

In contrast with many EU countries, Greece's decarbonisation process is lagging behind. A growing number of voices are now calling for an up-to-date energy transition roadmap focusing on renewable energy and green gas.

According to critics, Greece has been flouting European Commission rules on electricity market liberalisation for decades and there are still calls for fair and genuine competition through the breaking-up of the Public Power Corporation S.A. monopoly.

Ongoing discussions in Europe focus on phasing-out coal and lignite while ensuring a smooth transition for those regions that have relied on coal mining and power generation for years.

In Greece, lenders pushed for the sale of 40% of PPC's lignite stations in order to "modernise" the Greek electricity market, as part of the bailout deal.

WWF Greece has said that the decision to sell a large proportion of Greece's lignite coal assets could be disastrous for consumers and the sustainability of the country's energy model.

A recently published study on Greece's Long Term Energy Plan by the National Observatory of Athens and WWF Greece showed that electricity costs would be significantly higher if the country's lignite reliance is prolonged.

"On the other hand, electricity costs go down under the scenarios that foresee the expansion of renewable energy sources combined with ambitious energy efficiency policies," said WWF energy policy expert Nikos Mantzaris.

At a workshop organised by EURACTIV on 24 April, several stakeholders pointed out that Greece lacks an up-to-date energy plan that would help the electricity sector function in a sustainable way in the long run.

"With the rest of Europe focusing on decarbonisation, the lignite divestment program as a means to introducing competition in Greece seems rather off. Claiming that the Greek power market will magically be made liquid and competitive by selling one or two of PPC's lignite plants in 2019, is just not true," said Nick Keramidas, EU Affairs Director of metallurgy and energy for Mytilineos SA group.

Contacted by EURACTIV, a Commission spokesperson said that the divestment of a portion of PPC's lignite-fired capacity has been included in the Stability Support Programme's Supplemental Memorandum of Understanding as part of a more general effort to introduce structural reforms and increase competition in a variety of strategic sectors in Greece, including electricity.

In December 2017, the EU executive also launched a platform for "coal regions in transition" with an aim to help them achieve a smooth transition to clean energy.

In an emailed response, Eurelectric, the trade association representing Europe's power industry, noted that in December 2017, the electricity sector pledged carbon neutrality well before 2050.

"But the starting points are of course different for each European country. While keeping in mind that future power generation must be decarbonised, natural and green gas have the potential to play a role in a successful and cost-efficient transition to a low-carbon economy," Eurelectric said. "Gas power plants are highly flexible and can, therefore, act as a backup for variable renewable energy sources, such as wind and solar," it added.

But the group's Greek and Polish members did not sign this commitment. In an interview with EURACTIV, Eurelectric President Francesco Starace noted that Greece probably did not sign up because they could not find an internal consensus.

"But they will phase out coal anyway, regardless if they sign or not," he claimed.

"I don't think anyone with some business sense would invest in coal generation anymore. When you've scored already, you don't need to put the ball back in the court," Starace quipped.

Not in Greece, it seems. PPC still decided to invest approximately €1.5 billion in a brand new lignite-fired plant. The divestment programme pushed by the lenders also includes a permit for a second new lignite-fired plant.

Greece's love for coal is all the more surprising to Brussels policymakers, who highlight the country's huge potential for solar power. Udo Bullmann, the President of the Socialists and Democrats group in the European Parliament, is bewildered by the apparent reluctance of southern European countries to take advantage of their natural assets.

"Why on earth are countries like Portugal, Spain, Greece struggling with the cost of energy? They have such a magnitude of natural resources like wind, sun and water," the S&D President told EURACTIV.

"Why don't we make these countries the leading forces for sustainable energy? That would also have a huge impact on employment," he continued, adding that Greece needs "progressive" and "fair" reforms to make its energy transition happen.

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