

The lack of reforms in the electricity market is affecting sector companies and discouraging investments in the domain, Michel Piguet, Managing Director at Elpedison, noted yesterday during a speech delivered at the Athens Energy Forum.

The official said Elpedison was among the first electricity suppliers to offer price reductions to consumers, compared to previous price levels amid the main power utility PPC-ruled monopoly. Elpedison has greatly contributed to the grid's stability and security, he added. The official pointed out that a serious lack of reforms has affected the wholesale market since 2015, following the expiration of payment mechanisms, which has severely impacted the sustainability of electricity production units and further restricted the market's low level of competition.

Piguet described the expiration of payment mechanisms in the Greek market as unacceptable, noting that most other European countries have already introduced equivalent new mechanisms.

Greece's temporary CAT plan was presented to the European Commission at the end of 2015. Its approval is still pending. The permanent CAT plan is still at a preliminary stage. The lack of a payment mechanism is dramatically affecting sustainability and discouraging new investments, Piguet stressed, while adding that the greater penetration of renewable energy source (RES) units in the electricity market has increased the need for flexible services, meaning that a mechanism compensating flexibility is necessary, while its immediate adoption is compulsory.

Commenting on the retail market, Piguet said it is clearly a long way off being competitive as PPC still controls about 95 percent of the market.

He said the success of the upcoming NOME auctions, to offer third parties access to PPC's low-cost lignite sources, will depend on factors such as price levels as these may allow suppliers to offer consumers competitively priced products.

Piguet condemned a recent effort made to restrict the ability of consumers owing amounts to PPC to transfer to rival electricity suppliers. "Adopting a regulation that rewards the monopoly's non-existent collection mechanism, as is most probably the case, definitely runs contrary to European rules on consumer rights," he said.

Such a development would negatively impact the efforts of rival suppliers to increase their market shares and prove detrimental to the efforts and investments of independent suppliers, the Elpedison official concluded.

source: energyexpress.eu