

GREECE

Greek energy markets are advancing towards liberalisation and integration into the European Union (EU) internal energy market. New electricity markets were launched in late 2020, and a day-ahead electricity market coupling with Italy has also been established. The pandemic has resulted in significantly lower oil consumption, lower electricity demand and stable gas consumption.

Greek energy leaders have selected **geopolitics, economic trends** and **investor environment** as **critical uncertainties** and highlighted **renewable energy, energy efficiency** and **regional integration** as **action priorities**.

Geopolitics appears as the highest **critical uncertainty** for Greece's energy leaders and reflects perceptions on the impact of geopolitical tensions in the Eastern Mediterranean and how these can affect the country's energy industry.

Economic trends also appears as a significant **critical uncertainty** for the country. It was proposed that 2020 would be the first year of strong economic growth following almost a decade of economic crisis. However, the pandemic dramatically changed trends and Greece has experienced a severe decline in GDP in 2020 (approximately 8%-10%). The expectation for 2021 is for growth, supported by reviving private and capital spending, and funding by the EU Recovery and Resilience Facility. Moreover, the expected gradual easing of Covid-19 restrictions (once the vaccine is widely available) should give a strong push to the crucial tourism industry.

Although the **investor environment** in Greece has seen positive developments, investors worry about the impact of the Covid-19 pandemic on the country's economy. According to UNCTAD's World Investment Report 2020, Foreign Direct Investments (FDI) flows reached USD 4,6 billion in 2019, their highest level since 2009, but experienced a huge drop in 2020.

Renewable energies maintain their high impact and low uncertainty position and are a key priority. In line with decarbonisation commitments and de-lignitisation by 2028, the Greek government is putting forward ambitious plans and incentives for private investments in wind, solar and biomass/ biogas. The main challenges identified across the country for renewables' penetration into the electricity energy mix, include review of spatial planning for renewable sources, an increase in public acceptance, spatial and technology upgrade of congested transmission & distribution systems, and efficient operation of the new electricity markets. Due to these efforts and despite the limitations, Greece has already surpassed its EU 2020 renewables targets.

Despite recent efforts, **energy efficiency** in Greece continues to require further action. Curbing energy consumption is a priority in achieving climate and energy security objectives. Improving efficiency in private and public buildings, with strong state, EU and private support, is also essential to alleviate energy poverty, which is a huge energy and social issue.

The launch of the new electricity markets in Greece in November 2020 aims to **integrate** the Greek market into the EU internal energy market, mainly through market coupling. Greece has successfully partnered with Bulgaria for the IGB gas pipeline. Additionally, local and foreign investors plan to build a liquefied natural gas (LNG) terminal off Alexandroupoli. The investment plans for an LNG facility at the Corinth refinery and the plans for the EastMed undersea pipeline underline Greece's important role in the eastern Mediterranean and its pivotal position as an energy transmission-hub while improving energy security.

Greek energy policy is committed to the EU's overall goal for climate neutrality by 2050 and plans to phase out lignite use by 2028 and reach a 62%-65% renewables share in electricity energy mix by 2030.



WORLD ENERGY COUNCIL

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