

The long delay in the introduction of Greece's new CAT mechanism, a bailout agreement obligation, has left the temporary CAT plan unimplemented, while, in addition, the permanent plan has yet to be presented.

The most recent causes of the CAT plan's delay may be attributed to the four vacancies on the seven-seat board at RAE, the Regulatory Authority for Energy, currently limited in its operational capacities, as well as the European Commission's pending approval of Greece's proposal for the temporary CAT plan to be implemented in 2016.

Amid the ongoing exchange of views between the energy ministry and the European Commission, it has become apparent that the latter will not permit any retroactive payments. Subsequently, producers can already forget about receiving payments for production in 2016 related to the months that have already elapsed without a temporary CAT plan in place.

The Greek government also needs to deliver updated data concerning the country's grid in 2015, not 2014, to the European Commission.

The Greek CAT plan, originally intended for implementation in 2015, was based on electricity system data concerning 2014. However, as a result of the delay, the European Commission is now demanding 2015 data in order to proceed with the 2016 plan. The ministry has instructed IPTO, the power grid operator, LAGIE, the Electricity Market Operator, and RAE, to gather the required updated data concerning 2015.

According to the EU, if Greece's new CAT mechanism were to be based on data concerning 2014, and not 2015, then this could prompt appeals from fellow EU member states whose CAT systems are currently being reviewed.

Offering comments at yesterday's Athens Energy Forum, market officials closely linked to the CAT matter noted that the updated data could be promptly delivered to the European Commission, as long as no other problems emerged, meaning that EU's approval of the temporary Greek CAT plan could soon be granted.

The officials noted that the main issue at this stage concerns how fast the Greek government will choose to act once its temporary plan has been endorsed. If, for example, the government opts to ratify a draft bill for the temporary CAT plan rather than seek approval from the RAE board - once the operator's posts are filled - then the process will be extremely long.

The bailout obligation's pressure is expected to swiften the CAT procedures. Market officials believe a repeat of 2015 will be avoided. The CAT plan failed to be implemented as a result of various delays.

source: energypress.eu