



ENERGY LAW AND REGULATION
PERSPECTIVES:

How EFELA's 13 countries coped
with the coronavirus pandemic;
The case of Greece

Panos Iliopoulos

Attorney at Law, Athens Bar &
Advisor to the Deputy Minister of Energy
(Representing the Hellenic Association of Energy Law)

02/07/2020



Presentation Outline



1. An introduction
2. General measures (applicable to various sectors)
3. Legal nature of the measures
4. Measures specific to the energy sector
5. Evaluation of the measures specific to the energy sector

Covid-19 response: An introduction



- During the ongoing crisis of the COVID-19 pandemic, the Hellenic Republic initiated an immediate response by adopting a **wide array of measures**:
 - I. Measures aiming to mitigate the spreading of the disease
 - II. Measures to support the national economy
 - Taxation
 - Social security
 - Administration
 - Support of corporate resilience

Covid-19 response: General measures



The most important / indicative measures from each of the following categories are being presented:

TAXATION
MEASURES

SOCIAL
SECURITY
MEASURES

ADMINISTRATIVE
MEASURES

SUPPORT
OF CORPORATE
RESILIENCE

Note: In the following slides, the measures denoted in green also apply to energy companies.

Covid-19 response: General measures (part 1)



TAXATION MEASURES

1. Extension of deadlines for tax payment until 31.08.2020.
2. Reduction 25% in assessed tax liabilities if paid by 31.04.2020.
3. Reduced VAT rate (24% to 6%) when purchasing COVID-19 protective products.
4. Acceleration of refunds of income tax and VAT for amounts below 30,000 euro, per tax type and tax payer.

SOCIAL SECURITY MEASURES

1. Suspension possibility (private sector) of employment, with “special compensation” of 800 euro payable to the employee. The social security contributions of employees are paid by the State.
2. Deadlines, relating to payment of social security contributions by employees and employers, are extended.
3. Discount to freelancers and sole proprietorships for timely payment

Covid-19 response: General measures (part 2)



ADMINISTRATIVE MEASURES

1. Extensions of public procurement deadlines
2. Extension of contractual duration
3. Extension of procedural and judicial deadlines
4. Deferrals of planned public tenders

SUPPORT OF CORPORATE RESILIENCE

1. Aid in the form of a “Special loan” with favorable terms.
2. 40% discount to commercial leases (March - May 2020).
3. Creation of “State Guarantee fund” to support loans which are guaranteed by 80% from the Greek State.
4. Option for businesses to operate with intermittent employment of available staff for safety/health reasons.
5. Suspension of deadlines for the submission and payment of bank cheques and other financial instruments for 75 days.

Legal nature : Act of Legislative Content



- Exceptional legislative procedure
- **Legal Basis:** Article 44 para 1 of the Greek Constitution.
- Under extraordinary circumstances of an urgent and unforeseeable need
 - Determination of “urgent and unforeseeable need” constitutes *interna corporis* of the parliamentary procedure which is **decided by the Council of Ministers** and is **not subject to scrutiny by the courts**.
- The content of the Act may be modified at the stage of ratification by the Parliament.

Legal nature: Act of Legislative Content



Proposal submitted by the Council of Ministers to the President of the Hellenic Republic



Issuance of the Act of Legislative Content in the Official Government Gazette



Ratification by law within 40 days from issuance or from the convocation of the Parliament

Measures specific to the energy sector



- I. Undisrupted supply of materials and spare parts
- II. Mandatory implementation of long-distance transactions
- III. Various extensions for RES projects
- IV. Extension of the tenure of the BoD of CRES
- V. Settlement of payments due by electricity / gas Suppliers (regulated charges)
- VI. Loan for the RES Market Operator (DAPEEP)

Measures specific to the energy sector



I. Undisrupted supply of materials and spare parts

Act of Legislative Content (Govt. Gazette A'75/30.03.2020), Article 55, par. 1 provides that:

- In *derogation of the extraordinary restrictive measures* against the dispersion of COVID-19
- **Companies operating in the production, transport or transmission, supply and distribution of liquefied fuels or gas, electricity and natural gas** may procure materials and spare parts from companies or commercial stores that fall under the applicable restrictive suspension of operation.
- Such materials and spare parts must be essential for the uninterrupted operation of critical infrastructure and necessary equipment,

Evaluation: This counter-measure ensured the **undisrupted operation** of the companies operating in the energy sector and was essential to address any **security of supply** concerns.

Measures specific to the energy sector



II. Mandatory implementation of long-distance transactions

Act of Legislative Content (Govt. Gazette A'75/30.03.2020), Article 55, par. 2 amends Law 4001/2011, Article 48 and **obliges the Suppliers of electricity and natural gas** to provide consumers with the possibility of using mobile applications, the internet or other appropriate means:

- Before and at all stages of the contractual relationship
- Even when switching suppliers

Evaluation: The measure mitigated the effects of movement restrictions of consumers and closure of most customer service points, thus ensuring **liquidity for Suppliers**. Furthermore, **consumers benefitted** from the new mandatory long-distance transactions, as their health was protected and they still had access to the whole range of services.

Measures specific to the energy sector



III. Various extensions for RES projects

Act of Legislative Content (Govt. Gazette A'75/30.03.2020), Article 55, par. 2 establishes a series of extensions of deadlines (*ranging from two to six months*) relating to renewable energy sources (RES) projects. Most notably:

- extension of the duration of installation licenses and final grid connection offers expiring within the year;
- retention of reference prices (*obtained either through participation in RES tenders or by law*) for a period of four months.

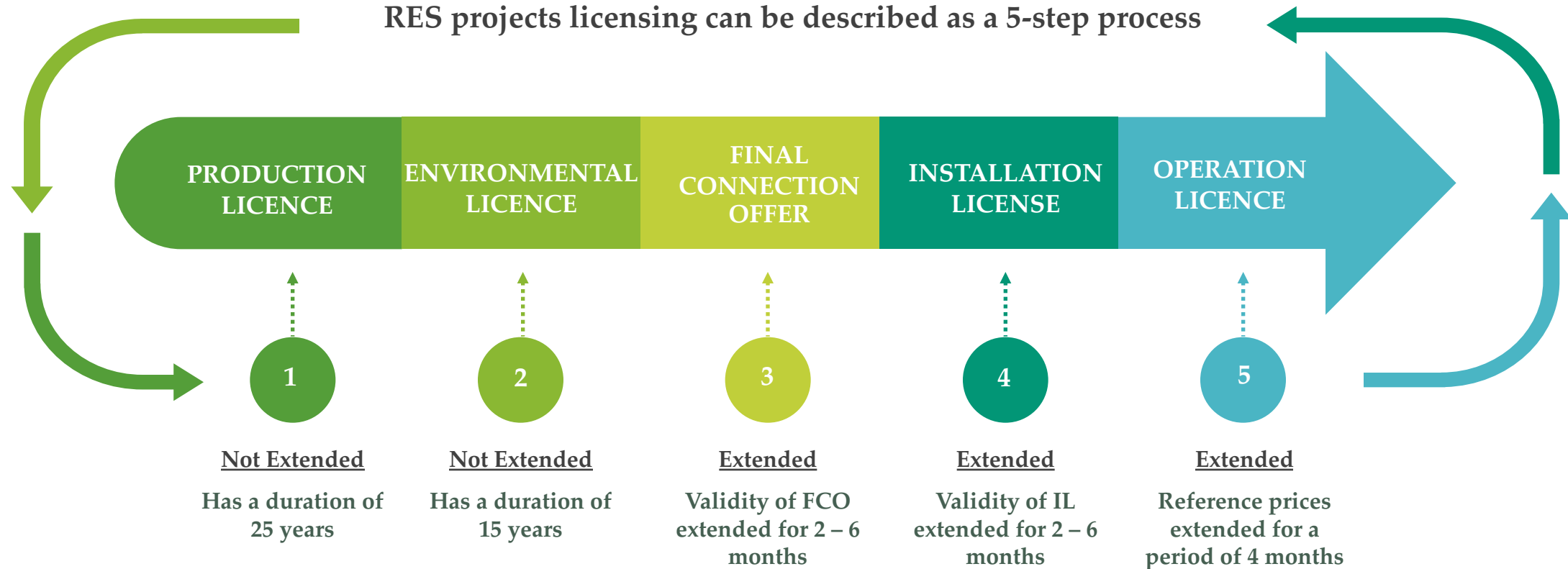
Evaluation: The emergency situation resulted in many delays (including hardware procurement), affecting the timely implementation of the projects. Such deadline extensions were necessary to **secure the viability of the investments** and allow Greece to proceed with its ambitious plan for **high RES penetration** (*NECP goal from 19,7 to 35% by 2030*).

Measures specific to the energy sector



III. Various extensions for RES projects

RES projects licensing can be described as a 5-step process



Measures specific to the energy sector



IV. Extension of the tenure of the BoD of CRES

Act of Legislative Content (Govt. Gazette A'84/13.04.2020), Article 58 provides for the extension of the tenure of the Board of Directors of the *Centre for Renewable Energy Sources and Saving* (CRES), which:

- Is the Greek *national entity* for the promotion of renewable energy sources, rational use of energy and energy conservation.
- Acts as an *official consultant to the Greek State*.

Evaluation: By the short extending of the tenure, **the uninterrupted operation** of the Center was ensured. Most importantly, this allowed the adoption of **measures for the safety of the employees** could be duly decided and implemented during the COVID-19 outbreak.

Measures specific to the energy sector



V. Settlement of payments due by electricity / gas Suppliers (regulated charges)

Act of Legislative Content (Govt. Gazette A'84/13.04.2020), Article 59 provides that:

- **Electricity and natural gas Suppliers** may settle part of their due payments (liabilities) relating to regulated charges payable to the TSOs and DSOs (for the period 13.04.2020 – 31.05.2020). More specifically, the Suppliers are allowed to pay 70% of the regulated charges (plus VAT for the total amount) payable on the due date, while the remaining 30% can be settled on four equal monthly installments.

Evaluation: Suppliers collect the regulated charges through the energy bills and they subsequently pay them over to TSOs and DSOs. The anticipated **delays in payment were effectively addressed** by the settlement procedure.

Measures specific to the energy industry



VI. Loan for the RES Market Operator (DAPEEP)

Act of Legislative Content (Govt. Gazette A'84/13.04.2020), Article 60 provides that:

- The **RES Market Operator (DAPEEP)**, also responsible for the issuance of Guarantees of Origin, will receive a *short-term special purpose loan* enhancing the liquidity of the **RES special account**.
- Purpose of this loan is to resolve the anticipated *liquidity issues* arising by the **delayed payments of the “special RES levy on pollutant emissions” (ETMEAR)**, from **customers to electricity Suppliers** and subsequently from **electricity Supplies to DAPEEP**.

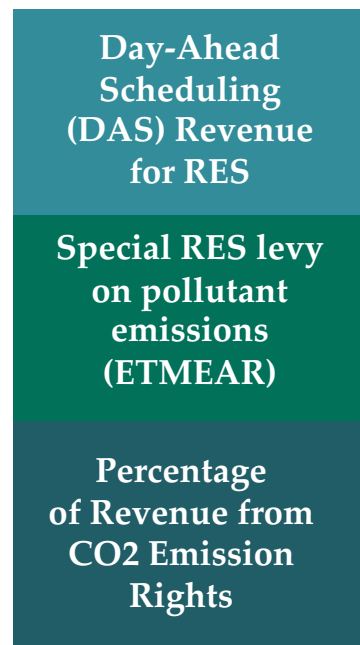
Evaluation: With the above measure the **liquidity issues**, attributable to COVID-19, were resolved thus ensuring the **sustainability of the account** and the **timely compensation of RES producers**.

Measures specific to the energy sector

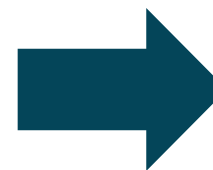


VI. Loan for the RES Market Operator (DAPEEP)

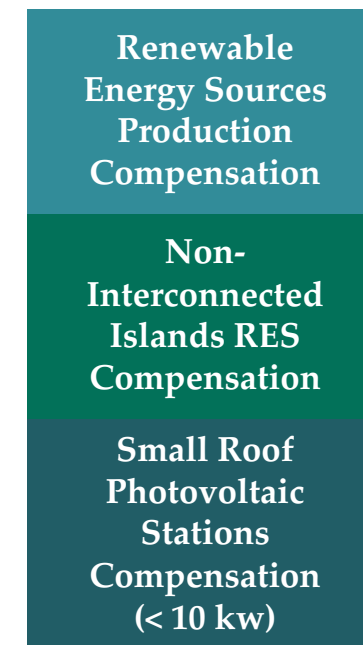
Main cash inflows



Special Account for RES and CHP



Cash outflows



Evaluation of the “energy specific” measures



The measures taken played a key role to the overall situation of the Greek energy sector.
In particular were:

- **Timely**
- **Appropriate and proportionate:** *limited duration , focused , regular and very intensive dialogue with all energy stakeholders*
- **The measures were efficient:** *addressed important concerns* on health protection, liquidity, regular operation and security of supply, as well as investment & business sustainability.

Prospects: The implemented measures, allow **room for confidence** that Greece has created the necessary permanent means to address any future negative impact of COVID. The adaptiveness demonstrated and the country's good track-record with COVID-19, are the key take-aways.



Thank you!

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