



GREEK LAW DIGEST

The Ultimate Legal Guide
to Investing in Greece

**Metaxas & Associates -
Attorneys at Law**

SOLAR ENERGY
(PHOTOVOLTAIC)



NOMIKI BIBLIOTHIKI



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INVEST
IN GREECE
AGENCY

SOLAR ENERGY (PHOTOVOLTAIC)

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Solar PV Greek legal framework

The latest legislation about Photovoltaic and Renewable Energy Sources adopted by the Greek Parliament last May 2010 (N. 3851/2010, ΦΕΚ 85Α, 4-6-2010), simplifies some of the procedures of the previously existing licensing regime. The law aspires to enable Greece to be provided nation-wide with electricity stemming from photovoltaics (up to 2020) up to a percentage of 40%.

Certain provisions of the abovementioned law were amended by the most recent Law 4001/2011, in force as of 22nd August 2011. Apart from these, more general provisions, specific procedures are provided for in the Licensing Regulation by the National Regulatory Authority (R.A.E.) and also in certain Ministerial Decisions (such as 9154/14.04.2011 on the prerequisites to implement a photovoltaic station on land and buildings) as well as important internal circulars (such as Υ.Α.Π.Ε./Φ1/οικ.26928).

What are the necessary steps of the licensing process?

An investor aiming to operate a photovoltaic station of ≥ 1 MW should follow the steps below:

- Apply to the National Regulatory Authority (RAE) for a Production License
- Once the Production License is acquired, apply to the competent Department of the Region for an Installation License (includes Approval of Environmental Conditions)
- Get a permission to proceed to minor-scale-interventions by the Department of Urban Planning.
- Apply to the System Operator for grid connection
- Sign a contract with the System Operator (HTSO) for selling electricity to the grid
→ Install PV system
- Apply to the competent Department

Which is the competent Authority for the issuance of the Production License?

The Production License is issued by the National Regulatory Authority (RAE). The NRA examines if the criteria provided for in the Law are met and decides whether to issue or not a Production License within 2 months from the application submission date, provided that the application folder is complete, otherwise, from its completion. The competence of the Minister of Environment, Energy and Climate Change (MECC) consists of an own-motivated checking of legitimacy within twenty (20) days from

receipt of the file. This own-motivated checking practically means that the MECC is entitled to cancel the License issued by the NRA in case the latter has been issued in breach of the applicable law provisions. Upon the conclusion of the control by the MECC the License of the NRA is published in a special Registry kept by the newly established authority for RES within the Ministry. The Production License is valid for up to 25 years and can be renewed for another 25 years. If the Installation License is not issued within 30 months of the issuance of the Production License, the latter is being automatically revoked.

Exceptions from the Production License

Exceptions can be granted up to the point of time when the said license is issued, for stations meant to be operated by farmers up to 100 KW, as well as for stations which are being expressly exempt from the obligation to possess a Production License. Moreover, according to the new Law, a Production License or any other declaratory decision (known as "exception") is no longer required for photovoltaic systems up to 1 MW.

Installation License

Upon issuance of the Production License, the investor shall simultaneously a) apply to the Grid Operator for connection quotation, b) apply to the competent authority for an Approval of the Environmental Conditions of the project (E.P.O.) and c) apply for a permit from the Forestry Department, if required.

Within 4 months of the submission of the relevant application the competent Operator will issue the connection quotation, which becomes binding from the point of time at which either the EPO or the exemption decision are issued (see below for more details). Within 45 working days (at the latest) of the submission of the relevant application, the General Secretariat of the Region issues the Installation License. If no such license is being issued, the General Secretariat of the Region shall issue a declaratory decision, explaining why he could not issue the said license and puts over the file to the Minister of Environment, Energy and Climatic Change, who shall issue the said decision within 30 days upon receipt of the file. The Installation License is valid for 2 years and can be renewed once for another 2 years.

Approval of Environmental Conditions (E.P.O)

After receiving the Production License from the NRA the investor shall apply for the issuance of a Decision of Approval of Environmental Conditions (E.P.O.), in order to be granted an Installation License. The application shall be followed by a complete folder and an Environmental Impact Statement (E.I.S.).

The competent authority examines the environmental impacts and the proposed mitigation measures and issues its opinion on whether to issue or not an E.P.O. decision within four (4) months from the time the folder was consider complete. This decision on environmental compatibility (E.P.O.) is valid for 10 years and can be extended twice for the same period of time, if a relevant application is submitted up to 6 months before the expiration of the said decision.

Operation License

The competent authority for the Operation License is the same as the Installation License. It is granted after an audit unit has confirmed that the technical conditions for the installation of the PV station have been followed. The Operation License must be issued within an exclusive period of 20 days and is valid for 20 years

Licensing for Photovoltaic stations up to 500 KW

- a. These stations are exempt from the prerequisite requirement of a Production License, as well as from the prerequisite requirement of an Installation and Operation License
- b. For PV-systems up to 500 KWp, installed on fields, the environmental licensing (E.P.O.) can be avoided as long as certain conditions are met. The District Administration can confirm that these conditions are met within 20 days. In general, an environmental licensing is required only when these systems are to be installed in NATURA areas, coastal areas (less than 100m from the coastline) and in fields close to another PV-plant which already has been licensed to produce electricity (and the total energy output exceeds 500 KWp).
- c. The application for a connection quotation to the competent Operator is a sine qua non prerequisite.
- d. Such stations may not be transferred before the inauguration of their operation.
- e. Guarantee equal to 150 €/KW is payable before signature of the Power Purchase Agreement.

Licensing for Photovoltaic stations from 500 KW to 1 MW

- a. These stations are exempt from the prerequisite requirement of a Production License as well as from the prerequisite requirement of an Installation and Operation License
- b. There is a requirement for an application for environmental licensing and for a connection quotation
- c. Such stations may not be legally transferred before the inauguration of their operation
- d. Guarantee equal to 150 €/KW is payable before signature of the Power Purchase Agreement

How can a PV station be transferred?

The owner of a Production License, following a relevant decision by the RAE, may transfer his license to other natural or legal persons.

Solar (PV) stations with installed power capacity smaller than or equal to one (1) MWp, are not allowed to be transferred before beginning of their operation. Such a transfer is only allowed to legal entities, as long as the total share capital of the company to which they are being transferred is held by the transferring physical or legal body.

How is the pricing of electric energy produced by PV stations carried out?

The pricing of electric energy produced by PV stations is carried out based on the provisions of Law 3851/2010 and Article 27A of law 3734/2009. The new feed-in tariffs (FITs) are guaranteed for 20 years and are adjusted annually by 25% of previous year's consumer price index.

According to the Law, the producers of electrical energy from PV systems are exempt from payment of the special tax.

Why should one consider investing in the photovoltaic sector in Greece?

First and foremost: Greece is generally associated with sunshine, being a Mediterranean country. But also, Greece's Feed in Tariff system is really attractive, since electricity produced from PVs is sold to the Public Power Company (PPC-DEI) at fixed purchase prices agreed in advance and guaranteed for twenty years. The weather conditions in Greece, therefore, guarantee that the investment will be profitable. The FiT in Greece retains one of the most attractive rates among the other European countries. Amidst an unprecedented financial crisis, the Greek government has taken bold initiatives for the development of residential solar systems, offering not just generous financial incentives but also simplifying the licensing procedures. Any citizen, who wants to install a solar system with a capacity of up to 10 kilowatts on their roof, can do so easily, simply by visiting the local electricity company office. Fiscal incentives should not be neglected either: obtaining exemption from value added tax for all module and material costs should not be overlooked. Tax exemption is granted by the competent tax office.

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