The energy sector is faced with coronavirus fallout

The spreading of the coronavirus in countries around the globe has led to worries not just about health, but also about economic growth this year and of course, energy demand and the supply of key energy related equipment.

In China, the government's measures have already led to a significant drop in industrial activity and to a drop in carbon emissions of over 20%. The reason is that the country's industry is operating at a reduced level because of a lack of staff, while oil and gas demand has been reduced. Another indirect result is that factories producing photovoltaics have also been affected, therefore clients abroad are expected to face problems concerning the completion of their projects. In this regard, it is significant that recently the Indian government decided to classify the coronavirus as “force majeure”, thus allowing developers to avoid facing legal issues.

The example of China is expected to be reflected in other countries as well, to a lesser degree. Already, organizations such as OPEC are taking this whole issue seriously and expect a small drop in oil demand this year, compared to earlier estimations. When it comes to natural gas, there are currently LNG cargoes normally routed for China, which are available to other buyers for a cheap price and smart consumers already take advantage of this trend.

A new licensing regime for renewables

The Greek energy and environment ministry presented its new bill of law for environmental licensing, which also concerns renewables.

Specifically, the production license is no longer necessary and is replaced with a renewables index certificate. At the same time, the electronic renewables index is created in order to support the licensing process.

Also, the requirement of the license retention fee is removed.

Energean buys Total's share in Block 2

Energean announced that it has signed an agreement for the acquisition of Total’s stake in Block 2, offshore Western Greece, providing further material exploration opportunities in its core area of the Eastern Mediterranean with limited financial exposure. The deal further enhances the future growth potential of Energean’s portfolio and medium-term optionality to deliver value to all of our stakeholders.

On completion, Energean would acquire Total’s entire 50% Working Interest share and Operatorship. Energean’s net remaining expenditure towards satisfaction of the minimum work obligation, which includes 1.800km of 2D seismic acquisition and processing – activity which Energean believes could significantly de-risk the prospectivity of the licence – is approximately €0.5 million. Energean believes this is a highly attractive transaction in the context of the early stage prospectivity identified on the Block.

Work to date on the license has identified that Block 2 contains part of a large, potential target comprising of a four-way closure at the Top Jurassic Apulia platform. The prospect is thought to be an analogue to the Vega field offshore Italy, in which Edison E&P operates with a 60% working interest. The structure is covered by sparse 2D seismic which could be de-risked through the seismic programme that will be acquired as part of the minimum work programme.

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The feature straddles the Greek and Italian maritime border with approximately 60% of the prospect within the Block 2 license with the remaining area part in Italian waters. Edison E&P, of which Energean expects to complete its acquisition of during 1H 2020, as well as holding a 25% Working Interest in Block 2 also participates in the adjacent 84F.R-EL block offshore Italy, pending award. Post completion of the Edison E&P transaction, Energean will then own a 75% Working Interest in Block 2. Hellenic Petroleum owns the remaining 25% Working Interest.

PPC's supply share dropped slightly in January

The share of PPC in power supply reached 71.48% in January, compared to 71.75% one month earlier, according to official data.
The average SMP price was 58.38 €/Mwh, reduced by 1.30€/MWh compared to the previous month and by 16,90 €/Mwh on an annual basis.

Nine companies are already approved for renewables producers representation

The regulator has already approved permits for nine companies in order to participate in the market of renewables producers representation.
Specifically, these nine companies are Optimus Energy (1,250 MW), Inaccess Networks (600 MW), Mytilineos (500 MW), Elpedison (500 MW), Motor Oil (300 MW), HELPE Renewables (300 MW), Eunice Trading (300 MW), Sentrade (200 MW) and Solar Energy (100 MW).