



The regulatory framework for the development of Stand-Alone Batteries projects and Investment aid

- ❖ **This memo concerns:** The energy producers that wish to apply for the implementation and operation of for Stand-alone Battery Storage Projects in Greece as well as those who have applied for participation in the 2nd (B) *Competitive Bidding Process for the Granting of Investment and Operating Aid to Electricity Storage Stations*.
- ❖ **The Investment Aid Support Benefits:** The BESS projects selected through the 2nd BESS Tender, that shall receive an investment grant of 100,000.00 €/MW.
- ❖ **Final shortlist:** 15 February 2024.

I. Introduction

The regulatory framework governing Battery Energy Storage System Projects (BESS) in Greece is comprehensive and involves several legal and procedural steps. This framework plays a crucial role in ensuring the safe and efficient operation of the Electricity Transmission System and in stabilizing electricity demand. Further, the current memo outlines the procedure applicable to BESS projects selected through the 2nd Tender for a grant of 100,000.00 €/MW.

II. Regulatory Framework

A. Licensing and Permits



The issuance of Storage Licenses for Storage Battery System Projects (SBSPs) falls under the jurisdiction of the Regulatory Authority for Waste, Energy and Water (RAAEY) Applicants are required to pay a fee, and submissions are made in monthly cycles. The Storage License is valid for 25 years with an option of renewal for another 25 years. Revocation of the license may occur if certain conditions are not met, such as failure to apply for an Environmental License or a Binding Grid Connection Offer (BGCO).

- *Pre-environmental Permitting*

This phase involves obtaining the Storage License under Law 4001/2011 and participating in tenders for investment grant and operating aid support.

- *Environmental Permitting*

An Environmental License is mandatory, governed by Laws 1650/1986 and Law 4014/2011, as amended by Law 4685/2020. The license is classified into two categories based on the project's environmental impact.

- *Construction Permitting*

Relevant construction licenses are required as per applicable legislation.

B. Financial and Operational Aspects

- *Credit Support Requirements*

A Letter of Guarantee (LoG) is not needed for the Storage License application. RAAEY reviews the technical and financial adequacy of both the applicant and the project.

- *BESS Tenders for Investment and Operating Aid Support*

Law 4920/2022 sets the legal basis for state aid to BESS technology, which must be internationally utilized and directly connected to the System. The tender process includes several criteria, such as project capacity and technical specifications.

C. Grid Connection and Prioritization

- *Grid Connection Offer*

The application is submitted to the Independent Power Transmission Operator (IPTO). Deadlines for applications may be extended by paying an extension fee.

- *Grid Connection Priority*

A Ministerial Decision classifies the storage projects in priority groups, while specific conditions apply for combined Renewable Energy Source (RES) and storage projects. Additionally, a special provision enhances the prioritization of BESS selected through tenders.

III. Investment Aid Support Scheme

Regarding the procedure for granting investment aid support to projects that qualify for tenders for standalone batteries, the requirements are determined by the Joint Ministerial Decision issued by the Ministry of Environment and Energy and the Ministry of Finance.¹ According to the JMD, the electricity storage projects selected are financed by the Recovery and Resilience Facility (RRF). In accordance with JDM, the funding of the investment aid shall be provided, as follows:

- The Construction Entity/Project Owner, upon inclusion under the project, may apply within 4 months for the payment of part of the aid as an advance payment (first instalment), equal to up to 50% of the total amount of investment aid. This deadline is subject to exceptions.

¹ Joint Ministerial Decision with no. YPEN/DHE/123445/2142 dated 28.11.2023, entitled "Procedure for granting and paying investment aid through the Public Investment Program, for the project "YP2. BESS systems totaling 520MW - "stand alone" electricity storage systems" that has been included in the Recovery and Resilience Fund (MIS code TA 5216889 – SAA: PSGGI-EEF)" available at [<https://diavgeia.gov.gr/doc/6%CE%9D%CE%9B%CE%924653%CE%A08-20%CE%98?inline=true>].



- Upon completion of 75% of the financial scope of the Project, the Constructor/Project Owner receives the second instalment of the aid, equal to 75% of the total amount of investment aid.
- Lastly, upon completion of the entire physical and financial scope of the Project, the Constructor/Project Owner receives the third and final instalment, equal to the remaining amount of investment aid, i.e. equal to 100% of the investment aid.

IV. Critical dates

Investors interested in participating in the tender have already submitted their applications by December 22, 2023. RAAEY will publish an initial list of applicants on 8 February 2024, giving the opportunity to **submit objections** from **9 February to 12 February 2024**, so that the Final List of Selected, Eliminated and Runner-Up Participants will be published on **15 February 2024** and the competition will take place immediately after the completion of the appeal procedure.

V. Conclusion

The regulatory framework in Greece for BESS projects is crafted to promote the integration of renewable energy projects into the national grid, thereby enhancing energy efficiency and sustainability. To this end, the utilization of relevant aid support serves as a critical tool for achieving the energy goals and electrical energy production.

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