020 provides for a two-month extension to the deadlines expiring between 31 March 2020 and 30 June 2020 for RES and CPH producers to:
- a. accept the binding connection offers issued by the relevant grid operator (IPTO or DEDDIE); and
 - b. submit to IPTO or DEDDIE (as the case may be) a performance bond which would be otherwise due upon acceptance by the producer of the binding connection offer, as provided for under Article 1.1 par. 3 of Law 4152/2013.

B. Energy Business - Access to Materials & Equipment

1. Based on the Act of Legislative Content of 30 March 2020, companies dealing in the production, transmission and supply of gas and liquid fuels, as well as in the production, distribution, transmission and supply of power and natural gas (Energy Companies) will enjoy privileges as compared to

other businesses in relation to their access to materials and equipment necessary for their activities. This access has become problematic due to the mandatory shutdown of most private businesses as part of the Government's measures for the Covid-19 pandemic.

2. In order for the energy companies to be granted access to materials and equipment sold by businesses whose operations have been suspended by virtue of a Government order, the above Act of Legislative Content has provided that, by deviation from the relevant ban, suspended businesses will open exclusively in order to accommodate supply requests submitted by energy companies. In doing so, businesses which have been shut down should use only the facilities and personnel required in order to facilitate these requests for supplies and in no way expand their operation to other services or clients.

C. Digitalization of Energy Supply Contracts

1. Article 55 of the Act of Legislative Content dated 30 March 2020 has introduced measures aimed at advancing the digitalization of natural gas and power supply contracts, with a view to facilitating both customers and suppliers in light of the restrictions imposed as part of the Government's efforts to contain the effects of the Covid-19 pandemic. In this context, and in relation to both existing and new supply contracts, natural gas and power suppliers will be obliged from now on to enable the use of the Internet or other telecommunication network applications in nearly every aspect of their day-to-day communication with consumers, including, in relation to:
 - a. offers or quotes for the supply of natural gas or power;
 - b. the execution of new supply contracts and amendment of existing supply contracts; and
 - c. the access to on-line materials and other documents, including updates regarding the natural gas and power bills.

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Given that most of the national retail energy suppliers have already made significant progress in establishing on-line communication channels with their customers, the digitalisation obligation has accelerated this transition into the digital era, considering the

limitations the Covid-19 pandemic has brought to the entire spectrum of economic life.

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