

Rest of Greece acquired a 48 million Euro loan by EIB for the construction of a distribution grid in 18 cities: Lamia, Halkida, Thebes, Livadia, Amfissa, Karpenisi, Katerini, Kilkis, Serres, Veroia, Yannitsa, Alexandria, Alexandroupoli, Komotini, Drama, Xanthi, Orestiada and Kavala.

In the first four months of 2018, construction will commence in 18 cities in the peripheries of Sterea Ellada, Central Macedonia and Eastern Macedonia-Thrace, according to the business plan of DEDA Rest of Greece, while in 2019 the network is expected to expand to 10 more cities.

The loan

After the loan was approved by EIB, DEDA sources mentioned that all that remains is to include the projects in ESPA for each periphery, in order to begin the development of infrastructure in each city.

DEDA's plan is essentially the first "wave" of expansion in the use of natural gas apart from Attica and Thessaloniki-Thesslia, where it is already present. In this way, gas will reach Lamia, Halkida, Thebes, Livadia, Amfissa, Karpenisi, Katerini, Kilkis, Serres, Veroia, Yannitsa, Alexandria, Alexandroupoli, Komotini, Drama, Xanthi, Orestiada and Kavala. The 48 million Euro loan by EIB is the second greatest source of funding for the projects, while it will have a four year grace period and a twenty year period of repayment. For its approval through the bank's executive board, DEPA's guarantee was required, which is the mother company of DEDA. Another 74.4 million Euros will come from the Peripheral Business Programs for these three regions. Last, DEPA will contribute with 19.5 million Euros through a public offering in DEDA.

Industry

Apart from households and businesses, industrial consumers located in these regions will acquire access to natural gas. In most of those 18 cities, the corporate plan calls for the connection of local infrastructure to DESFA's national gas transportation system in order to be supplied with fuel. Nonetheless, the company will construct autonomous networks in four urban centers, which will be supplied by CNG.

In this way, gas will be transferred in compressed form to Karpenisi, Amfissa and Veroia by special trucks and stations, where it will be uncompressed and transferred to the distribution networks. The CNG solution will also be used for remote industries in those three peripheries.

In any case, the target of DEDA is to fully develop local networks in all 18 cities by 2023, thus covering 100% of the urban structure. In this way, within the next five years all buildings in the above cities will acquire access to the fuel.

Existing networks

Even though aforementioned infrastructure will be mostly constructed from zero, DEDA inherited about 78 km. of network already developed and unutilized in the three peripheries after its separation from DEPA. Therefore, the target of the company is to activate within 2017 existing infrastructure where available in order to provide access to city blocks covered.

Therefore, by the end of the year, the fuel will enter Katerini, Kilkis and Thebes. At the same time, networks are already activated in Halkida, Lamia and Serres.

Next plans

Concurrently with the arrival of natural gas in the aforementioned peripheries, DEDA already plans for the next stage of expansion in new geographic regions. This second phase includes Western Greece (Patras, Agrinio, Pyrgos), Peloponnese (Korinth, Tripoli, Kalamata, Sparta) and Western Macedonia (Grevena, Kastoria, Argos-Orestiko). Indeed, according to what CEO, Theodore Terzopoulos, said in a conference in September, this stage could begin to materialize as soon as 2019.

A 2.2 billion drop in energy costs

Based on savings provided by natural gas, DEDA Rest of Greece estimates that the three peripheries of Sterea Ellada, Western Macedonia and Eastern Macedonia-Thrace will have significant advantages by acquiring access to the fuel. The company's studies show that on a 20 year horizon, the reduction in energy costs will reach 2.2 billion Euros, while added value will be 750 million Euros. At the same time, 2,500 new jobs, direct and indirect, will be created.

According to the company, the rise of natural gas consumption brought by network expansion, will also enhance the possibility of turning our country into a peripheral transportation hub and a gateway of gas from the Eastern Mediterranean and other regions into Europe. This is because the prospect of turning Greece into an energy hub passes through the enlargement of the internal market.

In the three peripheries, DEDA, as the network operator, will collect only distribution fees, while connection fees will be zero. The relative cost has been included in the funding for the networks' development and that is expected by DEDA to increase penetration in these regions. As for fuel supply, all consumers will be able to sign a contract with any company that has a supply permit, since the gas market for households will be liberated by the 1st of January.

Source: energyworldmag