

UNOFFICIAL TRANSLATION FROM GREEK

To:

Regulatory Authority for Energy
Mr. Chairman, N. Boulaxis

SUBJECT: Public Consultation of RAE for the review of the framework of charges for electricity exports with charges of the Uplift Accounts by the National Electricity Transmission System (ESMIE) Manager

Athens, 27/11/2015

Dear Mr. Chairman,

The Greek electricity market is characterized by limited competition and difficulty to smoothly integrate in the wider European electricity market due to the structural weaknesses and deficiencies it presents. Under the weight of these structural problems, necessary reforms in individual sectors, are often overlooked, despite the fact that these may contribute to the extroversion and integration of the Greek electricity market, but also to the recovery of the domestic economy.

Strengthening of the export activity in the electricity sector can contribute to the country's efforts to relaunch the Greek economy. A competitive electricity market with modernized production infrastructures and oriented, in addition to meeting domestic demand, to exports of electricity can be an important driver of growth.

It is known from the monthly data published by the Market Operator that the vast majority of exports from the Greek market follows the energy transit (simultaneous import and export of the country) and only a small part concerns export of energy produced within the country. Further, while the energy transit, rightly, is not burdened with charges of the Uplift Account, this is not the case for net exports.

Thus creating obstacles to the possibility of increasing the production of Greek power plants with exporting capabilities when this is cost-effective based on prices formed in neighboring electricity markets.

However, the increase in exports by Greek units will increase the extent of their use, and hence the efficiency of their operation. Moreover, it will lead to strengthening the balance of import / export of electricity, which in Greece traditionally favors imports. Natural outcome of increasing electricity exports will be the improvement of the balance of payments of our country, a fact essential if we are to have credible and viable prospects for overcoming the lingering economic crisis.

Therefore, our Association is positive to every move that strengthens the export profile of the Greek electricity market. With regard to the specific proposals which the Regulatory Authority submits for consultation, aiming at discharging exports from individual increments, the Association agrees with them.

Sincerely,

Anastassios Kallitsantsis

President