



HWEA

HELLENIC WIND ENERGY ASSOCIATION

Saturday, 21 March 2020

NOTE

COVID-19 and Wind Energy in Greece

Wind energy companies in Greece are making every effort - within their responsibility - to respond effectively to the current critical period. They closely monitor and apply the announcements of the Government and the experts to limit travels and contacts, targeting to protect the health of workers and citizens and -at the same time- to secure high availability of their facilities.

The COVID-19 crisis has already brought problems which -up to now and in most of the cases - are manageable. The problems relate to four categories of projects:

1. Wind farms under development / licensing
2. Wind farms with an installation permit that have not been started
3. Wind farms under construction
4. Operating wind farms

One of the few areas that has not been affected is the expected joint RES auction of 2.4.2020. The auction is electronic, and any document -required in physical form- has already been submitted (e.g. participation letters of guarantee).

The problems and the potential risks for the projects are the following:

1. Wind farms under development / licensing

- Delays in the licensing due to the absence of some staff of the competent authorities. This affects mature investments that require modifications to their permits, including projects selected through auctions and projects that have been awarded binding grid connection offers.
- Potential delays in the issuance of the bank guarantees which are required for the acceptance by the developers of a binding grid connection offer.

2. Wind parks with an installation permit that have not been started

A few weeks of delays in the delivery schedule of equipment are already evident. That delay is not long, but there are cases of projects with marginal time-schedules that may already be critical to maintaining an approved Reference Value (RV). This risk mainly concerns

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projects whose RV has been defined administratively but, potentially, projects selected through auctions as well.

3. Wind farms under construction

These projects appear to have immediate problems. Specifically:

- The priority is, of course, the health of the workers on sites, which results in reduced construction rates.
- Problem is caused by the special quarantine regime already imposed by the Government on the islands and may be imposed in other areas if needed. A specific regulation that would allow workers to move is under preparation. This may be a solution whose effectiveness should be proven in practice.
- The hotels closure seems more important due to the problems it creates for the accommodation of the workers and on-site staff. According to the relevant Government's decision only one hotel should remain open per prefecture.
- Even more difficult is the problem posed by the need for foreign workers to supervise and coordinate the installation and commissioning of the wind turbines by the supplier. So far, that problem, where it has emerged, has been temporarily addressed by the arrival of staff from countries that did not have a major COVID-19 problem. The situation is exacerbated by the quarantine of those arriving from abroad.

4. Operating wind farms

As noted, our member companies make every effort to keep their wind farms available. This is important for the security of energy supply in Greece. On Friday 29.3.2020 our wind farms injected 21.6 GWh into the system, covering 21% of the electricity in the country. On Monday, March 16, 2020, wind generation was 42.5 GWh, covering 32.1%.

Based on the picture to date, there are not insurmountable problems with spare parts availability. Nevertheless:

- There are problems with the mobility and residence of the workers as mentioned above.
- Problems may arise in the event of a major fault requiring replacement of a main component in the presence of foreign workers from the supplier, who have provided the associated guarantees.
- There are cases of projects that have completed the construction and need to issue the Operation License. We expect delays due to non-response to requests by the administration and unavailability of public officials for on-site autopsy etc.

Based on all the above HWEA has proposed appropriate legislation extending, if necessary, several deadlines for the licensing and the construction of the investments, as follows:

1. Extension of Installation Licenses and binding Grid Connection Offers (for at least 6 months)
2. The deadline for maintaining the Reference Value by projects which were not obliged to participate in an auction, to be postponed to 1.9.2021 (from 1.1.2021).





3. The deadline for maintaining the Reference Value by projects selected through auction, to be extended (at least for 6 months).
4. The deadline of the last subparagraph of article 3 par. 12 of Law 4414/2016 to be extended by 6 months.
5. The deadline for acceptance of a binding Grid Connection Offer and submission of the required bank guarantee to be extended (for at least 2 months). Especially this extension we think should be given immediately.

Special RES Account

In addition to the above problems, the COVID-19 crisis poses a risk to the market's liquidity. Care should be taken that any relief measures for consumers or suppliers are not unfairly burden the Special RES Account. The risk for the Account is increased due to the decline in the wholesale marginal price and the ETS price. Referring to the week -15/3, the weekly average marginal price of electricity moved downwards to a 102-week low 43.02 €/MWh, having declined by 6.21% compared to last week. The electricity price decrease can be attributed primarily to lower weekly electricity demand as result of the coronavirus epidemic, which plummeted to 853.87 GWh (-2.74% or -24.04 GWh w-w) and to lower regional electricity prices.

