



20TH ERRA
ANNUAL CONFERENCE

*EN ROUTE TO SUSTAINABLE REGULATION
UNDER NEW MARKET PARADIGMS*

09-10 October, 2023
BUDAPEST, HUNGARY



The Electricity Storage, support scheme in Greece

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Introduction

- The European Commission on 05.09.2022 Reference: State Aid SA.64736 – RRF – Greece – approved Financial support in favour of **electricity storage** facilities.
- The Minister of Environment and Energy issued a MD, for the selection of the projects.
 - **three (3)** successive BESS Tenders,
 - aggregate capacity of **1,000 MW**
 - the BESS participating in the tendering process will be selected the latest by **31.12.2023**.
- A Decision (“Call for Tender”) has been issued by **RAEWW**, procuring the conduct of the **1st BESS Tender** for a total capacity of **400 MW** for BESS developed throughout the entire country, except from the island of Crete.

Timeline

Storage License holders submitted a participation application from 17th of June until 10th of July 2023.

The **Participation LoG**, of **35,000.00€/MW**, had to be submitted electronically and in hard copy by 12th of July 2023.

The Regulatory Authority for Waste, Energy and Water (RAEWW) issued the **Provisional list** of selected and excluded participants on 3rd of August 2023.

Objections submitted until 7th of August 2023 for RAEWW assessment.

The **Final list** of selected and excluded participants was issued on the 10th of August 2023.

Eligibility criteria - Participation fee

For the participation in the 1st BESS Tender, the following requirements had to be cumulatively met:

- i. the BESS participating in the 1st BESS Tender had been granted with a valid Storage License for a storage station with a maximum injection capacity of **100 MW** and a discharge duration of at least **two (2) hours** or a corresponding License issued by the competent authorities of Bulgaria;
- ii. construction works for the BESS must not have been commenced prior to the submission of the bid offer and
- iii. the BESS must be **connected** directly to the **System** or through MV interconnection works not included in the System.
- iv. The **participation fee** is defined to **2,500.00 €/BESS**.

Bidding process

- The Tender was under the form of a **single-stage bidding** process.
- **The financial offer** corresponds to the annual **Reference Revenue** of the BESS, i.e., the **necessary amount of money that ensures the sustainability of the BESS's operation per year and is calculated in €/MW**.
- The **starting bidding price** has been defined to **115,000.00 €/MW/year**.
- In case the bid offer corresponds to a capacity lower than the capacity of the BESS defined in the Storage License the bid offer includes an application for the amendment of the Storage License, which will be reviewed by RAEWW, provided that the BESS is selected during the tendering process.

Terms of the Tender-Assessment

The following rules for a satisfactory level of competition, applied :

- i. a minimum of **four (4) participants**, which are **not affiliated** entities, shall apply in the Tender. If that is not the case the Tender is called off;
- ii. the cap capacity for the participation of each BESS in the Tender is set to **100 MW**;
- iii. the aggregate capacity tendered per participant is set to **twenty-five percent (25%)** of the capacity tendered;
- iv. cumulatively the cap of the capacity that can be tendered on a **per applicant** basis is set to **100 MW**;
- v. the Minimum Competition percentage (the minimum accepted price of the percentage as per which the aggregate capacity of BESS participating in the Tender exceed the capacity to be tendered) **is set to 100%** and
- vi. a **“last project” rule** will apply, by virtue of which the last BESS (as per the order of selection) may lead to an excess of the capacity tendered up to five percent (5%).

Investment and Operating Aid support

BESS selected through the 1st BESS Tender shall receive **an investment grant of 200,000.00 €/MW.**

The BESS selected will enter in an Operating Aid Agreement (Sliding Premium) with the **RES Operator & Guarantees of Origins S.A.**

The BESS will be receiving operating aid which will correspond to an amount of 100% of the difference between the **reference revenue of a particular BESS** and the **market revenue of all the selected BESS** in the 1st and 2nd BESS Tenders.

In case the **market revenue of all the selected BESS** is particularly low due to the implementation of practices that lead to systematic deviation, RAEWW may decrease the percentage of the difference that will be received as operating aid.

The validity period of the Operating Aid is **set to ten (10) years** starting from the commercial operation of the BESS.

Obligations of the selected BESS

The Call for Tender provides that the BESS selected through the Tender are required to:

- enter into commercial operation the latest by **31.12.2025**;
- submit an **application for the electrification** of the projects to IPTO the latest by **30.09.2025**;
- submit to RAEWW a **Timely and Good Performance LoG**, which amounts to **250,000.00€/MW** and substitutes the **Participation LoG**, within three (3) months from the issuance of the Final list of selected and excluded participants;
- submit to DAPEEP a **Good Operation LoG** following the trial operation of the BESS and prior to the commercial operation of the projects, which substitutes the Timely and Good Performance LoG and shall remain valid during the validity period of the Operating Aid Agreement (10 years). The 1st Letter of Guarantee shall amount to **200,000.00 €/MW** ;
- within five (5) years as of the commercial operation of the BESS, a new **(2nd) LoG amounting to 100,000.00€/MW** shall be submitted, substituting the initial LoG, which will be returned;
- participate in the Electricity Markets as per the relevant Regulations;

Technical obligations of the selected BESS

The BESS must fulfil the technical requirements of the Call for Tender during the operating and investment aid period, otherwise sanctions may be imposed. The main technical requirements are the following:

- the **maximum injection capacity** and the discharge duration of the BESS **cannot be modified** during the investment and operating aid period;
- the **BESS technology** selected must have been utilized internationally in BESS that participate in Electricity Markets and have been set into commercial operation within the period 2018-2022, with an aggregate capacity of at least **1,000 MWh**. Technologies of **pumped hydro storage and lithium-ion batteries** are **excluded** from the obligation of compliance with this requirement;
- the selected BESS shall have a **full cycle performance at least equal to 80%** when entering in commercial operation;
- when active and in standby mode, the **maximum consumption of energy by BESS** must not exceed **15%** of the guaranteed capacity on a daily basis;
- the BESS must be in position to participate as an independent **Balancing Services** entity in the Electricity Markets, in accordance with the relevant Regulations and
- the selected BESS shall achieve **availability of capacity** equal to **93%** calculated as an average price on a biennial basis, for consecutive two-year periods.
- **used or second-life** equipment for BESS is **prohibited**.

Sanctions

In cases of

- poorly and/or non-timely implementation of the BESS,
- non-timely submission of the Timely and Good Performance and Good Operation LoGs,
- non fulfilment of the technical obligations
- and breach of obligations during the operation of the BESS,

sanctions will be imposed by RAEWW, such as the **forfeiture of the LoGs and/or the cancellation of the investment and operating aid support scheme.**

1st Tender Results

Greece's first standalone BESS tender (Battery Energy Storage System) has witnessed great response from developers.

RAEWW announced **that 411.8 MW** worth of projects have been allocated.

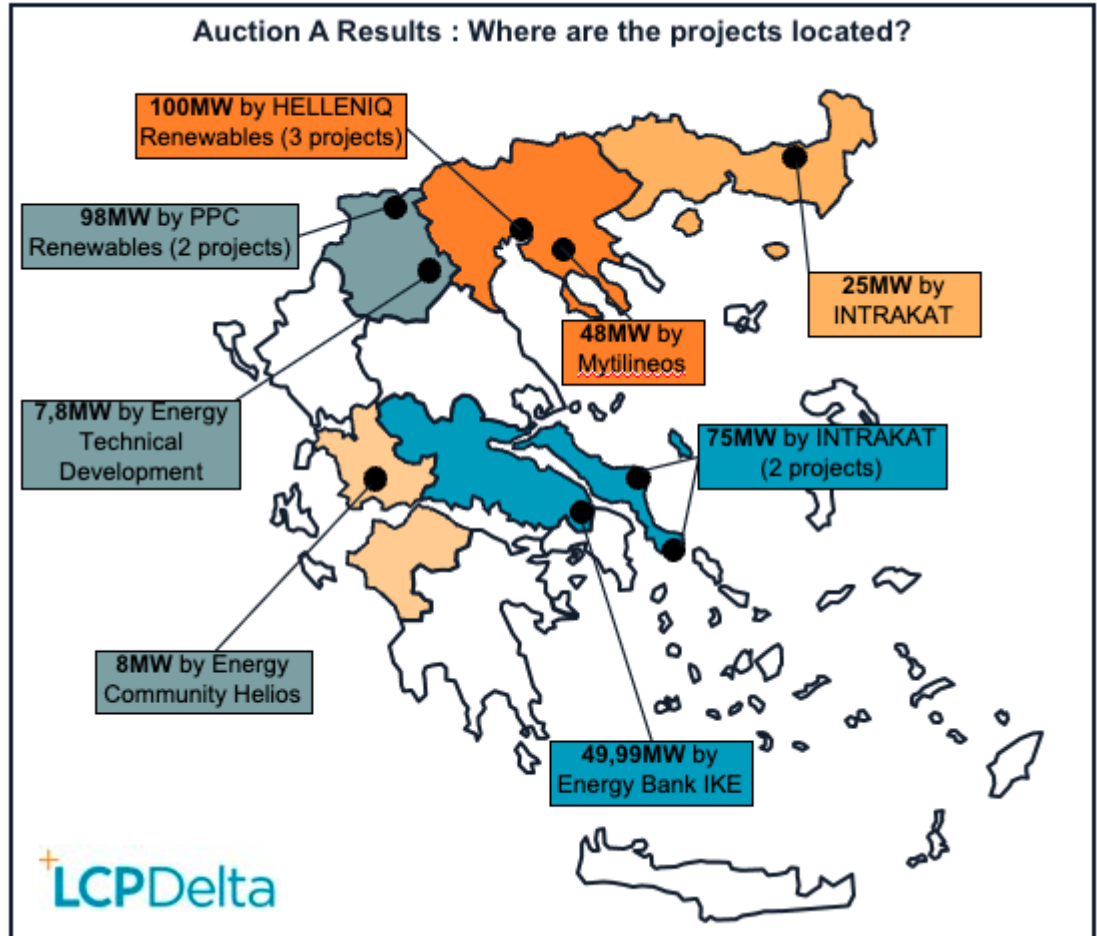
Financial aid for investment and operation will be given to **12 projects put up by 7 developers**.

The tender bids ranged between **EUR 33,948 (USD 37,091) per MW** and **EUR 64,122 per MW**, while the weighted average tariff of the successful proposals was pegged at **EUR 49,748 per MW every year**. The tariff at which bids were capped were 115,000 per MW annually.

Helleniq Energy made **the lowest offer** while the **highest** bid came from **Intra Energy (INTRAKAT)**.

The tender was launched last month and has seen **93 proposals** come in boasting an aggregate capacity of **3.3 GW**, as against **the 400 MW target**. The tender has been major oversubscribed.

1st Tender Results





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**THANK YOU
FOR YOUR
ATTENTION!**

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