Energy Law Briefing: Special Edition

Special BESS Grid Connection Scheme

A. Introduction
B. Project Grouping
C. Eligibility Requirements
D. Anti-Concentration Rules
E. Development and Operational Requirements
F. Penalties
G. Application Process
H. Financial Robustness

A. Introduction

1. Earlier this month, following a delay of more than one year, a critical development for the Greek energy market took place. The Ministry of Environment and Energy introduced a special grid connection priority framework for merchant storage projects, which had initially been anticipated by Law 5151/2024[1].
2. Based on a new Ministerial Decision[2], standalone Battery Energy Storage Systems (**BESS**) projects that have not been awarded investment aid or operating support through the tender procedures of the Regulatory Authority for Energy, Waste and Water (**RAEWW**) will enjoy special benefits in the race for Final Grid Connection Offers (**FGCOs**) (the **Special BESS Grid Connection Scheme**).
3. The Special BESS Grid Connection Scheme applies to BESS projects set to be connected both to the Transmission System operated by IPTO and to the Distribution Network operated by HEDNO.
4. The Special BESS Grid Connection Scheme did not directly amend the Grid Connection Priority Framework and the Industrial and Agricultural PPA Grid Connection Priority Framework introduced

[1] The special framework for the grid connection of merchant storage projects was established by virtue of Article 41 of Law 5151/2024, which amended Law 4685/2020 by adding new Article 11D.
[2] ΥΠΕΝ/ΓΔΕ/28255/1143/2025, Government Gazette B' 1248/13.3.2025.

in 2022 and 2024 respectively. However it does affect the existing order of priority by effectively granting merchant BESS projects a significant head-start compared to other categories.

5. Applications for eligible projects will be evaluated by the Grid Operator (IPTO or HEDNO) in parallel with:
   a. projects falling under the Industrial and Agricultural PPA Grid Connection Priority Framework;
   b. hybrid projects located in non-interconnected islands and Crete; and
   c. storage projects that have already secured operating support through the RAEWW tender processes.
6. This new Ministerial Decision defines project groups, capacity limits, eligibility criteria, anti-concentration and prioritization rules, regulates the application process and technical requirements, and sets penalties imposed for non-compliance.
7. After the evaluation of applications based on the set criteria and process, a Ministerial Decision is expected to establish the selection order of eligible merchant BESS projects favored by the fast-track scheme.

B. Project Grouping

1. Eligible BESS projects fall into two main categories of ESMIE and EDDIE Project Groups.
2. ESMIE Project Groups include eligible projects with a capacity of >10MW connected to the Transmission System:

Project Group[3]	Capacity Cap	Specifications	Special Priority Order
ESMIE A1	500 MW	BESS projects with secured bilateral agreements of at least eight years with energy-intensive industrial consumers, covering the project's entire capacity.	A. 30% of capacity: Ranked by distance between the BESS project and the industrial or business consumer it serves. B. 30% of capacity: Ranked chronologically, based on the date of the complete FGCO application. C. 40% of capacity: Ranked based on grid connection criteria, with priority given to projects based on their proximity to the substations to which they will be connected.
ESMIE A2	100 MW	BESS projects with secured bilateral agreements of at least eight years with businesses, covering the project's entire capacity.	

[3] IPTO will evaluate the applications for each Project Group in the following order: a) ESMIE B, b) ESMIE C, c) ESMIE A1, d) ESMIE A2 and e) ESMIE A3.

<table>
<tr>
<td>ESMIE A3</td>
<td>300 MW</td>
<td>BESS projects owned by a licensed Grid Aggregator or a fully owned subsidiary thereof. The BESS capacity must not exceed 10% of the total RES portfolio managed by the Aggregator, with a minimum portfolio size of 100 MW.</td>
<td>A. 30% of capacity: Ranked chronologically, based on the date of the complete FGCO application.

B. 70% of capacity: Ranked based on grid connection criteria, with priority given to projects based on their proximity to the substations to which they will be connected.</td>
</tr>
<tr>
<td>ESMIE B</td>
<td>250 MW</td>
<td>BESS projects located in lignite phase-out zones. A maximum of 100 MW per zone is allocated, and unused capacity is reallocated to the zone with the highest grid congestion.</td>
<td>Ranked based on grid connection criteria, with priority given to projects based on their proximity to substations.</td>
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<tr>
<td>ESMIE C</td>
<td>2,550 MW</td>
<td>BESS projects that do not qualify under the other ESMIE Project Groups:

<table>
<tr><th>Region</th><th>Capacity Cap</th></tr>
<tr><td>Eastern Macedonia and Thrace</td><td>250 MW</td></tr>
<tr><td>Central Macedonia</td><td>400 MW</td></tr>
<tr><td>Western Macedonia</td><td>425 MW</td></tr>
<tr><td>Thessaly</td><td>250 MW</td></tr>
<tr><td>Central Greece</td><td>300 MW</td></tr>
<tr><td>Epirus</td><td>100 MW</td></tr>
<tr><td>Western Greece</td><td>150 MW</td></tr>
<tr><td>Peloponnese</td><td>400 MW</td></tr>
<tr><td>Attica</td><td>100 MW</td></tr>
<tr><td>Crete</td><td>200 MW</td></tr>
<tr><td>Interconnected Islands of Cyclades</td><td>25 MW</td></tr>
<tr><td>Ionian Islands</td><td>50 MW</td></tr>
</table>
</td>
<td>A. 30% of capacity: Ranked chronologically, based on the date of the complete FGCO application.

B. 70% of capacity: Ranked based on grid connection criteria, with priority given to projects based on their proximity to substations[4].

Special Priority Order for Peloponnese:

A. First 200 MW Allocation: BESS Projects located ≤15 km from an Ultra-High Voltage Center ranked by maximum guaranteed useful capacity (≥4 hours storage).

B. Remaining 200 MW Allocation: BESS projects with capacity >70MW, ranked by proximity to the substation to which they will be connected.</td>
</tr>
</table>

[4] Refers to Ultra-High Voltage Centers or Substations that are either currently operating, under construction, or those with a Grid Connection Agreement in place.

3. EDDIE Project Groups: Eligible projects with capacity ≤10MW connected to the Distribution Network:

Project Group	Capacity Cap	Specifications	Special Priority Order
EDDIE A	350 MW	BESS projects with 5 MW < capacity ≤ 10 MW	Ranked chronologically, based on the date of the complete FGCO application, for each substation per region, as specified in Annex I of the Ministerial Decision.
EDDIE B	150 MW	BESS projects with 1 MW ≤ capacity ≤ 5 MW	
EDDIE C	150 MW	BESS projects with capacity < 1 MW	
EDDIE D	250 MW	BESS projects with capacity ≤ 10 MW with secured bilateral agreements of at least eight years with businesses, covering the project's entire capacity[5].	

C. Eligibility Requirements

1. To qualify for the Special BESS Grid Connection Scheme, merchant BESS projects must meet specific criteria, including:
   a. a complete application for an FGCO must have been submitted after 4 July 2022;
   b. the project owner must have secured external financing (or at least pre-approval) or demonstrate sufficient equity to fully fund the development of the BESS project at the time of submission of the application; the reference amount of the construction cost is €200/kWh;
   c. the BESS project has a maximum injection capacity of at least 0.5 MW and a usable storage duration of at least two hours;
   d. an FGCO has been issued for the BESS project, whether as a standalone system, an addition to an RES project sharing a common connection point, or through the conversion of conventional power plants or fossil fuel generation licenses into storage projects;
   e. the investor must demonstrate that they have robust land rights over the project site; and
   f. the BESS project must meet several technical and operational requirements, while the investor must take out at least the minimum insurance policies and ensure proper decommissioning and equipment recycling.

D. Anti-Concentration Measures

1. The new Ministerial Decision limits the capacity per investor that can benefit under the Special BESS Grid Connection Scheme to discourage market concentration. Each project owner may directly or indirectly hold standalone BESS projects to be connected to the:

[5] The project's maximum capacity must not exceed the business's peak annual consumption, as recorded in 2024 or the most recent full calendar year.

a. Transmission System with an aggregate capacity of < 250 MW; and
b. Distribution Network with an aggregate capacity < 50 MW.

Additionally a cumulative market cap of 500 MW per project owner applies to all BESS projects (standalone or RES-combined[6]) until 2029.

2. In addition to the above general caps, for projects qualifying under groups:
   a. ESMIE A1 and ESMIE A3, a special limit of 100 MW of BESS projects has been set; and
   b. ESMIE A2 and EDDIE D investors can directly or indirectly connect up to 50 MW of BESS projects.

E. Financial Robustness

1. The application must be accompanied by a letter of guarantee with a minimum validity of two years (the **Application Bond**), calculated as follows:

Project Group	Amount / MW
ESMIE Project Groups	€200k
EDDIE Project Groups (providing proof of secured financing)	€50k
EDDIE Project Groups (not providing proof of secured financing)	€100k

2. Upon issuance of the FGCO, the Application Bond must be replaced with a letter of guarantee for the performance of the project of the same amounts (the **Performance Bond**). The Performance Bond is reduced to half of the initial amount after three years of operation and is returned to the interested party after 6 years.

F. Development and Operational Requirements

1. BESS projects securing grid connection under the Special BESS Grid Connection Scheme must submit a Declaration of Readiness within 18 months of FGCO acceptance and will be subject to curtailment measures.

G. Penalties

1. If a project fails to comply with the Special BESS Grid Connection Scheme requirements, including timely electrification, the Application Bond or the Performance Bond will be forfeited.
2. The relevant Grid Operator will also suspend the project's grid connection until full compliance is achieved.

[6] Excluding RES projects with integrated BESS that cannot absorb power from the grid.

H. Application Deadlines

1. To qualify under the Special BESS Grid Connection Scheme, project owners must submit an application within the following deadlines:

Project Group	Application Deadline
ESMIE Project Groups except for the regions of Crete, Cyclades and Ionian Islands	13 June 2025
EDDIE Project Groups and for the regions of Crete, Cyclades and Ionian Islands	13 August 2025



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