



**Country:** Greece

**Population:** 10.9 mln

**GDP:** €184.5 bln (2016)

**Unemployment rate:** 23.6% (2016)

**Inflation Rate:** 0.9% (as of Aug 2017)

**Net Power Consumption:**

50,107 GWh (2016)

**Net Power Generation:**

41,556 GWh (2016)

**Gas Demand:**

3.83 bcm (2016)

**LNG Imports:**

0.58 mln t (2016)

**Crude Oil Imports:**

171.96 mln bbl (2016)

*Sources: Bank of Greece, DESFA, EC, LAGIE, IMF*



## Infrastructure Update

- The Energy Regulatory Authorities of Cyprus and Greece have issued a joint decision for the cross-border cost allocation of the electricity EuroAsia Interconnector between Cyprus and Greece, as provided by the European Regulation 347/2013 for Projects of Common Interest (PCIs).
- Kavala gas storage facility is re-included in the list of PCIs following regional working groups meeting on 17th October and now receives backing again with access to the EU funding. The Alexandroupolis FSRU terminal, while not included on a provisional PCI list, has finally re-entered the list, which is seen as one of strategic importance.
- Greek fuel retailer EKO agreed with Georgian Wissol Petroleum on the establishment of a flagship EKO gasoline station in Tbilisi as part of a wider expansion strategy in the Balkans & SE Europe. That will mark EKO's return to the Georgian market following a previous spell that began in 1996.

## Regulation Update

- Two new bills were announced by the Greek Minister of Environment and Energy: Energy Communities (bill expected at end of October) and Energy Exchange Market (operations expected to begin in early 2018).
- The Greek Hydrocarbon Management Company is going to establish a think tank tasked with providing proposals for the revision of the existing legal framework of the hydrocarbon sector. An invitation to experienced legal firms will soon be published.
- The Regulatory Authority has publicized the market participants' letters on the public consultation concerning the flexibility capacity market. The next step is the submission of the final proposal on this transition capacity mechanism by RAE, which is expected to be operating in early 2018.
- A crucial issue on the formation of the portfolio of lignite power plants that will be sold by PPC is the inclusion of Amyntaio units. However, the EU's DG Competition has rejected Greek officials' request to include the Amyntaio lignite-fired facility in a bailout-required sale package of lignite units.

## Politics & Macroeconomic Update

- The economy contracted by 0.2 percent in 2016, according to the national statistics agency ELSTAT. The agency forecasts some growth this year - but not as much as the government expects.
- Greece's economic freedom ranking fell to the 116th place amongst 159 countries in the latest "Economic Freedom of the World" Report compiled by the Canadian think tank Fraser Institute, compared to the 89th place previously.

## GEF Forward View

**Greece enters Q4 17 with 3 main energy areas featuring profound traction: i) Hydrocarbons E&P, closing open tenders and issuing new ones and finally with big oil majors showing up, ii) Strategic infrastructure projects, with projects like IGB and FSRU Alexandroupoli stakeholders making even more crucial steps which bring them closer to FiD, iii) Markets Liberalisation, with the full elimination of gas monopolies effective on 1/1/2018 and the final decision on the PPC generation assets that will go on sale approaching. In the background, TAP's construction progresses as planned and DESFA's privatisation - the gas TSO - is heading towards completion.**

## Market Update

- An international tender for oil & gas exploration and exploitation south-west and west of Crete, as well as the Ionian, is expected to be published in the Official Journal of the European Union in the coming days. Once published, interested parties will have 90 days to submit their offers.
- An exploration & exploitation license for offshore Block 2, west of the Ionian island Corfu, is expected to be granted within the next days to consortium comprised of Total, Edison and Hellenic Petroleum, following the approval by the Court of Auditors. The agreement will require Parliamentary ratification before the consortium commences operation.
- EBRD finances technical assistance to Hellenic Hydrocarbons Resources Management S.A. to support the environmental, health & safety framework of offshore operations in Greece.
- This year's final session of "NOME-type" forward products auction took place on 25th October, with 718 MWh/h being offered at an average price of 45.2 euros/MWh. Reactions were mixed as the price might be too high for the real opening of the electricity market, both in terms of the reduction of PPC's market share and the level of the tariffs for final consumers.
- The key gas suppliers, EPA Attiki and EPA Thessaloniki-Thessaly, are now holders of electricity supply license, allowing them to enter the retail market. That could reshape the country's energy market as the two companies do have considerable clientele lists, both household and commercial.
- New natural gas users (domestic and commercial) have increased substantially year-on-year in 2017 in Athens, Thessaloniki and Thessaly. That has been the result of zero gas grid connection fees and partial subsidy of the gas equipment from the distribution companies.
- DEPA, the Public Gas Corporation, is planning to bring an LNG Carrier to Revythoussa LNG Terminal (Athens), in an attempt to improve gas security supply, especially during winter months. The final decision will be taken within the next few weeks.