

Energy 2026

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Overview of the current energy market

Historically, lignite was the backbone of Greece's electricity system for many decades, covering the biggest part of the country's electricity needs. Lignite-powered plants have always been owned by the Public Power Corporation ("**PPC**"), as no private entity has yet undertaken control over such plants in Greece. Over the past 15 years, the share of lignite in meeting the country's electricity demand has significantly decreased. This decrease has been offset by a similar increase in the shares of the power generated from renewable energy sources ("**RES**") and hydropower, as well as imports of electricity.

In 2024, total electricity generation in Greece reached 51.6 TWh, marking a 12% increase compared to 46.2 TWh in 2023. The contribution of RES and natural gas to power generation rose in 2024, while the shares of lignite, large hydroelectric plants, and net imports declined relative to the previous year. Specifically, Greece's 2024 electricity generation mix was primarily based on RES (48%) – including wind, solar, and biomass – followed by natural gas (41%), net imports (5%), large hydro (5%), and lignite (4%).[1]

Despite a reduction in electricity imports, Greece remained a net importer of electricity in 2024, with total net imports amounting to 207,110 MWh.

Total natural gas imports increased by 23% compared to 2023. Liquefied natural gas ("**LNG**") accounted for 30% of total imports in 2024, underscoring its growing significance in Greece's efforts to diversify away from Russian gas. Nevertheless, Russian natural gas continued to play a dominant role in 2024, covering 54.7% of total gas imports due to its highly competitive pricing.

The average Market Clearing Price ("**MCP**") in 2024 decreased by 16% compared to 2023, settling at €100.74/MWh. Natural gas trading prices at the Hellenic Energy Exchange ("**HEnEx**") also followed a downward trend, with the average price for 2024 at €32.8/MWh, down from €40.7/MWh in 2023.

Electricity demand increased by 11% in 2024 compared to the previous year, reversing the downward trend observed in recent years.

Overview of energy policy

Following the enactment of the "Clean Energy for all Europeans" package, in early 2020, the Government issued a new National Plan for Energy and Climate ("**NPEC**"), which formed the Government's current policy aimed at protecting the environment and dealing with climate change. The NPEC set the following

key targets: (a) full decarbonisation by 2028, based on a detailed schedule introduced later on (this target has been temporarily suspended in light of the recent energy crisis); (b) power from RES to become the country's main energy source, reaching 65% of power production in 2030; and (c) a more ambitious greenhouse gas emissions cut target, aimed at reducing emissions by more than 42% compared to 1990 and by more than 56% compared to 2005. Based on the NPEC, energy efficiency incentives for the energy renovation of public buildings, industrial facilities and residences were set to be granted during 2020–2022. Furthermore, the NPEC envisaged investment of a value up to €43.8 billion in RES, natural gas and electricity transmission and distribution networks, as well as granting of financial incentives for the purchasing of electric vehicles ("**EVs**") and launching of energy-saving programmes by 2030.

Following the introduction of the Fit for 55 package, the Government amended the previous NPEC in August 2024 with a view to increasing the targets for RES capacity for 2030 and 2040, primarily aimed at further reducing the country's dependence on Russian natural gas. The new NPEC set more ambitious targets for cutting down the country's energy demand and achieving higher blending rates for hydrogen and renewable gases (e.g. biomethane) in the gas mix. Further, in relation to energy storage, which is considered essential for the stability of the electricity system and the energy transition, the relevant target is revised at 6 GW by 2030, comprising 4.3 GW of battery energy storage systems ("**BESS**") and 1.3 GW of Pumped Hydro Storage ("**PHS**") projects. The new NPEC also announced the creation of a voluntary carbon market ("**VCM**"), which will enable trading of carbon credits, in turn allowing entities to offset their greenhouse gas emissions by financing projects removing CO_2 from the atmosphere.

The first National Strategy for Green Hydrogen is currently being developed by the Government; this comprehensive plan is expected to set targets for each sector as well as introduce a financial support scheme to boost new investments in the sector.

Adoption of the recast Electricity Directive (EU) 2019/944, the recast Renewable Energy Directive (EU) 2018/2001, the revised Energy Efficiency Directive (EU) 2018/2002, the recast Electricity Regulation 2019/943, the Energy Performance of Buildings Directive 2018/844, as well as the recast Regulation on governance of the energy union and climate action (Regulation 2018/1999), the Regulation on risk-preparedness in the electricity sector (Regulation 2019/941) and the recast Regulation on a European Union Agency for the Cooperation of Energy Regulators (Regulation 2019/942) has gradually transformed the internal energy market towards a sustainable, low-carbon and environmentally friendly economy. As part of its "Clean Energy for all Europeans" package, the European Commission adopted an update of the Renewable Energy Directive for 2021–2030 ("**RED III**"), setting the overall EU target for RES consumption by 2030 at 32%. A revision of RED III entered into force on 20 November 2023, setting a new target that at least 42.5% of energy produced in the EU shall be generated from renewables by 2030, significantly exceeding the current target of 32%. In the transport sector, RED III introduced an incentive concerning an increase in the use of renewable energy, so as to contribute to a 14.5% reduction in greenhouse gas emissions by 2030. This target is expected to be achieved by increasing the share of advanced biofuels and introducing higher quotas for renewable fuels of non-biological origin, such as hydrogen.

Further, in May 2022, the first-ever National Climate Law (Law 4936/2022) was enacted, setting forth a roadmap for the gradual reduction of greenhouse gas emissions and carbon neutrality by 2050, in compliance with the relevant EU target. This law: (a) provided for additional targets to limit greenhouse emissions by at least 55% by 2030 and 80% by 2040, as compared to 1990; (b) set the goal of cutting dependency on fossil fuels by 2028, subject to security of supply concerns; (c) imposed several obligations on the transition to zero-emission vehicles, setting specific quotas and deadlines; and (d) mandated certain large corporations (financial institutions, telecom providers, electricity suppliers, water and waste utilities, logistics companies and retail businesses) employing over 500 employees to comply with stricter environmental standards and annually report their carbon footprint status.

Finally, the below principal EU and Greek legal frameworks governing industrial emissions and air quality applicable to energy operations shape the country's transition towards cleaner energy sources, drive the

phase-out of lignite and other high-emission fuels, and ensure compliance with EU climate and air quality targets. Notably, they also influence investment decisions, the modernisation of energy infrastructure, and the country's ability to access EU funding and participate in the integrated European energy market.

Industrial Emissions Directive ("IED") 2010/75/EU

The IED sets strict rules for industrial pollution control, covering emissions to air, water, and soil, and waste prevention. It is implemented in Greece through several ministerial decisions. Since July 2020, all lignite and most island power plants must comply with IED limits and, from August 2021, with updated best available techniques. Temporary derogations apply to Crete's steam-electric units until the island's grid is fully interconnected, with equivalent environmental protection measures to be set by ministerial decision.

National Emission Ceilings Directive ("NECD") 2016/2284

The NECD, as amended, sets national limits for pollutants like ammonia and fine particles, requiring significant reductions by 2029 and 2030. It is transposed into Greek law and may impact future operations.

EU Emissions Trading Scheme Directive ("ETSD") 2003/87/EC

The ETSD establishes a cap-and-trade system for greenhouse gas emissions. PPC must purchase allowances for all verified emissions, with no free allocations for mainland plants. Greece can claim additional allowances for decarbonisation. PPC is investing in cleaner technologies, renewables, and energy efficiency to reduce CO_2 emissions.

Ambient Air Quality Directive 2008/50/EC

This directive sets standards for air quality, including new targets for fine particles (PM2.5), and is implemented in Greece through national legislation. It aims to protect human health and the environment by monitoring and improving air quality.

Oil and gas sector

Market overview — investment and policy trends

In recent years, natural gas has emerged as a cleaner alternative to conventional fuels, gradually replacing lignite and serving as a transitional "bridge fuel" in Greece's decarbonisation efforts. This shift was temporarily disrupted by the energy crisis following the war in Ukraine, but resumed in early 2023 as natural gas prices stabilised.

To ensure energy security during the crisis, Greece temporarily increased coal mining by 50% and extended the operation of coal-fired plants to 2028. However, by early 2024, lignite's share in power generation hit a record low. Despite rapid growth in RES, natural gas still accounts for about 54% and oil for about 10.5% of Greece's energy mix[2] (for 2024).

Greece is investing in major infrastructure projects to enhance energy security and diversify supply, aiming to become a regional energy hub. All natural gas demand is met through imports, delivered via entry points from Bulgaria and Turkey, the Revithoussa LNG terminal, and the new Alexandroupolis floating storage and regasification unit ("**FSRU**").

The National Natural Gas Transmission System ("**NNGTS**"), operated by National Natural Gas System Operator (DESFA) S.A. ("**DESFA**"), handles transmission, while distribution is managed through both public and private networks under licences from the National Regulatory Authority for Waste, Energy and Water ("**RAEWW**"). Key private projects include the Trans Adriatic Pipeline ("**TAP**"), bringing Azeri gas to Europe, and the Greece-Bulgaria Interconnector ("**IGB**"), which strengthens supply security. The Alexandroupolis FSRU, operated by GASTRADE S.A., began commercial operations in October 2024,

enhancing supply for Greece and Southeast Europe. Additional FSRU projects are underway in Korinthos, Volos, and Thessaloniki, expected to further boost system capacity and relieve congestion. The IGB and Alexandroupolis LNG terminal are critical to the Vertical Gas Corridor, connecting Greece with Bulgaria, Romania, Hungary, Slovakia, Moldova, and Ukraine, and increasing Azeri gas flows to Central Europe via TAP.

The EastMed pipeline, still in early development, aims to transport Eastern Mediterranean gas through Israel, Cyprus, and Greece to Italy, diversifying Europe's supply routes and supporting economic growth in Greece and Cyprus. The project remains on the EU's list of key energy initiatives. According to recent European Commission data, Greece continues to rely heavily on fossil fuels, particularly in the transport sector. While RES are expanding, the country's significant dependence on oil poses ongoing challenges for sustainable development.

Greece's domestic crude oil and natural gas production remains minimal, with the country relying heavily on imports to meet its energy needs. Current production is limited to two fields in the Northern Aegean Sea (Prinos), operated by a single producer, and is insignificant compared to overall consumption. Domestically produced oil is used exclusively for internal consumption, but the export of refined oil products has increased in recent years, underscoring the importance of Greece's refining industry in the broader energy market.

Until recently, state-owned public gas corporation DEPA dominated Greece's natural gas market, but since 2017, private companies have entered the wholesale market, increasing competition and diversifying LNG sources.

By way of background, both natural gas supply and distribution activities were previously carried out by DEPA, which has recently undergone a complete restructuring. More specifically, based on Laws 4602/2019 and 4643/2019, DEPA was divided into three separate legal entities: "DEPA Infrastructure S.A.", comprising all the distribution gas activities of DEPA; "DEPA Commercial S.A.", to which all DEPA's gas-related activities (both wholesale and retail) are transferred; and "DEPA International S.A.", comprising all the international infrastructure projects in which DEPA participates. Further, in 2021, the Hellenic Republic Asset Development Fund ("**HRADF**") completed a sale of 100% of the share capital of DEPA Infrastructure S.A. to Italgas SpA, which was selected as the successful investor further to an open tender.

Prior to the liberalisation of the gas supply and distribution market, and pursuant to Article 80B of Law 4001/2011 ("**Energy Law**"), the distribution of natural gas was carried out by three natural gas distribution companies ("**EDAs**") initially owned by DEPA and, following the above restructuring, by DEPA Infrastructure S.A. Each of the EDAs was responsible for the operation of a geographically divided distribution network, namely Attica (Attiki Gas Distribution Company Single Member S.A. ("**EDA ATTICA**")), Thessaloniki and Thessaly (Thessaloniki-Thessaly Gas Distribution Company S.A. ("**EDA THESSALONIKI**")) and the rest of Greece (Public Gas Distribution Networks Single Member S.A. ("**DEDA S.A.**")) (Article 80A of the Energy Law). DEPA Infrastructure S.A., formerly a state-controlled entity, being the sole shareholder of EDA ATTICA, EDA THESSALONIKI and DEDA S.A., was acquired by Italgas SpA at the end of 2022 further to a public tender conducted by HRADF.

Previously, in 2018, the Greek State had part-privatised DESFA through the transfer of a 66% stake (31% owned by HRADF and 35% owned by HELPE (now HelleniQ Energy) to SENFLUGA Energy Infrastructure Holdings S.A., a consortium comprising Snam, Enagás and Fluxys.

The main legislation governing hydrocarbons in Greece is Law 2289/1995 ("**Hydrocarbons Law**"), which implements Directive 94/22/EC and sets the conditions for authorising hydrocarbon prospection, exploration, and production. The Hydrocarbons Law has been significantly amended by the Energy Law to attract investment and by Law 4685/2020 to streamline licensing requirements.

All rights to prospect, explore, and produce hydrocarbons in areas under Greek sovereignty are exclusively held by the Greek State. These rights are managed by the Hellenic Hydrocarbon and Energy Resources

Management Company S.A. ("**HEREMA**"), a state-owned entity, with some powers also exercised by the Ministry of Environment and Energy.

Law 4964/2022 introduced a framework for CO_2 storage, allowing companies with hydrocarbon licences to convert depleted fields into CO_2 storage sites under certain conditions.

Hydrocarbon development rights may be granted through either a Lease Agreement or a Production Sharing Agreement, with the choice determined by ministerial decision – though Lease Agreements are most common. Both agreements are signed by HEREMA and the contractor, subject to ministerial approval.

Prospecting rights are granted by HEREMA following a ministerial-approved invitation for applications, valid for up to 18 months. Exploration and production rights are awarded via tender, direct application, or an "Open Door" process, with exploration rights lasting up to seven years onshore and eight years offshore, and production rights up to 25 years, both extendable under certain conditions.

Under a Lease Agreement, the contractor owns the extracted hydrocarbons, while the State may acquire co-ownership if the lease is paid in kind. In a Production Sharing Agreement, the State owns the hydrocarbons upon extraction, and the contractor receives an agreed share and reimbursement for expenses. Both agreement types may allow for State participation in joint ventures.

Key permits required for exploration and production include Environmental Terms Approval (including forest and antiquities authorisations), installation and operation licence, and Seveso III registration (for safety compliance).

HEREMA is also the competent authority for safety oversight of natural gas and CO_2 storage projects.

Generally, the sale, purchase, import, or export of natural gas is not subject to licensing, except for supply to end customers, which requires a licence from RAEWW. Wholesale trading is unregulated, though RAEWW may impose restrictions to ensure supply security and fair competition.

Over the past few years, HEREMA has entered into numerous Lease Agreements for the development of hydrocarbons at several offshore and onshore blocks (Aitoloakarnania, Arta-Preveza, Block 1, Block 2, Block 10, Ioannina, Ionian Sea, Katakolo, North-West Peloponnese, Sea of Thrace, West Patraikos Gulf, the Ionian Sea, Southwest Crete and West Crete).

Notably, international interest in Greece's upstream potential has peaked, as a Chevron and HelleniQ Energy consortium participated in a tender conducted by HEREMA by submitting bids for offshore exploration blocks near Crete and the Peloponnese.

Power sector

By way of background, the Energy Law, transposing Directives 2009/72/EU and 2009/73/EU, remains the main piece of legislation currently governing the operation of energy markets, including the activities of production, supply, purchase, transportation and distribution of electricity. Its primary objective was the creation of a single internal energy market, in line with EU secondary legislation; therefore, its provisions focus on the separation of transmission and distribution activities from generation and supply activities in the electricity and gas sectors. To this end, the same law established a certification process for transmission system operators, and measures for the effective unbundling of the regulated transmission and distribution activities from the competitive production and supply activities.

Until recently, by virtue of the Energy Law, the Greek wholesale market model was organised on the basis of a regulated compulsory offer of electricity to a day-ahead market, leading to the centrally organised sale of electricity at a uniform price (System Marginal Price), which reflected the offer of the most expensive unit dispatched. Participants to the mandatory pool were, on the one hand, producers and importers of electricity and, on the other hand, suppliers and exporters of electricity. Imbalances (i.e. deviations from day-ahead schedules) were settled through a distinct mechanism, but there was no balancing market.

Clearing of the day-ahead market was performed by market operator LAGIE, while the Independent Power Transmission Operator ("**IPTO**") was responsible for conducting the real-time dispatch, clearing imbalances as well as settling payments for ancillary services and several other charges.

Directive (EU) 2009/72, as part of the Third Energy Package, first laid the groundwork for the restructuring of the electricity market, aiming to establish access to the network for cross-border exchanges in electricity. This initial effort was further elaborated by subsequent Regulations (EU) 713/2009 and 714/2009, introducing the so-called "EU Target Model", laying down the major target of European electricity market integration.

A key component of the EU Target Model, as set out in Regulation 2015/1222 ("**CACM Regulation**"), is the concept of market coupling, which Greece is in the process of setting the ground for, in close cooperation with its neighbouring countries. This effort began with the establishment of a radically new wholesale market model, aiming to enhance competition and remove significant distortions in the electricity market. In order to achieve the transition from government-backed offtake agreements to private offtake arrangements, Greece is in the process of completing overhauls of its wholesale energy market. Initially, Law 4512/2018, in implementation of the CACM Regulation, introduced the new market model to be regulated by HEnEx and comprised the electricity market, the energy financial market, the natural gas market and the environment market. As mentioned above, the electricity market is divided into a day-ahead market, an intra-day market, a balancing market and an energy derivatives market. The balancing market is operated by IPTO, which is responsible for ensuring compliance with Regulation 714/2009 and the Regulation on wholesale energy markets integrity and transparency. A landmark development that completely transformed the Greek energy market was the entry into operation of HEnEx in 2021. The new entity was founded through a spin-off from the electricity market branch of electricity market operator LAGIE by virtue of Law 4512/2018. From the contribution of the aforementioned branch to the new company, it followed that LAGIE is no longer the electricity market operator, and the wholesale electricity market as a whole has now been transferred to HEnEx. In turn, LAGIE, comprising the remaining sectors, was renamed DAPEEP, assuming the role of operator of RES producers and guarantees of origin ("**GOs**"). The establishment and operation of HEnEx, which is owned by state-controlled DAPEEP, the Athens Exchange Group, IPTO, the European Bank for Reconstruction and Development, the Cyprus Stock Exchange and DESFA, are mainly governed by Law 4512/2018. Following the formation of HEnEx, "EnEx Clear", a 100% subsidiary of HEnEx, was established as the market clearing house. Both the day-ahead market and intra-day market are operated in accordance with RAEWW Decision 1116/13.11.2018, as amended and currently in force. The Hellenic Capital Market Commission together with RAEWW are the responsible authorities for the supervision of the energy derivatives market. Therefore, under this new market model, traded products are either financially or physically settled. Apart from the energy derivatives market, market participants also have the option to conclude bilateral energy contracts (over-the-counter contracts), which shall be declared to a registration and nomination platform operated by HEnEx in order to be submitted as orders in the day-ahead market. As interconnections with neighbouring countries gradually come online, the day-ahead market should also enable market coupling and EU-wide clearing for wholesale electricity.

In terms of offtake solutions, the Greek RES market was initially regulated by Law 3468/2006, which, among others, introduced the first state aid scheme based on a guaranteed feed-in tariff ("**FiT**") system (operating support based on a fixed compensation price), where producers received standard remuneration amounts and, consequently, minimised exposure to market risk. Law 3468/2006 differentiated between various categories of RES producers, and the amount of remuneration varied depending on whether the plants were located in mainland Greece or on the islands, i.e. whether they were connected to the mainland grid.

Following a deadlock in the previously implemented support schemes and after a period of stagnation between 2013 and 2018, the Greece RES market has been booming for the past few years, particularly

as a result of a state aid scheme introduced by Law 4414/2016, aiming to enhance RES investment and align the Greek energy market with EU targets. Under this RES state aid programme, currently set to run until the end of 2025, qualifying RES projects may be granted 20-year operating aid agreements in the form of feed-in premium ("**FiP**") contracts, i.e. contracts for difference between the market price of electricity and a fixed reference price, which is determined through competitive procedures conducted by RAEWW, all in replacement of the previous unsuccessful FiT system. As of 1 November 2019, RES projects entering into FiP contracts became participants of the day-ahead market, either directly or through a RES aggregator ("**FOSE**"), and are now operating subject to clearance and settlement procedures. RES projects participating in the day-ahead market undertake commitments for the accurate prediction of the declared injected quantity of power, following implementation of the intra-day and balancing markets (having entered into FiP contracts or the FOSE through which the producers are represented in the electricity wholesale market), and have undertaken standard balancing obligations. Based on Law 4643/2019 and in compliance with Regulation 2019/943, as of 1 January 2020, RES plants with a capacity equal to or higher than 400 kW are only eligible for FiP contracts awarded through bidding procedures, while at the same time undertaking balancing obligations in the HEnEx market (this threshold is expected to be lowered to 200 kW in 2026 in compliance with EU legislation). Small-scale as well as demonstration projects are exempted from this FiP scheme, in which case standard FiT contracts are entered into with DAPEEP.

As far as the RES projects are concerned, the Government has declared its commitment to promoting merchant power purchase agreements ("**PPAs**") and direct wholesale market participation, as opposed to offtake agreements providing for operating aid, which has been the established practice since the creation of the renewables sector in Greece.

As part of the operating state aid granted to RES producers, following a pilot tender carried out in 2016, and the state aid clearing of tariff framework, in 2018–2020, three broader rounds of technology-specific and joint (for photovoltaic ("**PV**") and wind parks) capacity tenders were successfully conducted by RAEWW, comprising 14 separate competitive procedures in total. While the last competitive procedure under the previous framework took place in January 2021, following the expiration of the initial term of the RES state aid scheme, the Government adopted a new tariff auctions support scheme, which has already been launched and will extend to the end of 2025; in this context, RES projects with a maximum total capacity of *c.* 3.5 GW are expected to be awarded operating aid.

The licensing process of RES projects, previously governed by Law 3468/2006, was completely transformed by Law 4685/2020, which attempted the fundamental reform of energy licensing and the regulatory regime, dealing with administrative inefficiencies of the previously applicable rules and providing a safe legal environment for prospective investors, particularly in the RES sector. The main novelties introduced by Law 4685/2020 include the following: (a) the RES production licence was replaced by a certificate issued digitally through a fast-track procedure; (b) the duration of environmental licences was extended from 10 to 15 years, while deadlines for the issuance of environmental licences were largely shortened; (c) various restrictions for the use of land were wholly or partially lifted; and (d) new deadlines for several milestones of the licensing procedure were set.

As part of the Government's effort to contain the growing congestion of RES licences and pending applications and, effectively, to limit the number of future producers by testing their financial capacity, Law 4819/2021 imposed certain significant obligations on the developers of early-stage RES and CHP projects. Following this measure, in order for RAEWW to issue a Producer's Certificate or a Special Project Certificate, applicants are now under the obligation to submit a Letter of Guarantee equal to €35,000/MW to RAEWW. Additional guarantees are required from the RES developers in the context of the grid connection priority framework (Ministerial Decision 4333/12.08.2022, as amended and in force).

Further to the first-phase licensing simplification effected by Law 4685/2020, Law 4951/2022 was enacted, overhauling the RES licensing framework and further reforming the Greek energy market. More specifically, based on Law 4951/2022: (a) numerous amendments were introduced, aimed at reducing the

average licensing time for RES projects from five years to 14 months; (b) measures were adopted for the management of available grid capacity both at the level of IPTO's power transmission system and the Hellenic Electricity Distribution Network Operator's ("**HEDNO**") distribution network; (c) a special grid connection priority framework was introduced and further implemented through Ministerial Decision 4333/12.08.2022 of the Ministry of Environment and Energy (as amended and in force) in an effort to transparently resolve the grid congestion bottleneck; (d) a completely new framework regulating energy storage was introduced, opening the door to investment in standalone storage as well as hybrid projects; (e) a set of provisions laid the groundwork for the development of offshore solar plants, initially launching a first bundle of up to 10 pilot PV projects; and (f) the legal framework governing GOs was substantially amended, streamlining the relevant trading market.

Further to the grid connection prioritisation framework introduced by the Ministerial Decision 4333/12.08.2022 referred to above, Law 5095/2024 provided for absolute priority in grid connection for RES projects that have concluded a PPA with retailers, who ultimately feed the energy-intensive industry and the agricultural sector.

Another critical development showcasing the Government's current energy policy and determination to achieve the decarbonisation targets was the enactment of a long-anticipated framework to regulate the development of offshore wind plants – a target of 1.9 GW capacity in operating offshore wind farms by 2030 has been set, with several major local energy players partnering with foreign companies with experience in the development of offshore plants in preparation for the implementation of the new framework. Following issuance of the National Program and the Strategic Environmental Impact Assessment ("**SEIA**"), the "map" of the zones in the Greek seas where offshore wind farms can be developed is expected to be formalised, paving the way for the first domestic investments to exploit the country's rich offshore wind potential. For the development of offshore wind projects to be expedited, HEREMA, the state-owned company coordinating and handling the development offshore wind farms, is expected to establish an SPV that will undertake the required surveys in the finalised zones. In turn, potential investors will be able to obtain these surveys to kick-start the development of offshore wind projects. The tenders for potential investors are set to take place in 2027, with the concessions of the offshore "plots" expected to be finalised approximately a year later. Thus, from the first half of 2028, following completion of the tenders, qualifying investors will be prepared to commence installation of the first offshore wind farms.

In an effort to relieve the grid congestion and further develop the energy market, in 2022, the Government introduced a fully-fledged regulatory framework to govern storage projects and hybrid projects with combined generation and storage, and since 2023 has conducted three storage capacity auctions for the financial support primarily of BESS capacity, granting operating and investment aid. The prospect of increasing the auctioned capacity for battery-based renewable energy projects is rooted in the role that these projects can play in curbing "green" generation curtailments, which have already begun to appear in the domestic system and are expected to increase in the following years. With a view to boosting the establishment of hybrid renewable energy systems in locations that are not fitted with an electricity distribution system, such as the non-interconnected islands, the Government has developed a special legal framework to govern hybrid power, including specific pricing schemes. More specifically, on 21 December 2021, the European Commission approved a Greek support scheme (Case SA.58482) designed to promote the development of hybrid solar-wind power plants with storage across 29 island electricity systems, encompassing 47 islands, through 2026. The scheme allocates a budget of €1.4 billion to support around 264 MW of new renewable energy capacity. State aid is provided through both investment support and operating aid, mainly distributed via competitive bidding processes, in accordance with EU regulations on state aid and electricity market integration. The creation of a hybrid power market, which is expected to entail the granting of favourable tariffs through competitive procedures, will aim at providing increased system efficiency as well as greater balance in energy supply, resolving the significant power outage issues on the Greek islands.

Law 4513/2018 had initially set the legal framework for the establishment of energy communities, aiming to promote social economy, solidarity, innovation and sustainability in energy, as well as to increase energy efficiency in the final consumption of local communities. By way of several legislative amendments following the introduction of energy communities into the Greek market, various incentives have been granted to projects developed by such communities, including privileged grid connection potential, limited financial obligations (guarantees submitted to the competent authorities) and tariff-related benefits. In 2023, Law 5037/2023 introduced significant changes in respect of the current energy communities' framework, gradually abolishing the traditional scheme operated under Law 4513/2018. Instead, two new similar types of legal entities have been introduced: Renewable Energy Communities; and Citizen Energy Communities. The aim of the new legislation is to relaunch and streamline the concept of energy communities, by limiting their formulation to purely commercial entities and reserving regulated tariffs and licensing incentives for Citizen Energy Communities, operating to the benefit of local communities.

The field of self-consumption has not been an exemption in terms of critical legal developments. While self-production (net-metering) was initially introduced into the Greek legal system by Law 3468/2006 and further regulated by secondary legislation, in March 2023, Law 5037/2023 severely amended the entire legal framework governing self-consumption schemes by, among other things, introducing for the first time the (virtual) net-billing mechanism, allowing collective self-consumption and limiting the pool of eligible producers under the well-established net-metering scheme. Subsequent Law 5106/2024 issued in May 2024 further clarified and streamlined the relevant framework; however, implementation of the net-billing scheme was deferred until a comprehensive set of rules were issued by way of a ministerial decision, which, after a long delay, was issued in September 2024. The new rules aim to fill the market gap caused by the phasing out of the net-metering scheme, leaving businesses and households ineligible for any self-consumption; further to this new framework, which enables self-consumers to sell electricity on the wholesale market or through PPAs, new market opportunities will emerge.

Another central development was the enactment of Law 4710/2020 in July 2020, introducing for the first time a fully-fledged legal framework to govern the Greek e-mobility market. This new law enabled the installation of publicly accessible EV charging stations in existing fuel stations, shopping centres, supermarkets, parking lots, as well as in public buildings and along motorways or highways. Further, Law 4710/2020 provided for the establishment of EV charging operators, expected to primarily develop their own recharging stations at new, designated locations. The various incentives to be offered under Law 4710/2020 and its implementing acts, including granting of subsidies to private users (indicatively, reduction of VAT for the purchase of EVs), tax benefits, as well as the introduction of traffic privileges for the use of EVs, are expected to be instrumental in encouraging drivers to use EVs.

On the electricity infrastructure front, IPTO is in the process of integrating the island of Crete with the Interconnected System. Until recently, electricity on Crete was provided by an autonomous electricity system, with power mainly generated by oil-fired plants (with a total capacity of 813 MW), together with substantial capacity provided by renewable sources (with a total capacity of 279 MW). Based on Articles 106–108 of Law 4821/2021, as of 1 August 2021, ownership of the Crete HV System passed automatically from PPC to IPTO, while management of the system passed from HEDNO to IPTO on 1 October 2021. Crete is expected to be fully integrated in two phases, comprising the Crete-Peloponnese interconnection, which has been electrified, successfully making this project the longest subsea alternative current connection in the world, and the connection between Crete and Attica, which was expected to be completed by the summer of 2025, Ariadne Interconnection S.A., a special purpose vehicle ("**SPV**") established by IPTO, assigned with the implementation of the Athens-Crete interconnection project, has started construction of the electricity grid project. Outdated diesel-fuelled power stations operating in Crete need to be phased out in order to meet EU environmental standards. Electricity interconnections with the Dodecanese island complex and the North Aegean islands are planned to be completed by 2029 and 2030, respectively. These subsea interconnections will not only contribute to the reliability of the power supply and to the

economic growth of the island regions but, most importantly, will help prevent the islands' environmental degradation and enable the injection of increased RES capacity from the islands into the national grid.

Other significant market trends and developments include the ongoing interconnection of some of the non-interconnected islands (e.g. Cyclades) with the Interconnected System. In the non-interconnected islands, electricity has historically been generated autonomously or in complexes of adjacent islands. Integrating the non-interconnected islands should increase the reliability and security of electricity supply, reduce generation costs, enable grid decongestion and increase opportunities to exploit significant renewable energy capacity.

In addition to integrating the non-interconnected islands, in 2023, IPTO made progress and also expanded the number of cross-border international interconnections. IPTO is already interconnected with Albania, Bulgaria, Italy, North Macedonia and Turkey. A second interconnection with Bulgaria was completed in June 2023, contributing to increased cross-border exchanges, improving the security of electricity exchanges between Greece and Bulgaria, and accommodating expected future renewable energy generation capacity in Northeast Greece. Additional interconnections are being promoted by IPTO, specifically a second interconnection with each of Italy, Turkey and Albania, all of them planned to be completed by 2031, and the upgrade of the existing interconnection with North Macedonia.

Energy infrastructure is also evolving at the EU level. Two energy axes that are expected to upgrade the country's role as an "energy channel" for Europe and an established exporter of green energy are to be constructed, with the involvement of DESFA and IPTO. These are the Green Aegean Interconnector, an electricity interconnector, which is planned to have its starting point in Greece and its ending point in Germany, and the Vertical Gas Corridor, both aimed at transferring green electricity and gas to the European north.

In addition to the above, the Great Sea Interconnector, a high-voltage direct current interconnector between the Greek, Cypriot, and Israeli power grids via the world's longest submarine power cable, is under development, although the project has encountered various obstacles and was temporarily suspended during the summer of 2025. This interconnection would lift the energy isolation of Cyprus and would create a new market for both Greece and Cyprus, while maximising energy security.

Another planned interconnection project is GREGY, an interconnector between Greece and Egypt for which the final investment decision is expected in 2025, while a less mature project, the Saudi-Greek Interconnector, is underway, with preliminary studies being conducted.

In addition to the above developments, in 2021, the Government completed the successful sale of a 49% stake in HEDNO to an international fund, as well as the transfer to HEDNO of the distribution network, which previously belonged to PPC (in the context of HEDNO's part-privatisation). Further, an international tender for the sale of a 20% stake in Ariadne Interconnection S.A. is ongoing, with binding offers having been submitted in July 2024 and a final award decision, and the launch of construction of the Great Sea Interconnector, a proposed high-voltage direct current interconnector between the Greek, Cypriot, and Israeli power grids via the world's longest submarine power cable.

Overview of recent developments (including judicial decisions) impacting the energy market and future energy policy

Recent years have been marked by the continuing rapid penetration of RES and storage projects into the Greek energy market, with further business and legal trends emerging, including a significant rise in self-consumption and corporate PPAs, a growth in electromobility infrastructure and services, as well as a fresh interest in green hydrogen projects, in recognition of the challenges in sectors that are not easily electrified. At the same time, during this period, electricity market prices saw gradual stabilisation, while, after a challenging adaptation process, the newly established wholesale markets have started to show signs of maturation.

More specifically, Greece has advanced renewable energy participation by launching a dedicated PPA platform through HEnEx, enabling transparent and non-discriminatory bilateral RES-PPA agreements. The platform offers a standardised contract template, especially benefitting smaller producers and offtakers, though its use is optional. Participation requires registration, user activation, and nominal fees. HEnEx oversees the platform's development and operation, ensuring equal access, confidentiality, and fair treatment for all participants.

In terms of grid connection congestion, Greece continues to face challenges, which, along with the green transition targets, create the need for drastic measures and significant investment in grid infrastructure. The legislation enacted in July 2022, as further amended several times, intends to decrease grid congestion, including by adjusting the capacity margins in congested areas, releasing grid capacity from existing plants that cease operating and allowing for the imposition of injection cuts on producers. This new initiative also set the ground for IPTO to stop accepting new grid connection applications for specific periods of time in areas where the grid has limited space. The Government is closely monitoring the connectivity margins across the various regions of the country and aims to adjust the grid connection framework to facilitate renewable energy project development.

To further support electricity storage development, Ministerial Decision 28255/1143/2025 issued in March 2025, as amended by Ministerial Decisions 63434/2532/2025 and 103834/4214/2025, set the application process for Final Grid Connection Offers for independent (standalone) storage stations operating solely on market revenues. The deadline to submit requests for Final Grid Connection Offers for individual storage stations was set to expire on 31 October 2025. The above framework also establishes the "Merchant BESS Priority Regime" under Article 11D (as introduced by Article 41 of Law 5151/2024), defining eligibility criteria, priority rules (fast-track access to Final Grid Connection Offers), capacity caps, ownership concentration limits, and financial assurance requirements.

Greece is moving to regulate green hydrogen in line with its National Energy and Climate Plan, covering electrolysis-based production from RES, use as marine fuel, and refuelling infrastructure. Law 5215/2025 sets a framework to promote biomethane, streamlining licensing, grid/distribution integration, and incentives to upgrade biogas units, while partially incorporating Directive (EU) 2024/1788 on organising the hydrogen market and local hydrogen networks. It also addresses permitting and grid connection for hydrogen production units.

On 2 July 2025, Law 5251/2025 – Greece's first dedicated hydrogen law – introduced a full regime for producing, certifying, and regulating renewable (green) hydrogen, partially transposing Directive (EU) 2024/1788 and aligning with Delegated Regulation (EU) 2023/1184. The core requirement is the Hydrogen Producer Certificate ("**HPC**"), issued via RAAEY's digital registry, valid for 25 years and renewable once. Licensing covers environmental approval, grid or monitoring agreements, and installation/operation permits, typically reaching ready-to-build in about 24 months. Renewable certification, issued by DAPEEP, requires RES electricity either directly from a plant or, if from the grid, compliance with additionality, temporal, and geographic correlation rules. The law also enables investment and operating aid for HPC-holding projects, subject to EU state aid and national budget constraints, positioning Greece to advance its Green Deal, REPowerEU, and EU Hydrogen Strategy objectives and emerge as a regional green hydrogen hub.

Law 5251/2025 also sets out the framework for encouraging biomethane production and increasing its role in the national energy mix. It outlines the licensing procedures for biomethane production facilities and their connection to the national natural gas system or distribution networks. Additionally, the law introduces support measures and incentives aimed at upgrading existing biogas units to biomethane units.

Greece aims to shut down all coal-fired plants by 2028, with most closures by 2026, following a gradual reduction in coal activities since the early 2010s. The Government's Master Plan focuses on employment protection, mitigating socio-economic impacts, and ensuring energy self-sufficiency in lignite regions.

This just transition includes investments in clean energy, such as new PV plants in Megalopolis and Western Macedonia by PPC Renewables and other investors. Laws 4759/2020, 4872/2021, and 4887/2022 established a long-term strategy for lignite areas, supported by €1.63 billion in total investment, including €1.38 billion in EU Just Transition Fund grants. PPC, as the owner of lignite sites, is responsible for restoring these areas and developing renewable energy projects. Programme agreements between the Greek State and PPC are set to define the framework for spatial planning, new land uses, area upgrades, project financing, and the transfer of PPC-owned land and related rights to the State.

To ensure a fair development transition of the lignite areas in Western Macedonia and Megalopolis, a three-pillar plan was announced: employment protection; compensation of the socio-economic impact of the transition; and energy self-sufficiency of lignite areas. Greece is a pioneer in Europe for the "just transition" plan related to lignite areas, which identifies five development areas, including (i) clean energy, (ii) industry, small industry and trade, (iii) smart agricultural production, (iv) sustainable tourism, and (v) technology and education.

In response to the energy crisis and in order to tackle a potential deficiency in natural gas in the near future, several new floating terminal plans are ramping up in the Greek market, adding to the long-expected Alexandroupolis FSRU, an LNG terminal whose commercial operation started on 1 October 2024. The Alexandroupolis FSRU is now the second LNG terminal operating in Greece, after the Revithoussa LNG Facility (the latter being part of the NNGTS). In addition, completion of Dioryga Gas, a new LNG Facility in Corinth developed by the Motor Oil group, and Argo FSRU, an additional LNG Facility in Volos developed by Mediterranean Gas, both set to reach commercial operation in 2025 or early 2026, are expected to further increase the capacity of the Greek natural gas system, thus strengthening the country's security of supply.

Gas-fired power plants have also increased, with major players in the Greek energy market launching relevant investment plans. A closed-circuit gas turbine ("**CCGT**") 826 MW power plant commenced commercial operation in 2023, while two more CCGT power plants of more than 800 MW are currently under construction and are expected to enter into commercial operation soon.

Meanwhile, in terms of natural gas infrastructure, since its commercial operation, the IGB pipeline has become a key element in Greece's and Bulgaria's path towards energy diversification, security and independence. In light of the general drive to increase pipeline capacity in Southeast Europe under the Vertical Gas Corridor initiative, the pipeline operator, ICGB, has announced the expansion of the IGB pipeline capacity. According to its preliminary technical studies, ICGB anticipates having an expanded capacity from 3 bcm/year to 5 bcm/year by the end of 2026, thus strengthening the role of Bulgaria and Greece on the regional energy map.



Endnotes

1 Please see: https://www.iene.gr/articlefiles/deltio%20energeiakis%20analysis%20no428.pdf

2 Please see: https://www.dapeep.gr/viosimi-anaptixi/energeiako-meigma



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Yannis has a wide-ranging transactional practice that encompasses significant experience in acting in complex privatisations, public and private projects and M&A. He has particular expertise in the energy, infrastructure, utilities and transport sectors. His vast experience in privatisations reaches back to his time as Special Secretary for Privatisations at the Ministry of Finance, in which capacity he managed the sale of numerous state-owned companies, notably public utilities. Since joining the firm in 2004, he has been involved in high-profile privatisations of grid operators, motorways, ports, airports and railways.

Yannis is an expert in energy law, advising on the structuring, development, financing and implementation of transactions and projects in the conventional and renewable energy sectors. He advises extensively on legislative risk and compliance and counts leading energy companies, international investors, financiers and government bodies among his clients.

Yannis advises both privately and state-owned entities and consortiums on project financings and public-private partnerships, with a specialisation in documenting and negotiating concession contracts. He also advises on the regulatory framework for the assignment of public contracts by way of tenders and for developing projects and public-private partnerships.

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Eleni is a counsel at the firm, which she joined in 2017. She specialises in major project infrastructure development and energy law, including M&A transactions in these areas.

Eleni has substantial expertise in the structuring, drafting and negotiation of commercial agreements of any type, with a focus on the infrastructure, energy, commodities, transport and telecoms industries. She assists clients across a wide range of sectors, including renewable energy, utilities, oil and gas, and transportation infrastructure. With expertise in both domestic and international transactions, Eleni specialises in drafting, negotiating, and structuring complex contracts related to acquisitions, project development, financing, construction and operational agreements, reporting and implementation of regulations and leading complex due diligence reviews. Her track record in commercial contracts includes drafting and negotiating construction and supply agreements, operation and maintenance contracts, and energy procurement in general.

Eleni has acted on behalf of investors, developers, government entities, and financial institutions in the context of greenfield project development and M&A transactions. She also advises on regulatory and compliance matters in the field of energy law, leveraging clients' ability to implement their business models.

Prior to joining the firm, Eleni worked as corporate counsel in the architectural and construction sectors in Greece and abroad.

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