

UNOFFICIAL TRANSLATION FROM GREEK

31.01.2013

From: HAIPP

To: ADMIE (Greek Independent Power Transmission Operator)

Subject: Ten-Year Network Development Plan, 2014-2023

Dear Sirs,

The publication of the Ten-Year Network Development Plan (TYNDP), for the development of the electrical energy transmission system, evinces the importance of long-term horizon in the electricity production sector. The up today experience with the five-year Transmission System Development Studies, that were only partially implemented, should not be repeated in the case of TYNDP. Besides, the current situation of the Transmission System (extensive non-interconnected network, 150 kV lines in Peloponnese, etc.) stands for that position.

The impacts due to the current network situation are very important in financial losses terms. Indicatively, the yearly cost of the Public Service Obligations (PSOs), due to the increased electricity production cost on the non-interconnected islands, is ca. 700 million Euro while the cost of transmission losses in the Peloponnese's network, that operates at 150 kV instead of 400 kV, is several million Euro per year.

Regarding the provisions of the TYNDP draft that is in public consultation, HAIPP would like to highlight that:

- 1) In the framework of EU's policy for the development of a single internal electricity market, the development of Greece's international interconnections is a necessary condition in order to get this policy implemented. Consequently, despite the fact that the interconnections of Greece with its neighboring countries have been significantly enhanced during the last years it is necessary that these interconnections will be further developed and that should be put forward in the TYNDP.
- 2) It is considered as very important the provision for interconnecting the islands and particularly Crete with the mainland system, as this project contributes to the achievement of development, economic and environmental goals. This is because the stop of the oil-fired electricity production Units on Crete will result in:
 - a. Reduction by some hundred million Euro (at least 300 million Euro) of the PSOs paid by the electricity consumers in the whole country.

- b. Increase of the Interconnected System load that results in a more efficient and more economical operation of the dispatchable Units and thus in reduction of the electricity production cost.
- c. Emissions reduction.
- d. Exploitation of the significant RES potential of Crete.

Due to the exceptional importance of that project, we think that the project implementation schedule should be essentially shortened, taking advantage of the already carried out studies and coordinating all the involved parties, especially during the licensing procedure.

- 3) It is well known, that during the spatial planning and licensing procedures in our country various problems come up, such as delays and local communities' reactions, due to (mostly) lack and/or distortion of information. Consequently, and given that the transmission system development projects are projects of national importance, ADMIE should work towards the mobilization of all involved parties. This should be done not only on local government (Region and Municipality) level but also on highest government level and we are at your disposal to contribute with all our strength towards that direction.

We remain at your disposal for any clarification as well as for further cooperation.

Yours sincerely,

Anastasios Kallitsantis

President