



GENERAL LICENSING
PROCESS FOR RES

ENERGY SECTOR

 ENTERPRISE GREECE
INVEST & TRADE

www.enterprisegreece.gov.gr

 ENTERPRISE GREECE
INVEST & TRADE



1st step

Power
Production
License

The right to apply for a power production license is granted to natural persons or legal entities that:

- have been legally established and are located in a Member State of the European Union, the European Economic Area (EEA) and the Energy Community countries or third countries, if a relevant right results from a bilateral agreement the country has concluded with Greece or the European Union, or
- have legally established a branch in Greece

License applications are submitted to RAE from the first to the tenth day of March, June, September and December (application cycle).

The license for electricity production from Renewable Energy Sources (RES) and Combined Heat and Power High Performance stations (CHP) is **granted by the Regulatory Authority for Energy (RAE)** based on the following criteria:

- National security
- Protection of public health and safety
- Overall security of the System and Grid's installations and related equipment
- Energy efficiency of the project for which the application is submitted, as it results, for RES projects, from measurements of the RES potential, and for CHP stations, from their energy balances.
- The maturity of the project implementation process, as results from relevant studies carried out, opinions of the competent authorities, as well as from other relevant data
- Assurance or possibility of securing the right to use the project location
- Ability of the applicant or its shareholders or partners to carry out the project on the basis of its scientific and technical adequacy and ability to obtain the required equity financing by own funds or bank financing for the project or venture capital or a combination thereof
- Provision of utility services and customer protection
- Possibility to implement the project in compliance with the Special Framework for Spatial Planning and Sustainable Development for RES and in particular its provisions about the excluded areas for RES installations, provided that these areas have been delineated in a precise and specific manner, as well as the provisions therein regarding the assessment of the carrying capacity of the areas where RES are allowed, to primarily ensure environmental protection
- Project compatibility with the National Action Plan for the achievement of the National Objectives for RES by the year 2020

RAE examines whether the above criteria are met and decides whether to grant a power generation license or not.

Decision to grant a license is posted on RAE's website and communicated to the Minister of Environment, Energy and Climate Change with the care of RAE and published right away in one (1) nationwide daily newspaper by the beneficiary.

A power production license is valid from the date of its issuance.

A power production license from RES and CHP is granted for a period of up to twenty-five (25) years and can be renewed up to an equal time period. The license holder, without any delay, must take all necessary actions to issue an installation permit within a time period that does not exceed thirty (30) months from the issuance of the power production license, and implement the project.

Annual fee for retaining the right to hold the power production license:

The holders of the power production license from High Performance CHP or RES stations pay, within the first four months of each year, to LAGIE (Operator of Electricity Market), an annual fee of 1 euro per kilowatt (1€/kW) of installed capacity.

Natural persons or legal entities producing electricity under the following categories of RES or CHP installations are exempt from the obligation to obtain a power production licence:

- geothermal stations with an installed capacity of less than or equal to half (0,5) MW
- biomass, biogas and biofuels stations with an installed capacity of less than or equal to one (1) MW
- photovoltaic or solar thermal stations with an installed capacity of less than or equal to one (1) MWp
- wind farms with an installed capacity of less than or equal to one hundred (100) kW
- CHP stations with an installed capacity of less than or equal to one (1) MWe
- RES or CHP stations with an installed capacity of up to five (5) MWe, installed by public or private educational or research organizations for as long as these stations operate exclusively for educational or research purposes, as well as stations installed by the Center for Renewable Energy Sources and Saving (CRES), for as long as these stations operate for certifications or measurements
- autonomous RES or CHP stations not connected to the System or Grid, with an installed capacity of less than or equal to five (5) MWe, with no possibility to modify their autonomous operation. The persons who are responsible for the operation of these stations are obliged, before the station installation, to inform the competent Operator about the location, capacity and technology of these stations



The capacity threshold in cases c and d applies for the total of stations belonging to the same natural person or legal entity and are located on the same or adjacent property, and the pricing is based on the cumulative capacity of all stations.

2nd step

Decision for the Approval of Environmental Terms (AEPO) Connection Offer to the system

Following issuance of the production license by the RAE, the interested party, in order to obtain an installation permit, simultaneously requests granting of::

1. Decision for the Approval of Environmental Terms (AEPO)
2. Connection Offer by the competent Operator

Both parts of the RES licensing process, i.e. Connection Offer and AEPO, shall develop in parallel. The Final Connection Offer requires the approval of the environmental permit.

1 Environmental permit

In order to carry out new RES projects, the project developer may request an opinion from the competent environmental authority by submitting a Preliminary Environmental Impact Assessment (PEIA) dossier prior to the submission of an Environmental Impact Assessment (EIA) for the issuance of the Decision for the Approval of Environmental Terms (AEPO).

For the construction of new category B RES projects (i.e. power generation from wind turbines of $0.02 < P < 5$ MW & photovoltaic power generation of $0.5 < P < 2$ MW), the EIA process is not followed, but the projects are subject to Standard Environmental Commitments (PPD).

Approval of Environmental Impact for **A1 Category** RES Projects is granted by the **Directorate of Environmental Licensing (DIPA) of the Ministry of Environment and Energy**, while for the **A2 Category**, the corresponding approval is granted by the **Directorate of Environment & Land Planning of the competent Decentralized**

Administration. Within a 10-day period the EIA dossier completeness check is performed by the competent licensing authorities and a AEPO or a Rejection Decision is issued within approximately four (4) months from the time when the EIA dossier was considered complete.

For **Category B** RES projects subject to Standard Environmental Commitments (**PPD**), and for which no installation permit is required, said requirement for PPD is put forward by the **Directorate of Environment & Land Planning of the Region concerned** before the connection offer by the competent operator.

Should an installation permit is required:

- Any project requirement for PPD is put forward by the installation permit authority, of which PPDs are an integral part. PPDs are then integrated into the operating license.
- Alternatively, the project developer may request the Directorate of Environment & Land Planning of the Region concerned to include project in the PPD category, after the power production license has been granted and before a final connection offer is received by the competent Operator. In this case, PPDs are integrated into the installation permit and the operating license

Immediately after the issuance of the production license, the holder of the said license requests (in parallel with the AEPO application) the competent operator to issue a Connection Offer.



Connection to the System or Grid

The competent Operator for **Connection Offers** to RES and CHP stations of the Interconnected System and Grids of up to 8 MW capacity is **HEDNO S.A (Hellenic Electricity Distribution Network Operator)**, while for stations with a capacity of more than 8 MW, the relevant Operator is **ADMIE S.A (Independent Power Transmission Operator)**.

ADMIE is also responsible for the specific case of a set of smaller stations, whose cumulative power exceeds the threshold of 8 MW and which are to be connected via a new dedicated grid and a new medium-to-high voltage substation.

The application must be accompanied by a copy of the production license and the following supporting documents:

- Topographic diagrams in a Military Geographical Service (GIS) background in a scale of 1:5000 and 1:50,000, where the location of the station must be clearly marked
- Building coverage diagram in a scale 1:200 to 1:500 with the proposed facilities, indicating the location of the units, the coupling/step-up substations and the control buildings
- Electrical single line diagram showing in detail the major equipment of the installation, and in particular, the production units, where each unit will be marked with a distinct numbering, the step-up transformers, the compensation devices and the decoupling and protection means
- Description of the central reactive power compensation devices of the station, if any, and their control system
- Description of the protection devices, including possible and/or recommended configurations by the manufacturer, for each type of generator used
- Description of the start / sync device for each type of generator used
- Description of the compensation devices, for each type of generator used, with available local voltage control compensation devices, as well as information on any central compensation devices related to the whole station
- **For wind farms:**
 - I. Certificate of measurements on power quality characteristics issued by the Center for Renewable Energy Sources & Saving (CRES) or certificate of a foreign body recognized by the competent authorities of the respective country and accepted by the CRES. The certificate is preferably issued in accordance with IEC 61400-21 or other similar standard
 - II. Certificate of approval of the particular type of wind turbine

issued by the CRES, following a wind turbine inspection by a CRES designated procedure or a foreign body certificate recognized by the competent authorities of the respective country and accepted by the CRES

- In the case of installations using power converters, a certificate of measurement of the maximum expected amplitude of the harmonic output by a recognized

certification body, and a description of the harmonic filters, if any. The way of measuring the harmonics must be compatible with IEC 6100047

- For Photovoltaic stations, in particular, technical manuals and ISO certificates from the photovoltaic panels and inverters manufacturers, which must include the total harmonic distortion of the inverter output current

The competent operator, by decision, grants the Connection Offer within four (4) months from the application, which is finalized and becomes binding:

a) upon the issuance of a AEPO for the RES station or,

b) if AEPO is not required, upon the issuance of a certificate by the relevant environmental authority of the Region concerned that the RES station is exempt from such obligation.

The applications for a Final Connection Offer fall under five Priority Groups (A, B, C, D, E) based on criteria (technology, location, etc.). During assessment, applications for Groups A and B are given priority over the applications for Groups C, D and E.

Once the Connection Offer has become binding, the beneficiary must proceed with:





Once the Connection Offer has become binding, the beneficiary must proceed with:

1. the installation permit
2. the Connection and Power Agreements
3. permits/licenses, protocols or other approvals, which may be required under the provisions of the applicable law for the installation of a RES station, and which are issued without prior issuance of an installation permit

Letter of Guarantee

Upon acceptance of the Final Connection Offer for RES and CHP stations, a letter of guarantee must be submitted to the Operator..

The duration of the Letter of Guarantee shall be at least two years, and it is compulsory to be renewed before its expiry and until the station is put into trial operation or, if no trial period is provided, until the connection is activated.

The amount of the Letter of Guarantee is defined per unit of the application nominal capacity in kilowatts (kW) as follows:

- forty-two euro per kilowatt (42 euro / kW) for up to one megawatt (1MW)
- twenty-one euro per kilowatt (21 euro / kW) for one to ten megawatts (1 to 10 MWs)
- fourteen euro per kilowatt (14 euro / kW) for ten to one hundred megawatt (10 to 100 MWs); and
- seven euro per kilowatt (7 euro / kW) for over one hundred megawatts (100 MWs)

The letter of guarantee shall be returned to the person concerned at his request if:

- any license or approval required for the lawful installation or operation of the RES station is suspended or annulled by court decision; or
- the Final Connection Offer expires (as defined by Law 3468/2006) without the issuance of a court decision on an application for the annulment of any permit or approval necessary for the installation or operation of the station. should the application for annulment has been submitted before the time of submission of the letter of guarantee by the person concerned.

GUARANTEE AND DURATION OF VALIDITY FOR THE FINAL CONNECTION OFFER

- The duration of validity for the Final Connection Offers follows the Installation Permit
- In case the letter of guarantee is not submitted, a new application can be submitted after 1 year
- In case the duration of validity for the Final Connection Offer has expired, the letter of guarantee shall be forfeit.

Conduct of competitive bidding processes for RES and CHP stations.

- As from 1 January 2017, a RES and CHP power stations support scheme through competitive bidding process is in force.
- The installed capacity, per RES and CHP power station technology and/or category, which is auctioned through the competitive bidding processes, including RES stations installed in countries within the European Economic Area, under the condition of an active cross-border energy trade with them, during the current calendar year or the following years after the issue of the Decision, the minimum number of Tender per year, as well as the maximum and/or minimum allowable bid value for each competitive bidding process is determined by means of a Decision by the Minister of Environment and Energy after RAE's Opinion.
- By means of a decision by RAE, a Notice (Announcement) will be issued for competitive bidding process for RES and CHP power stations, which shall be determining the eligibility and evaluation criteria, the geographical or other spatial restrictions, the construction and operation timeline for the selected stations, the letters of guarantee, any reduction in Reference Tariff (RT) resulting in a competitive bidding procedure for RES and CHP in a Non-Interconnected Island in case of interconnection with the Interconnected System and any special clauses and any other necessary details related to the competitive bidding process.
- The Competitive Bidding process includes the following stages:
 - Announcement by RAE
 - Submission of applications
 - Interim Evaluation Results
 - Final Results
 - Online Auction
- **The process concerns two (2) categories of projects::**
 1. **Mature projects** (projects with Final Connection Offer) with an implementation timeline of two (2) to three (3) years
 2. **Non mature projects** (projects without a production license) with an implementation timeline of five (5) to eight (8) years

3rd step

Installation Permit - Connection and Power Purchase Agreement - Construction Permit

A precondition for issuing an **Installation Permit** is to have already obtained a power production license, an AEPO, and a Final Connection Offer. The Connection Offer is issued by the Decentralized Administration within the boundaries of which the station is built, or the Ministry of Environment and Energy.

The application for an installation permit must be accompanied by the following supporting documents:

- Power production License
- Decision on Approval of Environmental Terms (AEPO)
- Final Connection Offer
- Brief technical description of the project, signed by the designer, which must include the basic technical details of the project as well as the project budget. It must not exceed 10 pages
- Legal proof of exclusive use of land and any other property associated with the construction and the operation of the station, such as connection projects
- Affirmation in lieu of the station owner for the assignment of the locational study, as well as an affirmation in lieu of the designer to undertake the locational study
- Topographic diagrams, certified by the competent Operator with an imprint of the connection projects according to the final connection offer

The installation permit is granted only once, is valid for two (2) years and may be extended, up to two times, initially for two (2) years if:

1. at the end of the two years 50% of the project investment budget has been spent on works, or
2. the above (a) condition is not met, but the necessary contracts for the procurement of the equipment required to carry out the project have been concluded or costs in excess of 50% of the purchase cost thereof have incurred; or
3. there is an obligation under the institutional framework to conduct a tender process for the project

It may be extended for eighteen (18) additional months if:

1. work has been done, the cost of which covers 40% of the total cost of the investment; or
2. there is a suspension by court decision of any license necessary for the lawful execution of the project

Extension of the installation permit is allowed for a period equal to what is required for the execution of the project, after submission to and approval by the licensing authority of a substantiated proposal with an attached timeline by the licensee in the cases of:

- wind farm complexes with a total capacity of more than one hundred and fifty (150) MW
- wind farms connected to the National Interconnected System via a dedicated submarine cable
- Hybrid RES Projects
- other RES complex projects

Once the Connection Offer has become binding, the beneficiary may submit an application to the competent Operator to sign a System or Grid Connection Contract. In the application, the beneficiary must submit a copy of the installation permit and the Connection Offer. The Connection Agreement is signed and is valid from the granting of the Installation Permit, if required. After that the investor can start with the connection projects.

The duration of the Power Purchase Agreement, (Sliding Premium Operating Aid Contract or Fixed Price Operating Aid Contract) is set at twenty (20) years, with the exception of solar thermal power stations, for which the duration is set at twenty-five (25) years. The Power Purchase Agreement from Hybrid Stations shall be valid for twenty (20) years and may be extended, in accordance with the terms of such license, following a written agreement between the parties, if the relevant production license is in force.

After the installation permit is issued, and before the beginning of the works, the project developer will apply to Town Planning Directorates to issue the required construction permits .

Photovoltaic power stations operations require only a small-scale work permit, while construction projects (including substation buildings) require a building permit. For wind farms, in addition to building facilities, a building permit is required for the foundations of the wind turbines.

4th step

Operating License

After the station has been completed and prior to the application for authorization (operating license), the holder of the installation permit, must **apply to the relevant Operator with whom he has entered into the Connection Contract to temporarily connect the station to the System or the Grid**, in order to carry out the necessary tests for the smooth operation of the station. The application shall be accompanied by affirmation in lieu signed by the producer and the engineer overseeing the installation that all works have been carried out in accordance with the installation permit, the Connection Contract, the applicable regulations and provisions and the rules of art and science.

The **Operating License** shall be granted by decision of the authority responsible for granting the installation permit (Decentralized Administration within the boundaries of which the station is established, Ministry of Environment and Energy). The license is issued following an application of the interested party. The competent authorities verify the compliance of the installation technical conditions during the pilot operation of the station, whereas the Center for Renewable Energy Sources & Saving (CRES) checks the necessary functional and technical characteristics of the station equipment within a specified time limit of **twenty (20) days** from the completion of the above checks, if they are positive.

The holder of a valid installation permit applies for the operating license to the authority that has issued the installation permit.



Applications must be accompanied by the following supporting documents:

- Certified copy of the Connection Contract signed between the Producer and the Competent Operator
- Certified copy of the relevant Power Purchase Agreement between the Producer and the Competent Operator
- Copy of the Operator's certificate to the producer stating that the station has been tested and the construction of the relevant connection network of the station and all other necessary connection works, on the part of the producer, have been completed with, at least, the minimum specifications provided for in the System or Grid Management Codes or the Non-Interconnected Islands Codes
- Certified copy of the building permit, if required, in accordance with the provisions of applicable law
- Affirmation in lieu by the holder of the installation permit certifying that :
 - I. The terms of the Decision for the Approval of Environmental Terms (AEPO) have been met during the construction phase of the project and will be respected during the operational phase. If variations in terms and restrictions are found,
 - II. The supervision of the operation of the station has been assigned to a competent engineer
- Affirmation in lieu of the engineer overseeing the operation of the station that s/he has accepted the assignment and has compiled, during the operation of the station, with the terms and regulations for the protection of the environment and the safety and health of the employees at the station.

The operating license for **RES** or **CHP power stations** is valid for **at least twenty (20) years** and can be renewed for up to an equal time period.

Especially for **solar thermal power stations** the minimum period of validity of the license is set at **twenty-five (25) years**.

Disclaimer:

While this information has been taken to ensure that the information contained in this guide is accurate, Enterprise Greece does not assume any liability whatsoever for any imprecise or erroneous statement contained herein. This guide is for informational purposes only; it is not intended to give legal advice; readers are advised to seek independent legal advice before acting on any statements contained herein. The information contained is in no way a substitute for the relevant legal framework, which is binding only in the original Greek legislative texts.

