

A fight against time: A new environment for the economy and the energy sector

As the spread of the coronavirus causes economies around the world to come to a standstill, all eyes are currently set on two things: 1) The timeframe for reducing coronavirus expansion and gradually returning to normality and 2) the after effects of this extremely anomalous situation for the economy.

When it comes to the second part, we should note that right now in the U.S. the Fed throws literally trillions of dollars in order to keep a great many sectors from instantly crashing, since otherwise many companies will default on their debt and a huge domino effect will commence. The question is for how long will the Fed be able to continue and perhaps even more important, what new environment will this create for what comes after the coronavirus. In this sense, the profound announcement of "unlimited quantitative easing" really stood out and makes the case for a permanent change of paradigm. On the other hand, the European Central Bank (ECB), is in the midst of a lot of pressure from a number of member state governments to follow on the footsteps of the Fed.

Obviously, the energy sector is included in all this and is greatly affected in many ways. Let's take oil to begin with. The combination of lower demand with the price war declared by Saudi Arabia has led American producers to a breaking point, since their production cost is now higher than the oil price. Experts have already warned about the high quantity and the low quality of these producers' accumulated debt, as well as the possibility of defaults from now on.

Another sector that faces problems is photovoltaics, since factories in China have only just started to operate fully again after a month or so of reduced output. In the US, the national p/v association asked to be included in the 2 trillion rescue package that was passed. In Europe, many companies have asked for extensions to their project deadlines since necessary equipment does not arrive in time from China.

Moreover, there is a similar situation in wind energy, since wind equipment plants have stopped operating in various regions, while in large markets such as Italy, Spain and France there are obstacles to workers mobility, meaning that new projects may have to be postponed.

In natural gas, things are expected to return to normal to a certain degree once the Chinese economy is back on track, although a drop in demand for power production is considered certain in Europe and America with everything it entails for price of pipeline gas and LNG. In the case of the Greek market, the government announced that it is preparing a guarantee mechanism for energy suppliers in order to provide a cushion while these companies are offering discounts and face the possibility of increased arrears.

At the same time, CO₂ and LNG's lower price means that PPC's plants are now more competitive than before and the company's operational costs are reduced. On the other hand, the drop of CO₂ price together with other parameters causes concern about the special renewables account since it depends on this income to be balanced. All these are but some telling examples. Right now it looks like a fight for survival, but smart players in the energy sector and beyond will be looking for opportunities.

Article published in Greek newspaper "TO VIMA" ([here](#)) by Dr. Kostas Andriopoulos, Professor, ESCP Business School; Chair of Energy Committee, American-Hellenic Chamber of Commerce; Vice-President of DEPA S.A.

Nine companies and consortia expressed interest for DEPA Commercial

The Hellenic Republic Asset Development Fund (HRADF) announced that nine Interested Parties have submitted an Expression of Interest for the acquisition of 65% of the share capital of DEPA Commercial S.A., with an option of acquiring the total of its issued share capital by virtue of a Memorandum of Understanding (MoU) between DEPA S.A. shareholders, HRADF and Hellenic Petroleum S.A. (HELPE).

Expressions of Interest were submitted by the following Interested Parties (in alphabetical order):

- 1) C.G. GAS LIMITED
- 2) Consortium HELLENIC PETROLEUM SA & EDISON INTERNATIONAL HOLDING N.V
- 3) Consortium MOTOR OIL HELLAS CORINTH REFINERIES SA & PPC SA
- 4) GEK TERNA SA
- 5) MET HOLDING AG
- 6) MYTILINAIOS SA
- 7) POWER GLOBE LLC
- 8) SHELL GAS BV
- 9) VITOL HOLDING B.V.

New environmental law brings changes to licensing

The public consultation has been completed about the energy and environment ministry's new environmental bill of law.

Among other things, the bill aims at:

- 1) Simplifying the environmental licensing procedure and reduce it to 120 days with three separate stages. Relative public agencies are given strict schedules to complete their work and there is also an effort to create a one-stop-shop for investors. Furthermore, the duration of the license is increased from 10 to 15 years.
- 2) Significantly reducing the time frame for investments in renewables, since the production permit is now replaced with a producer certificate with no prerequisite decree by the regulator. This new process will be supported by the electronic renewables registry.

The ministry's goal is to pave the way for new "green" investments, while at the same time enforcing the best European practices in environmental protection.

Read more at <http://www.opengov.gr/minenv/?p=10268>

PPC's share in power supply reduced at 69.65% in February

The share of PPC in power supply for February was reduced by 1.83% on a monthly basis. Specifically, it reached 69.65% versus 71.48% one month earlier and 71.75% in December 2019.

According to official data provided by the Energy Exchange, February's average SMP was 49.23 €/MWh, reduced by 9.15 €/MWh month to month and by 19.78 €/MWh annually.



Power and gas suppliers included in government's rescue package

Electricity and gas supply company employees were included in the government's long list of enterprises whose staff members are entitled to state allowances of 800 euros as a result of the coronavirus economic effects.

Furthermore, a government decision also making electricity supply companies eligible for a guarantees mechanism, established as a protective umbrella by the development ministry has been announced.

Hellapco: 160 MW of photovoltaics added in 2019

The Greek p/v market showed promising signs in 2019, according to Hellapco, since 160 MW were installed, and the total installed capacity reached 2,828 MW.

The net metering market rose by 3.1% annually but remained much lower than what is possible.

For another year, photovoltaics covered around 7% of the country's power needs, bringing Greece to 4th place globally.

