



Country: Greece

Population: 10.9 mln

GDP: €184 bln (2017)

Unemployment rate: 21.4% (2017)

Inflation Rate: 1.1% (2017)

Net Power Consumption:

51,501 GWh (2017)

Net Power Generation:

45,538 GWh (2017)

Gas Demand:

4.8 bcm (2017)

LNG Imports:

1.04 mln t (2017)

Crude Oil Imports:

172.04 mln bbl (2017)

Sources: World Bank, Bank of Greece, DESFA,

EC, LAGIE, IMF



Infrastructure Update

- The consortium of Snam SpA, Enagas International SLU and Fluxys SA has been declared a “preferred bidder”, following an improved financial offer of 535 mln euros for the acquisition of a 66% stake in gas grid operator DESFA. It is anticipated that the transaction will be finalised in H2 2018 after securing approvals, including antitrust clearance.
- Mytilineos Group has announced its decision to invest in a new 650MW CCGT in Agios Nikolaos in Central Greece. With an efficiency of 68%, it is expected to become the most efficient gas-fired plant in Europe by 2021. The investment will surpass 300 mln euros. EPC will be undertaken by METKA.
- The construction tender for the IGB pipeline, which will connect Greece and Bulgaria with a capacity of up to 5 bcm p.a., has started. The plan for the pipeline is to become operational by 2021.

Regulation Update

- A new framework regulating the implementation of “virtual pipeline” gas procurement solutions via CNG has been presented, allowing the imminent gasification of off-grid areas. That will be primarily to the benefit of the residual ~25% of Greek population which currently has no access to natural gas.
- The Ministry of Energy and Environment has suggested the reduction of the RES-supporting supplier surcharge by 35 percent following a surplus projection for 2018 by the Electricity Market Operator. This amendment, expected to enhance competition in the retail market, has been included in the bill together with the selling of lignite power plants, which is under discussion in the parliament.

Politics & Macroeconomic Update

- A Bill concerning the Public Power Corporation’s sale package of lignite units has been approved by the Parliament. The package consists of two power plants in Megalopoli, one power plant in Meliti as well as a license for a new one, and the rights to the mines that feed the plants. The plants will be grouped into 2 companies, covering the north and south power system zones of Greece. According to the Bill, an open, international public announcement for the selling of those power plants will take place by end May 2018.
- Major shareholders Hellenic Petroleum, Paneuropean Oil and Industrial Holding agreed with the Greek government to divest at least 50.1%. This falls under the privatization program mandated by the national bailout package. The deadline for the 1st round tender offers is May 2018.

GEF Forward View

Privatisations in the energy sector gain momentum! Electricity TSO (ADMIE) and gas TSO (DESFA) have now been completed. The divestment of PPC assets is progressing, whilst next in line are HELPE, PPC and DEPA. The discussions for big changes of shareholders’ structure between DEPA, ENI and Shell for their gas retail units and LDC entities are close to fruition. In conclusion, the fact that private capital is being injected in the market, combined with the continuation of drastic pro-liberalization policies, the on-schedule construction of TAP and the initiation of the IGB tender, cast “bright rays of optimism” over the Greek energy landscape.

Market Update

- Actual gas demand in 2017 outperformed all projections until 2025, exceeding 4.8 bcm. It is worth mentioning that 65% corresponded to gas-to-power demand, underlying the ever increasing dependence of the national energy mix on gas. Also, It is remarkable that 30% of the national demand was covered via LNG imports.
- On April 1, renewable energy covered nearly 70% of Greek electricity demand - a historic high - providing a total of 78.98 GWh out of 116.8 GWh required for the day. Just three of the country’s lignite-fired power stations, Kardias IV, Amynteo I and Megalopoli IV, needed to contribute on the day, all operating below capacity utilisation.
- Tesla, the leading electric car company, is planning to open an R&D plant in Greece. The company will take advantage of the strong electric motor engineering talent of the country, part of which has already been supporting the company since three of Tesla’s top designers are Greeks with degrees from the National Technical University of Athens.
- Oil majors Exxon Mobil, Total and Repsol are among the two consortia that have submitted bids to explore for oil and gas off Crete and in the Ionian Sea. Greece’s oil and gas resources management company (HHRM) is in the process of evaluating the offers to award the concessions by May 2018.
- In March 2018, Energean Oil & Gas completed successfully the listing procedures in the London Stock Exchange market. The company issued 72,592,016 new common shares at a price of £4.55 per share, raising the company’s capitalisation to £695 million (\$968 million). The money raised (around £330 million) will be used for the development of the Karish and Tanin natural gas fields in Israel.
- Energean has extended its Prinos long-term offtake agreement with BP Oil International Limited, initiated in 2013, till November 2025.

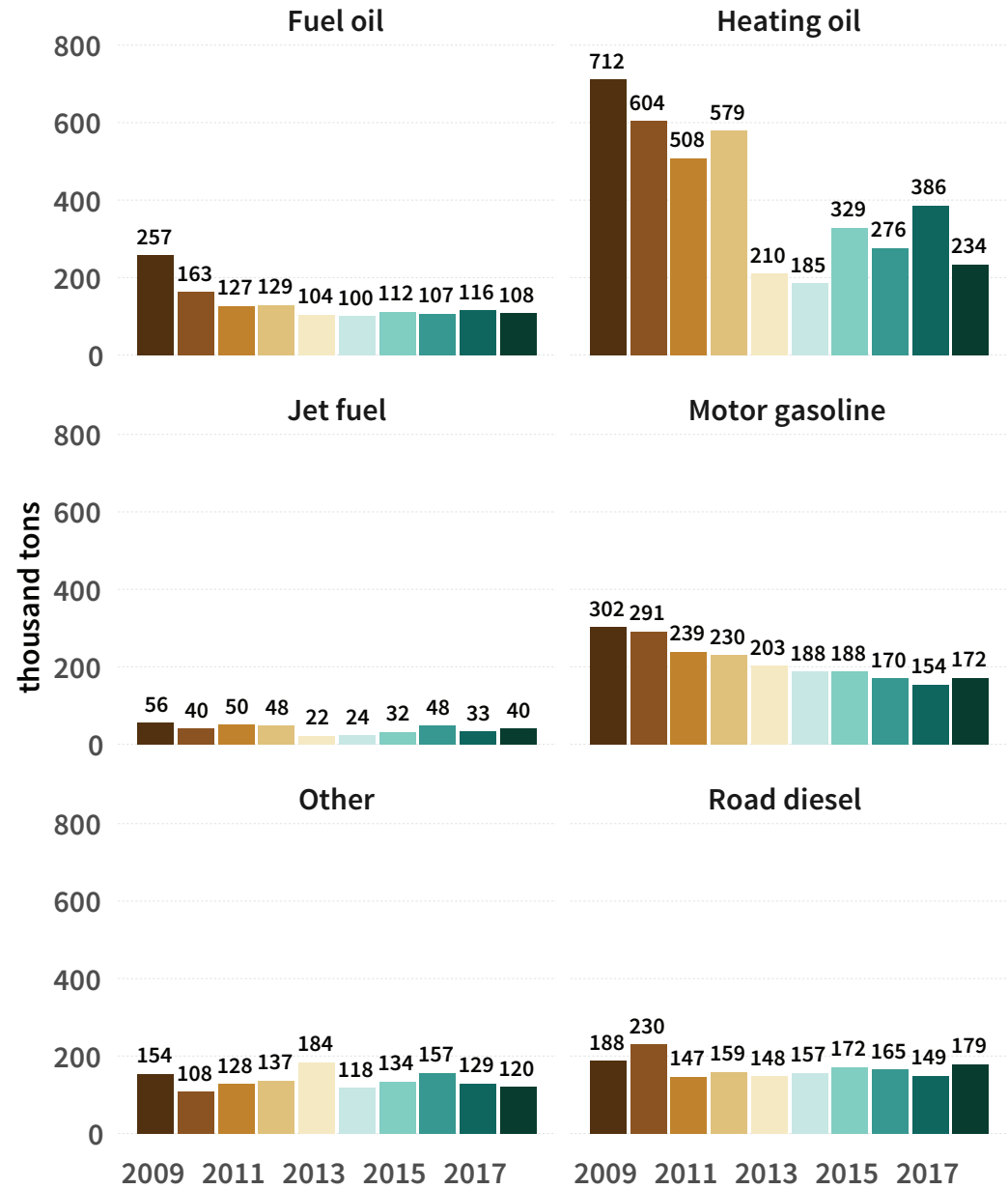
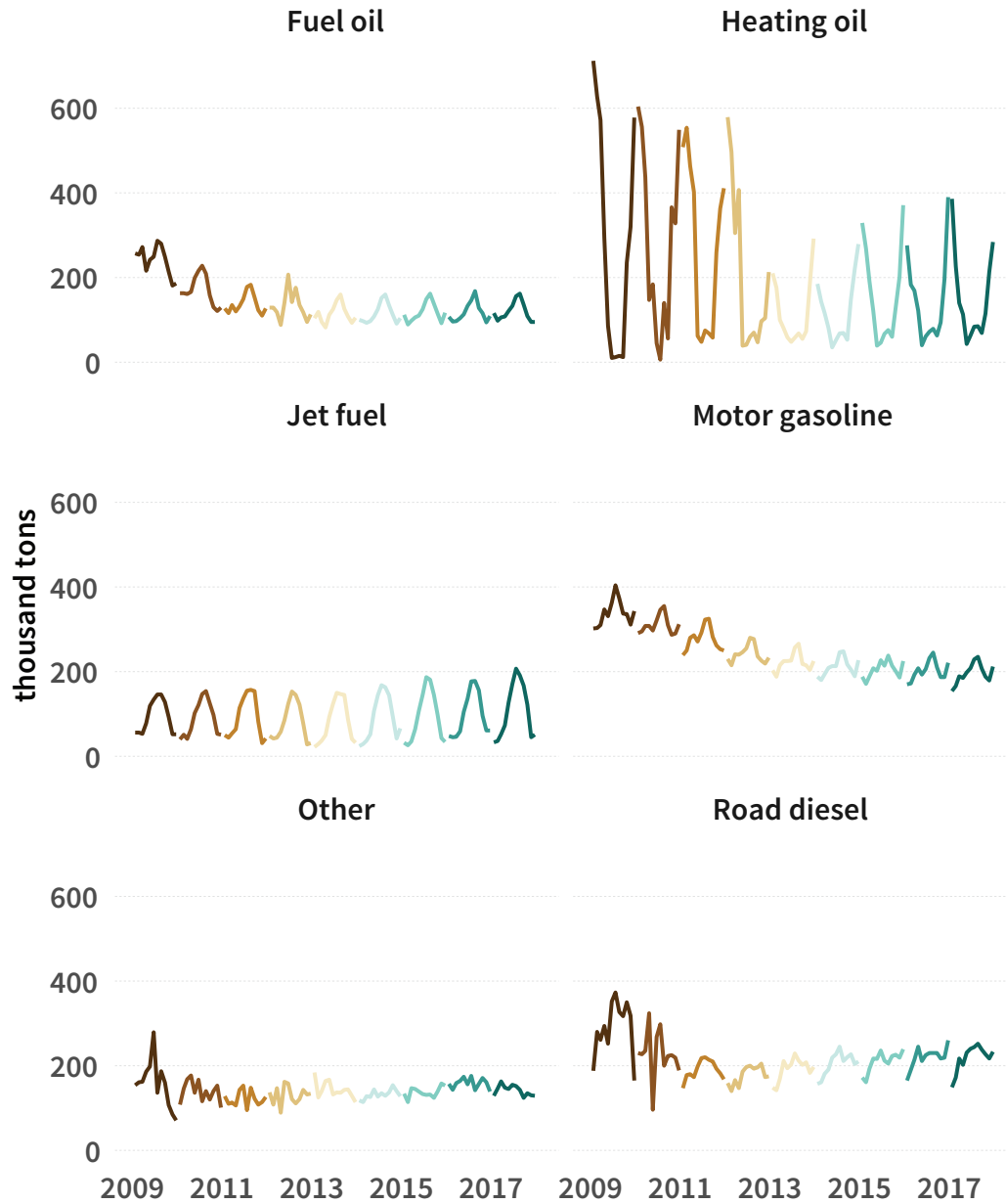


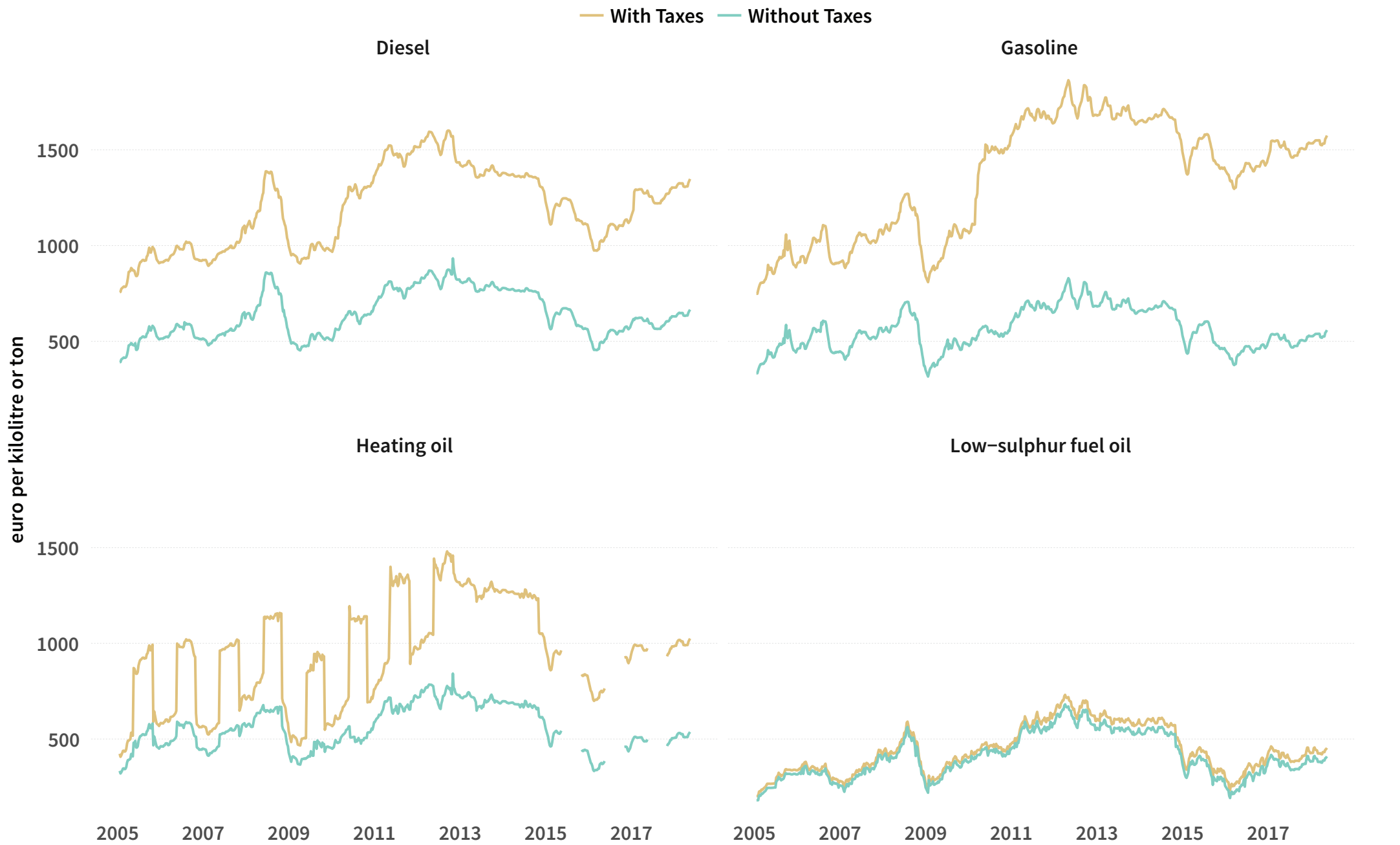
Greek energy market snapshot

May 2018

Monthly consumption

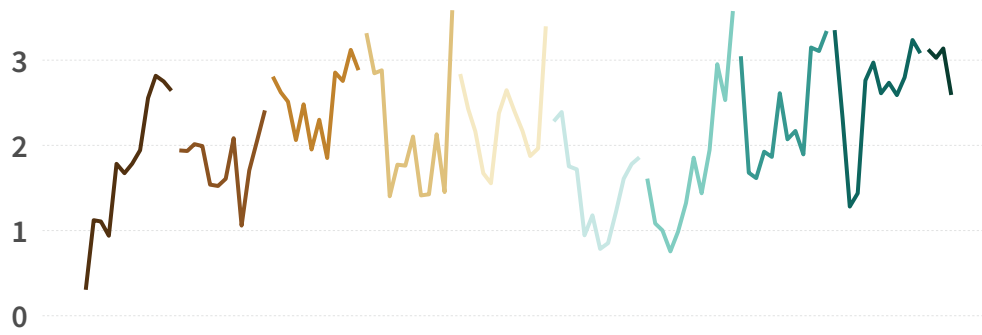
Year-to-date consumption



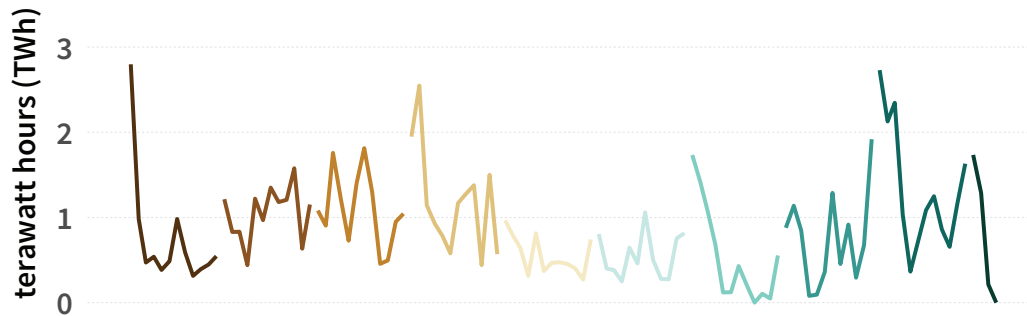


Monthly imports

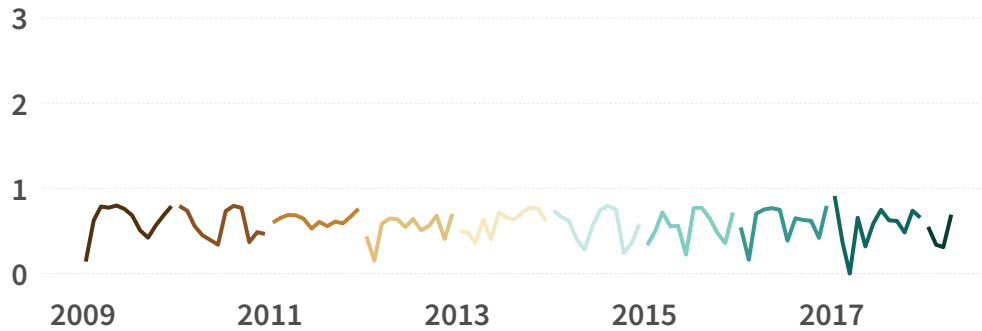
Russia



LNG

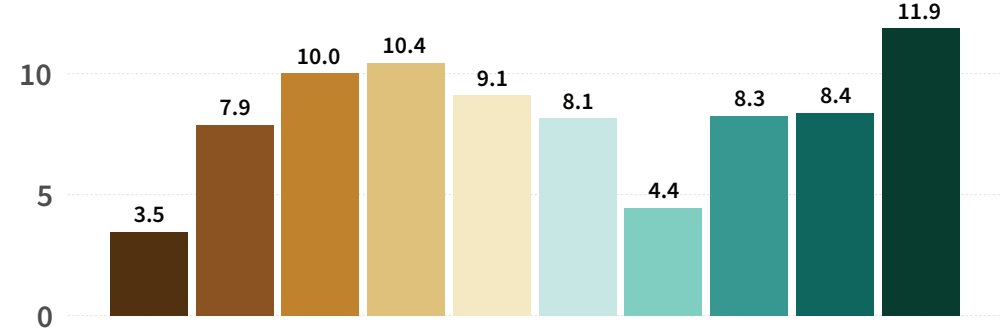


Turkey

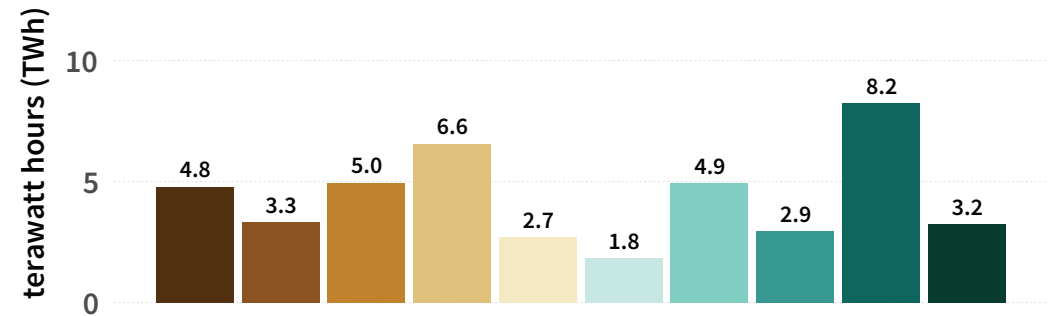


Year-to-date imports

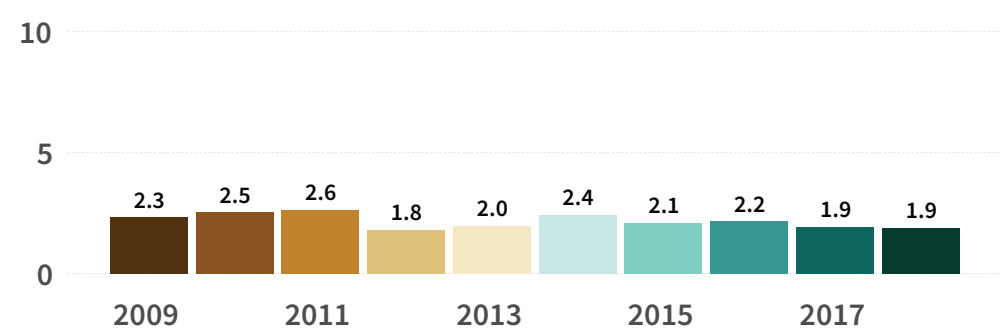
Russia



LNG

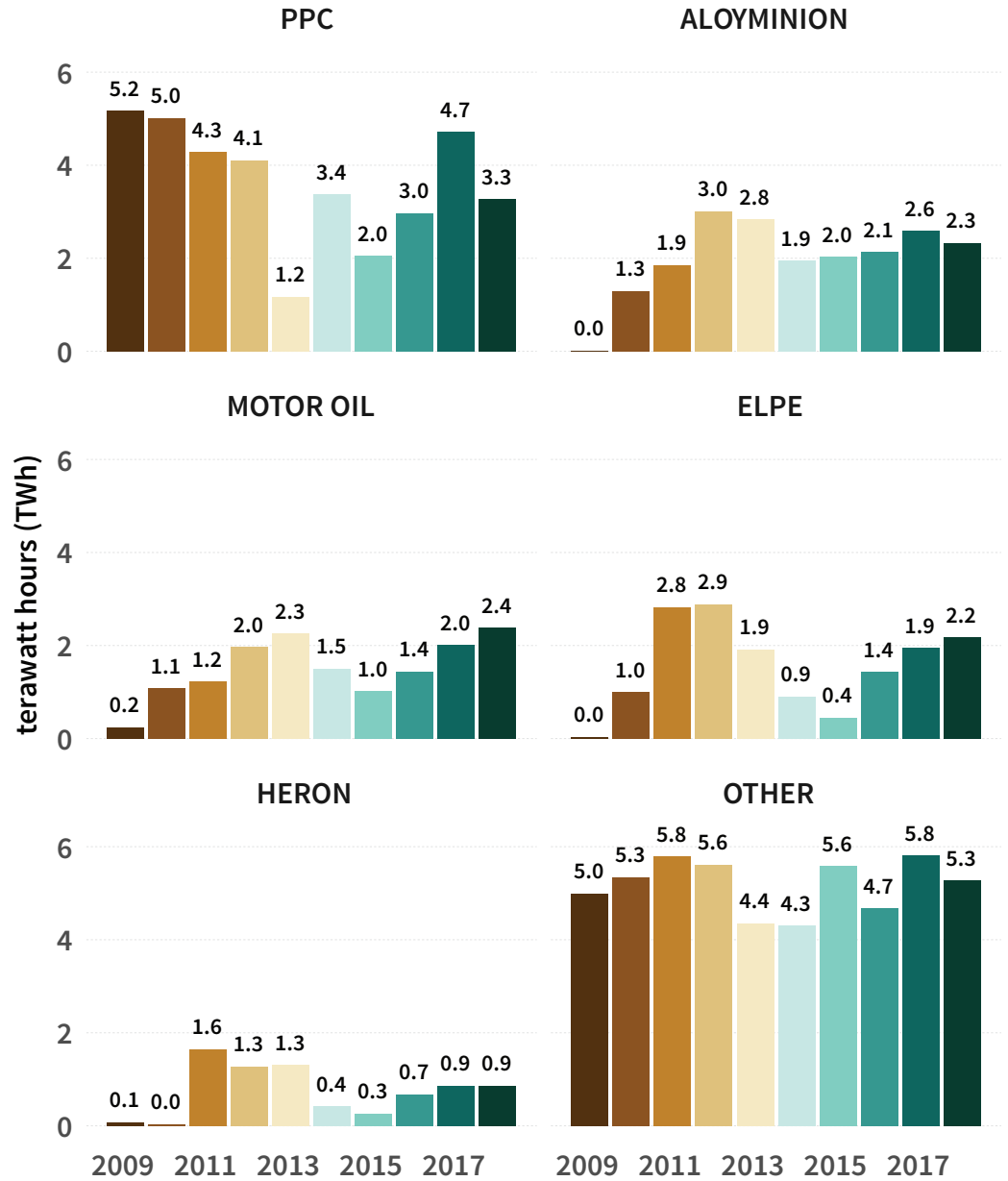
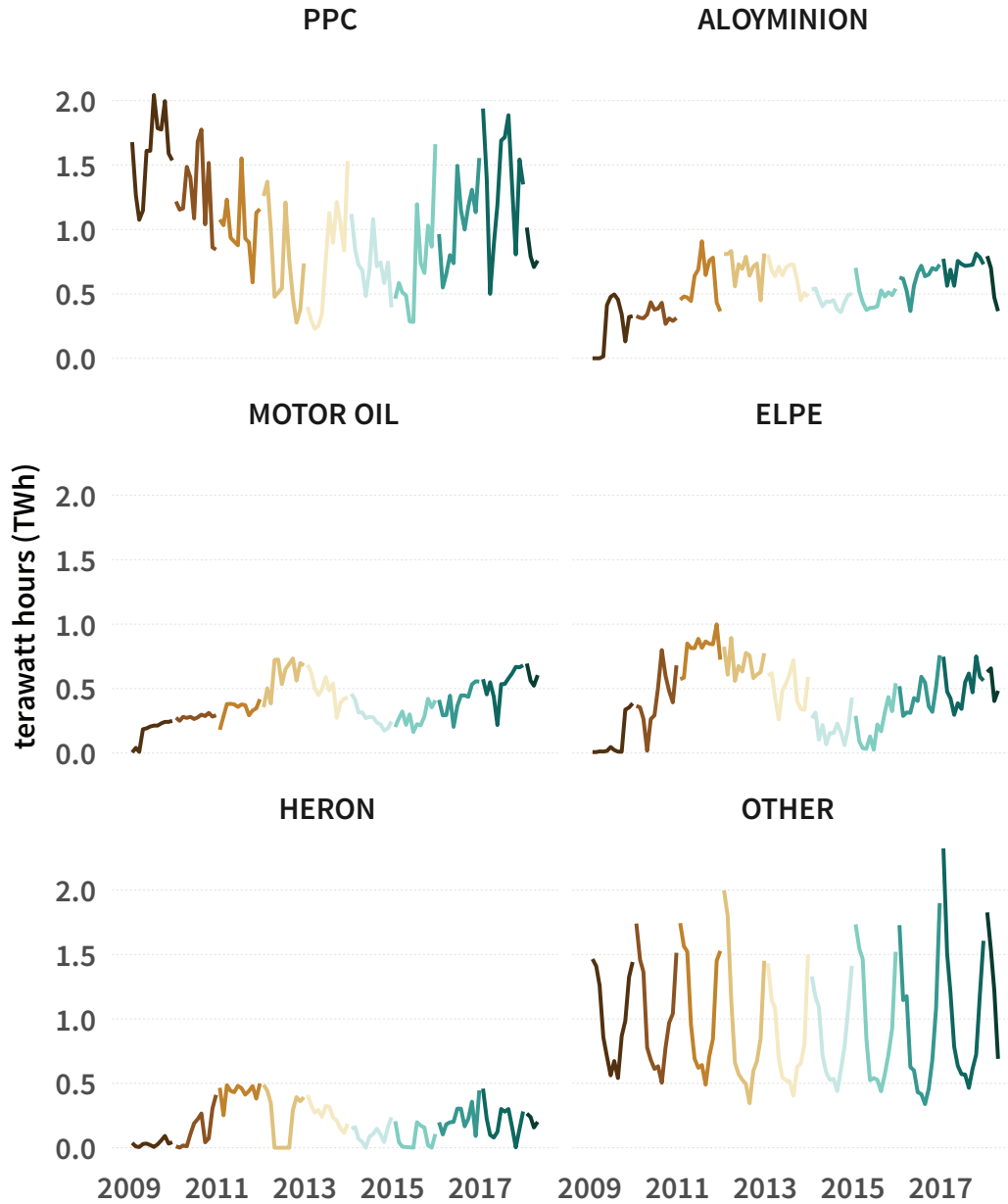


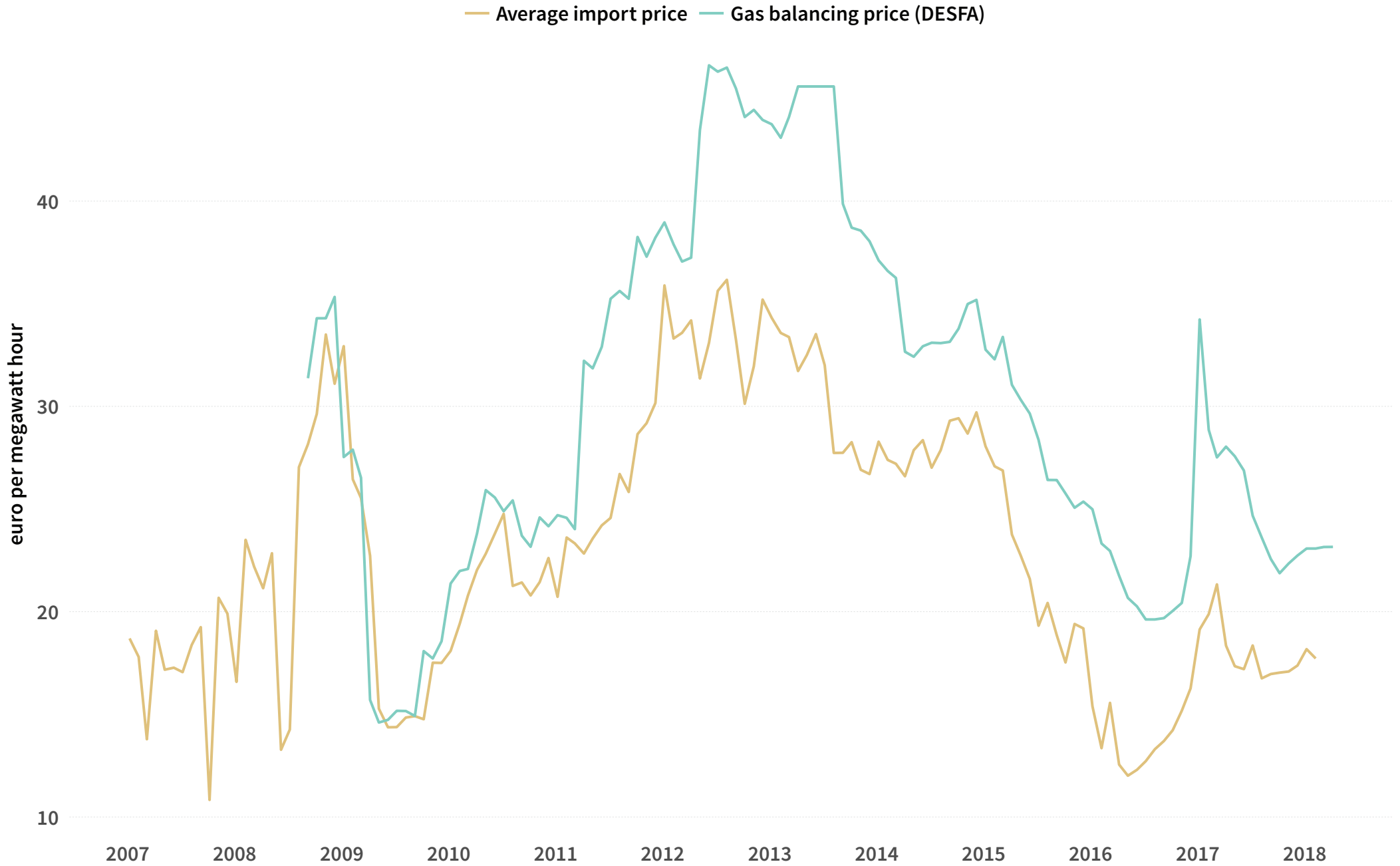
Turkey



Monthly consumption

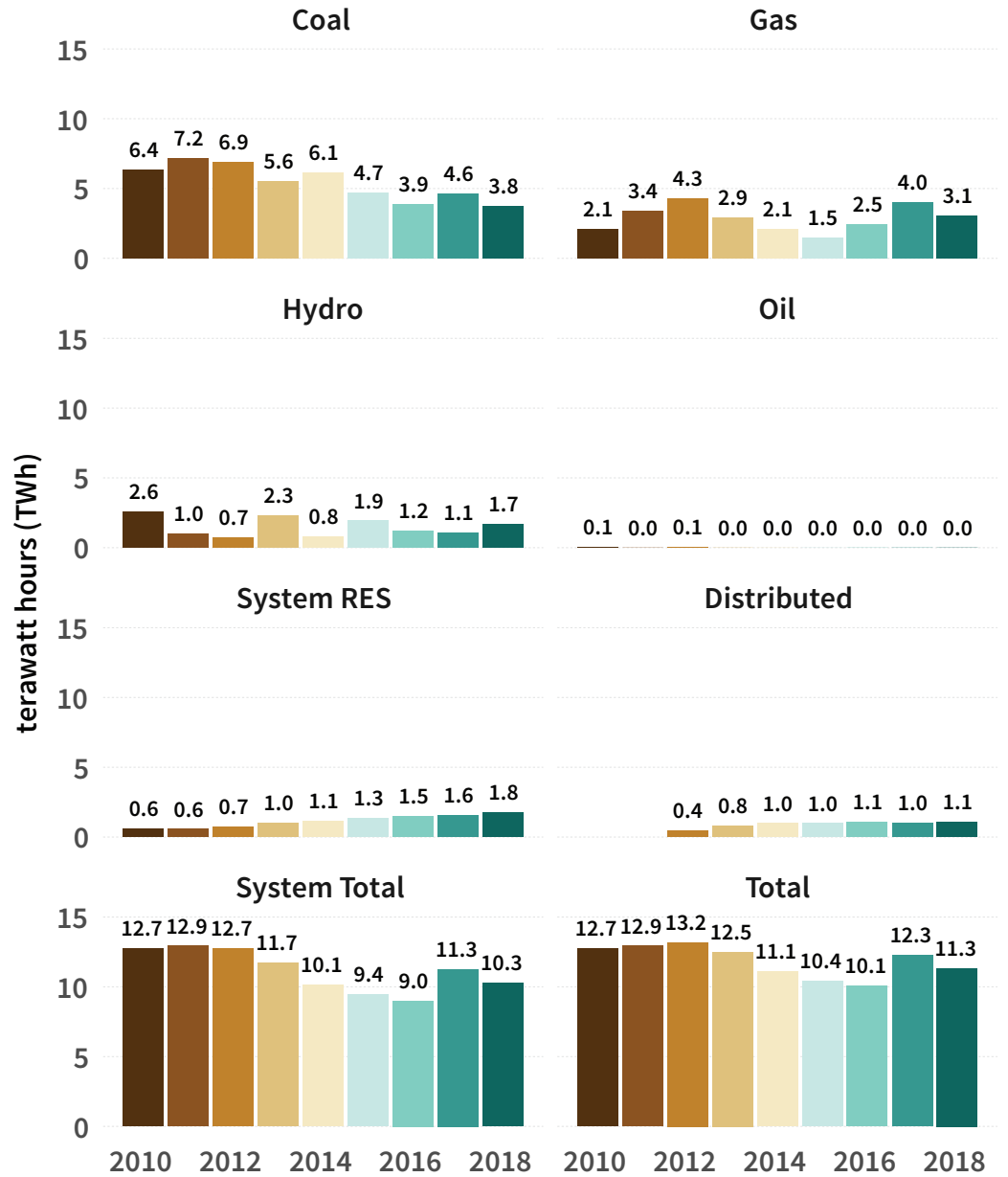
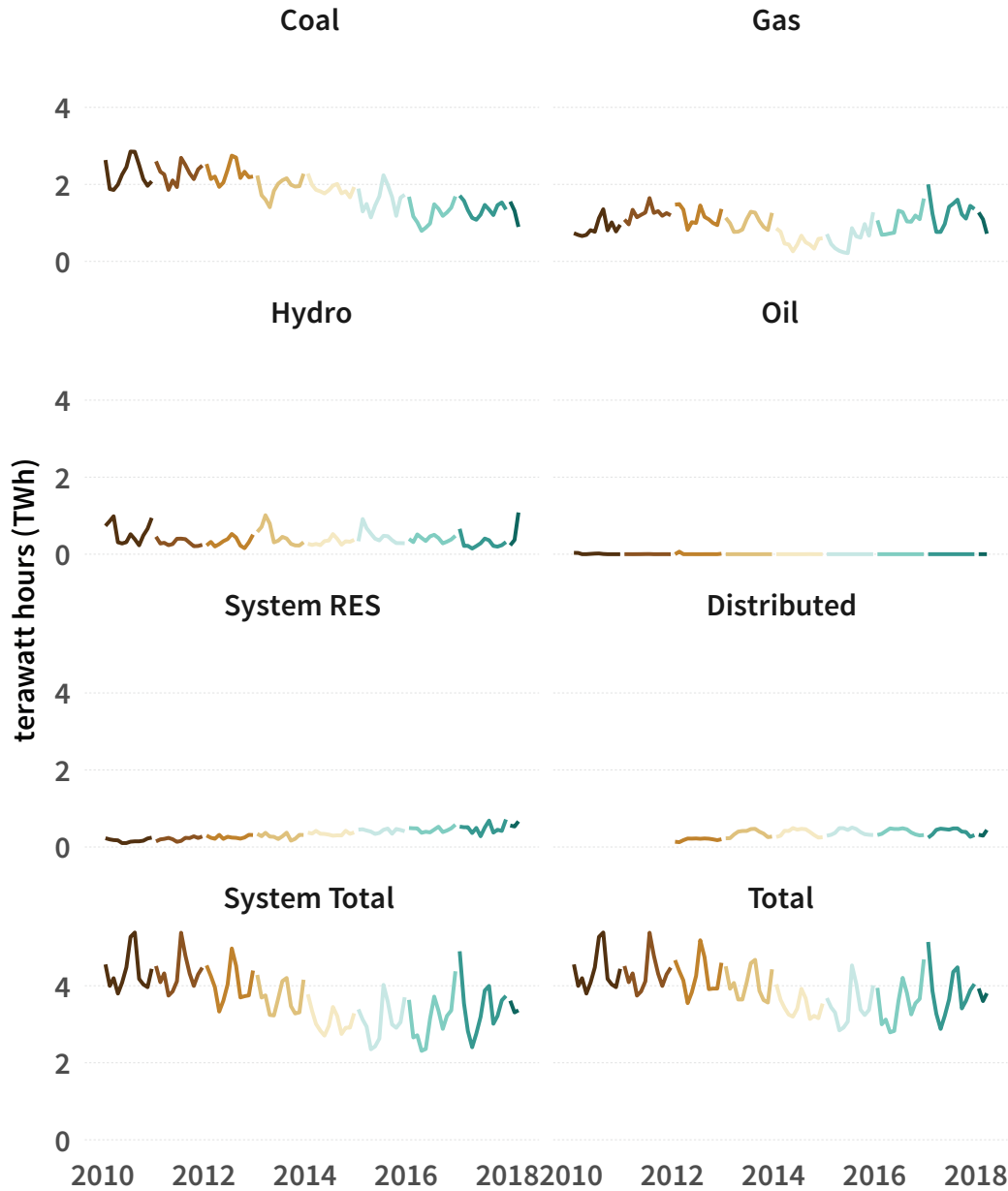
Year-to-date consumption



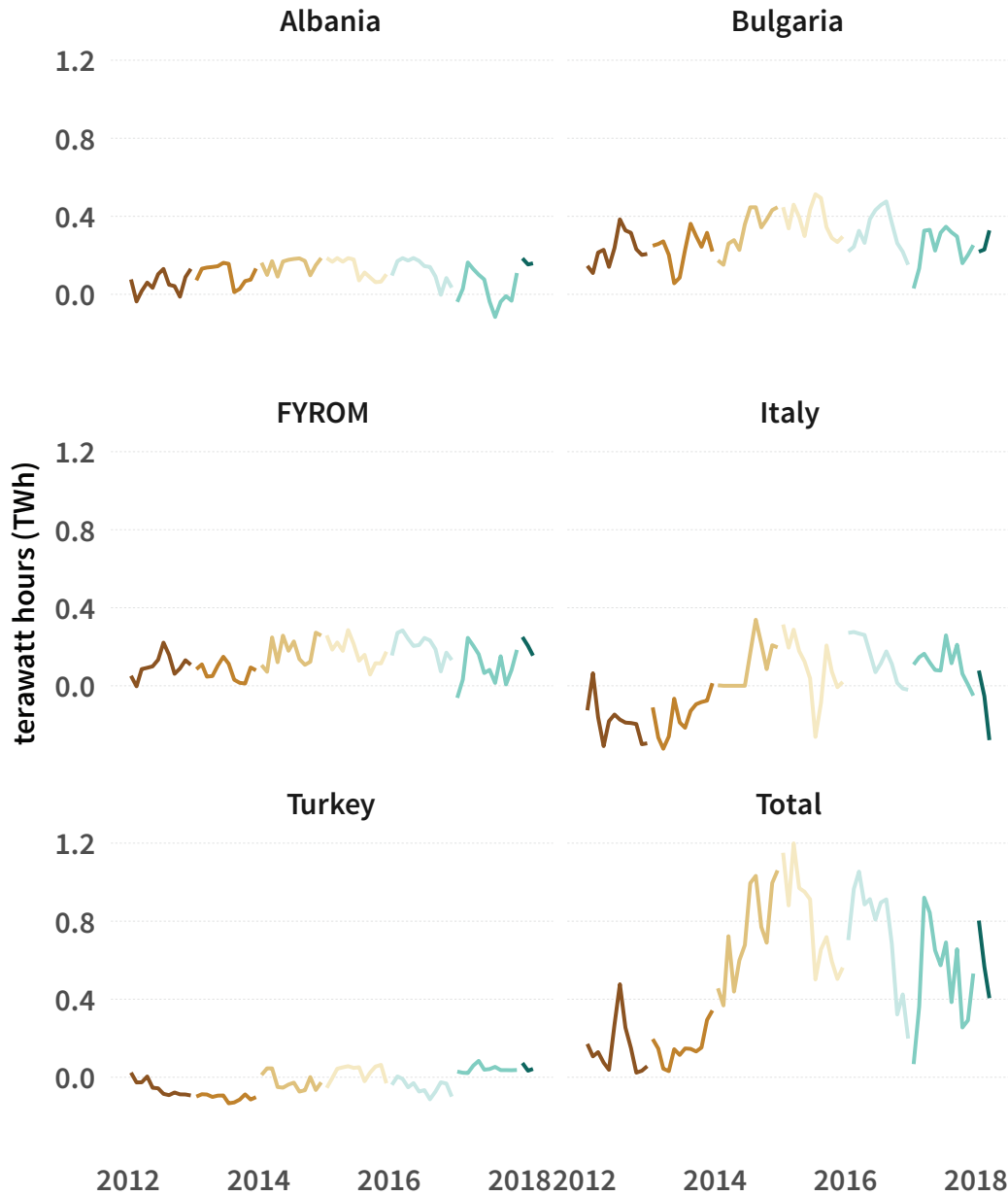


Monthly generation

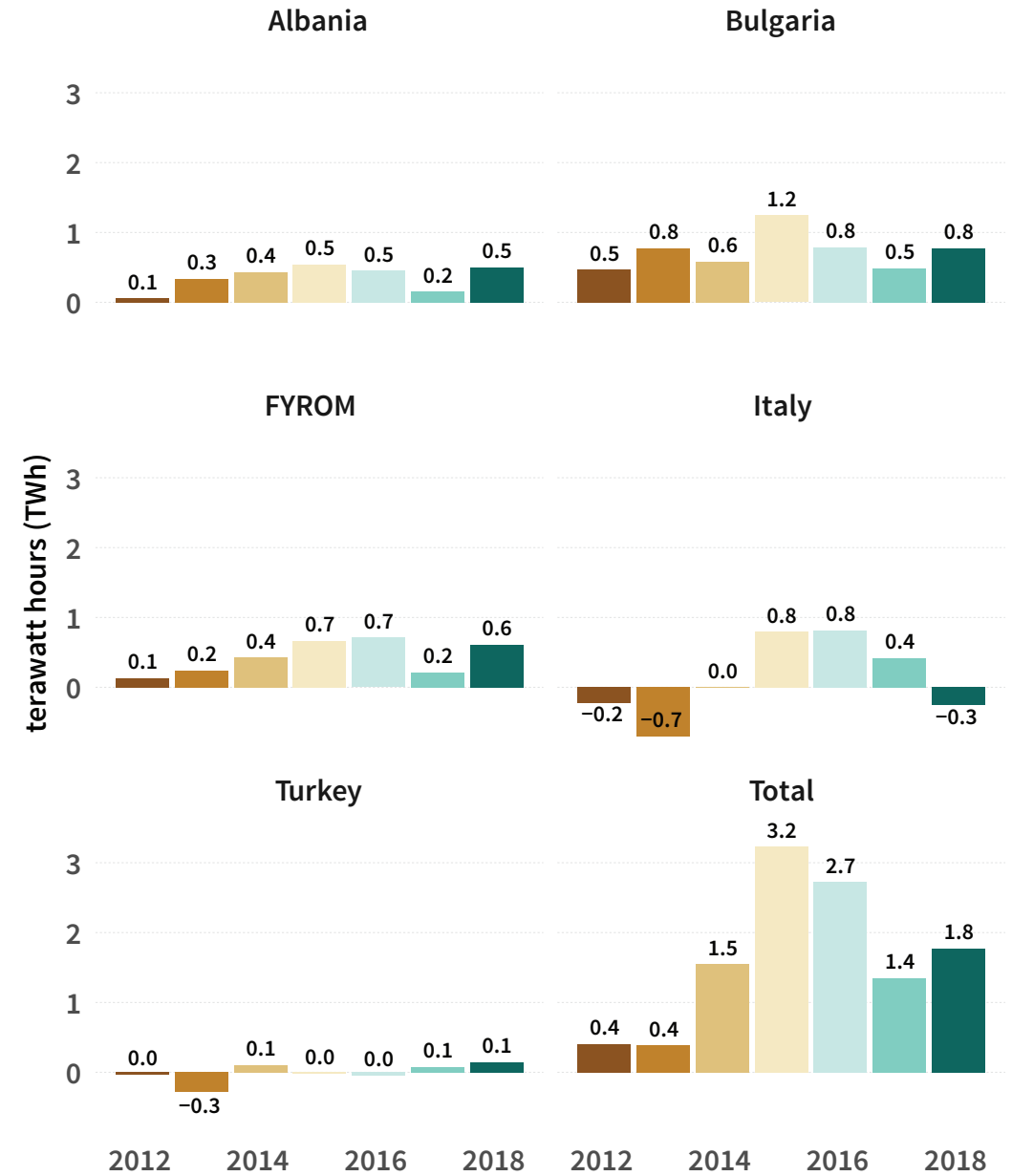
Year-to-date generation

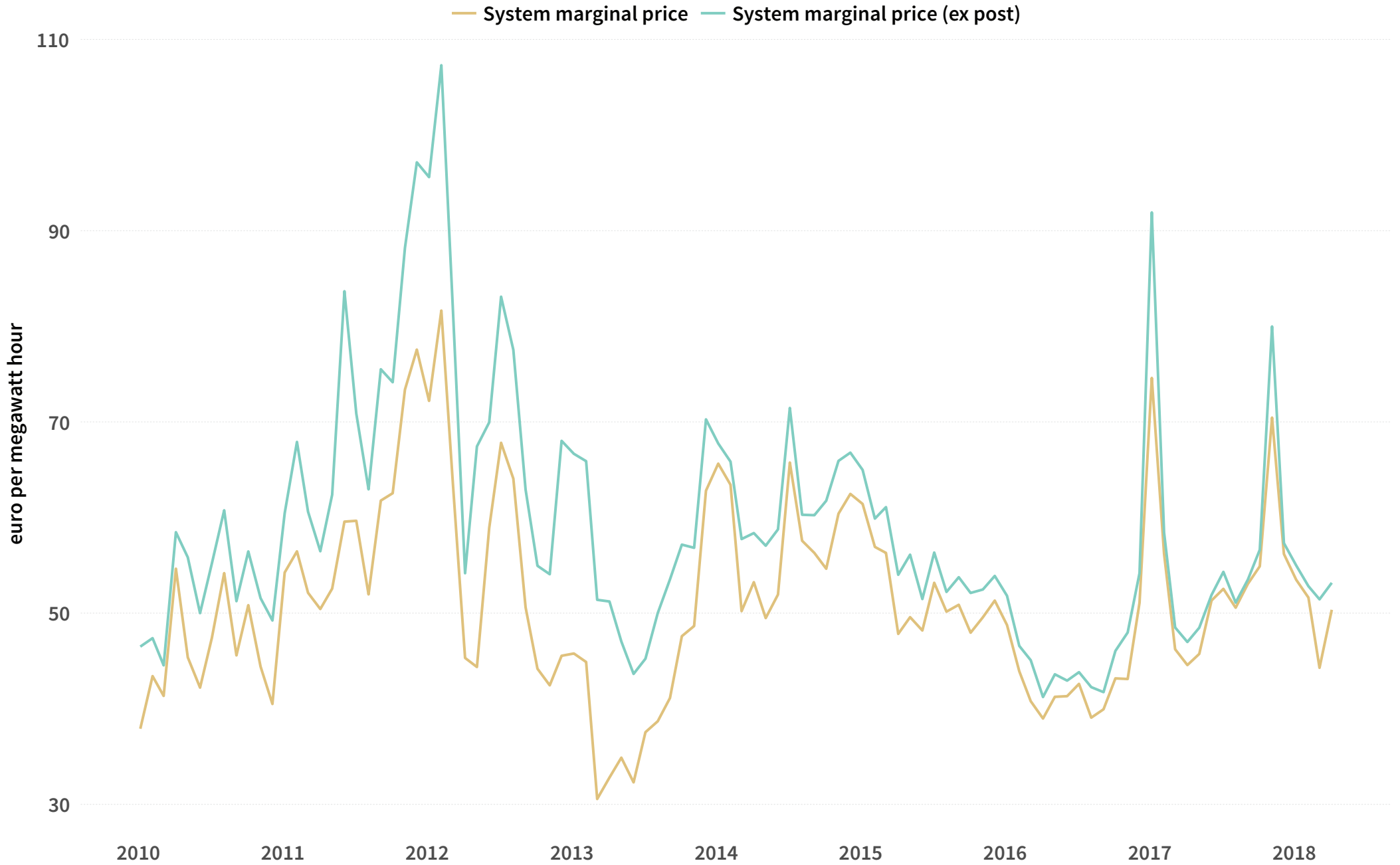


Monthly net imports



Year-to-date net imports





Oil consumption

Eurostat, Supply and transformation of oil - monthly data (nrg_102m)
Parent URL: <http://ec.europa.eu/eurostat/data/database>
File URL: http://ec.europa.eu/eurostat/estat-navtree-portlet-prod/Bulk-DownloadListing?sort=1&downfile=data%2Fnrg_102m.tsv.gz
Other includes refinery gas, ethane, liquified petroleum gas (LPG), aviation gasoline, other kerosene, gasoline type jet fuel, naphtha, petroleum coke, other products. All fuels include blending with bio components. Jet fuel refers only to kerosene jet fuel (gasoline type jet fuel shown in other).

Oil prices

European Commission, Weekly oil bulletin
Parent URL: <https://ec.europa.eu/energy/en/data-analysis/weekly-oil-bulletin>
File URL: http://ec.europa.eu/energy/observatory/reports/Oil_Bulletin_Prices_History.xls

Gas balance

DESFA, Historical Data of Natural Gas Deliveries / Off – Takes
Parent URL: <http://www.desfa.gr/en/regulatory-services/transmission/pliroforisimetaforas-page/historical-data>
File URL: <http://www.desfa.gr/userfiles/pdflist/DDRA/Flows.xlsx>
For import locations: AGIA TRIADA is LNG, SIDIROKASTRO is Russia, and KIPI is Turkey.
For domestic consumption: PPC includes ALIVERI, KERATSINI, KOMOTINI, LAVRIO, MEGALOPOLIS. ALOYMINION includes ALOYMINION, ALOYMINION II and ALOYMINION III. ELPE includes ELPE, ELPE HAR, and THISVI. HERON includes HERON II and HERONAS. MOTOR OIL includes MOTOR OIL and MOTOR OIL II. All other exit points grouped under OTHER.

Gas prices

DESFA, Daily gas balancing price
Parent URL: <http://www.desfa.gr/regulatory-services/balancing/daily-price>
File URL (2018): http://www.desfa.gr/userfiles/pdflist/DERY/TT/2018_%CE%97%CE%A4%CE%91%CE%95.xlsx
Import prices calculated from Eurostat, Com Ext database (available from <http://ec.europa.eu/eurostat/data/database>).
Total calculated by adding all values under codes 27111100 and 27112100. Volumes are reported in terajoules; conversion from terajoules to megawatt hours based on a 1 kWh = 3,600 KJ rate.

Electricity balance

ADMIE, Electricity market report
Parent URL: <http://www.admie.gr/deltia-agoras/miniaia-deltia-energeias/>

Electricity prices

ADMIE, System marginal prices
Parent URL:
<http://www.admie.gr/leitoyrgia-dedomena/leitoyrgia-agoras-ilektrikis-energeias/anafores-dimosieyseis-agoras/>