

Main power utility PPC chief executive Manolis Panagiotakis has once again reminded the utility is open to collaboration with both local and foreign firms, noting its strategic plan includes examining the prospect of cooperating with third parties for carrying out investments that may boost PPC's potential both domestically and in the wider region. Besides PPC's ongoing talks with Italy's Edison, a prospect that has not been embraced by the latter's French parent company EDF, the Greek power utility, fully backed by the energy ministry, is also engaged in advanced talks with Russian companies, according to reliable sources.

Russian officials prompted the current talks after expressing an interest to operate a lignite mine in Vevi, close to Florina, northern Greece, to offset pending issues related to an older Gazprom natural gas supply deal for Greece.

PPC is currently looking at ways to adapt to new market conditions brought about by last summer's third bailout agreement for Greece, especially the requirement to reduce its market share in the local electricity market to less than 50 percent by 2020, from roughly 94 percent at present.

The power utility is expected to seek establishing at least one consortium, in which it will maintain a minority stake and provide assets such as power stations, mines, and licenses. According to the plan, the consortium - or consortiums - may involve private-sector energy firms, to also provide power stations, or investment capital for the development of new infrastructure.

Although Russian officials have made clear their interest to pursue interests in Greece's electricity market, and local officials appear willing to bolster ties with Russia, it remains unknown whether the current talks will lead to results, as investment decisions in Greece remain tricky for investors.

Russian officials appear determined to revive an older consortium established for the now-scraped plan entailing construction of hydropower stations by Russian companies in Sykia and Pefkofyto, alongside the Achelous River in the northwest. Prometheus Gas, a joint venture involving Gazprom and the Copelouzos Group, had a leading role in the plan.

As for PPC's talks with Edison for the creation of another consortium, officials at Edison's French parent company EDF are hesitant about new investments in the Greek market, especially in the lignite domain, facing the prospect of severe EU climate change-related restrictions. Edison, already present in the Greek electricity market, is keen to further pursue its interests in Greece. Edison's local partner, Hellenic Petroleum (ELPE) appears interested in establishing a consortium with PPC, for the construction of a lignite-fired power station.



Greece: PPC in talks with Russia for power station consortium

source: energypress.eu