

Country: Greece

Population: 10,775,643

GDP: \$297.17 billion

Unemployment rate: 24.9%

Inflation Rate: 0.1%

Net Power Consumption:

56,996 GWh (2015)

Net Power Generation:

47,387 GWh (2015)

Gas Demand:

2.96 bcm (2015)

LNG Imports:

0.45 mln tonnes (2015)

Crude Oil Imports:

161.67 mln barrels (2015)

Infrastructure Update

- **TAP pipeline** construction to start on 17/5/16. Completion is due in 2019, first gas deliveries due in early-2020.
- **IGB pipeline** market completed on 31/3 but believed to have been extended by 2 weeks, to allow for the official submission of bids by Bulgargaz, Socar, Noble, Gastrade (aggregate cap 4 bcm).
- The positive prospects of IGB “pave the way” for the planned **FSRU LNG import terminal in Alexandroupoli, Greece**. The project is managed by Gastrade and is eligible to become the entry point of US LNG into the Southeastern European market.

Regulation Update

- Since 1/1/2016 all industrial consumers of gas (demand >2.2GWh/yr) are “**Eligible Customers**”, having the right to switch suppliers. From 1/1/2017 all non-residential and from 1/1/2018 all customers respectively will also become “Eligible”
- **Gas unbundling** of supply and distribution is due by end 2016.
- A **new renewable energy bill** is now on public consultation, in line with the “Guidelines on State Aid for Environmental Protection and Energy 2014-2020”, signaling the shift from “feed-in-tariff” support scheme to “sliding feed in premium”.

Politics & Macroeconomic Update

- Incumbent government still amidst negotiations with creditors (IMF, EU institutions) for completion of **1st Evaluation of Third Bailout Package**. The bill includes revision of tax rates and drastic social welfare reforms.
- **ADMIE Privatisation** - Greek electricity network operator - deemed as a prerequisite for the successful completion of 1st Evaluation.
- **JC of Cooperation for Greece-Cyprus-Egypt** is now formed, aiming to seek progress on pending issues of Economic Exclusive Zones and explore regional pipelines potential (i.e East Med pipeline).

GEF Forward View

The Greek energy market is currently going through fundamental restructuring, finally leaving behind political superstitions and domestic resistance. Beyond gas market, renewables new bill and strategic pipelines eventually progressing, the next big front is the electricity market; new “Target Model”, new Capacity Payments scheme, 3rd party access to hydro and coal-fired power generation, creation of daily and intraday balancing market, are shortly getting en route.

Market Update

- The 2nd public auction for **Interruptible Demand tranches** took place on 31/3/16. 650 MW booked as “short-term load” at 30,000€/MW, 850 MW as “long-term load” at 21,900 €/MW.
- The **latest quarterly DEPA gas release auction** was held on 15/3/16. The starting price was approximately 12.7 €/MWh. The next quarterly DEPA auction is due on 15/6/16. So far, there are 21 active private gas suppliers in Greece either self-consuming gas or supplying “Eligible” industrial customers.
- **Exploration & exploitation licenses** for 3 onshore gas blocks in Western Greece have been awarded to Hellenic Petroleum (HELPE) and Energean. This development follows an earlier tender of 3 offshore fields awarded to JV’s led by HELPE and Energean. The tender for the concession of 20 blocks in the Ionian Sea and South Crete is still under evaluation with 3 bids submitted.
- Greece became the first EU country to buy **Iranian oil** after the lifting of sanctions. The country’s biggest oil refiner, Hellenic Petroleum (HELPE), has resumed purchases of crude from the National Iranian Oil Co. (NIOC) under a long term agreement. **HELPE is planning to cover 20% of its crude oil demand via a swap for clean petroleum products with Iran**. Negotiations are also conducted for cooperation in the gas and LNG sectors.
- The **existing LNG import terminal in Revithoussa** is currently under expansion (completion due mid-2017), involving the construction of a 3rd storage tank, the upgrade of marine facilities, the installation of additional cryogenic send-out equipment and the upgrade of the metering system. This upgrade **(+73% storage capacity, +40% faster regas rate, Q-max suitability)** will not only increase security of gas supply and balancing capability for the natural gas system but will also **enhance 3rd party access to physical flexibility and competition in the domestic natural gas market**.