

## Assessment of country performance and opportunities from the Energy Union

Greece shows **good progress** mainly in three of the dimensions of the Energy Union. As regards *Energy Security*, the planned construction of the Trans Adriatic Pipeline, as part of the Southern Gas Corridor, is set to significantly improve the diversification of its gas supplies. Concerning *Decarbonisation*, Greece is on track to meet its greenhouse gas emissions and renewable energy targets. Greece is also on track to meet its *Energy Efficiency* target for 2020. However, efforts remain needed to keep primary energy consumption at current levels and minimise its increase when GDP increases again during the next five year period.

Greece faces a number of **significant challenges** in the following dimensions. With regard to the *Internal Energy Market*, Greek electricity and gas incumbents remain dominant and are insufficiently exposed to competition. Indeed, the benefits of increased competition on the EU gas markets are unlikely to be passed on to Greek consumers unless the recently adopted gas law, liberalising the gas retail markets, is implemented successfully. With regard to electricity, practical steps implementing the planned electricity auctions and ensuring that market shares of the largest power producer on the retail and wholesale markets will indeed decline by 2020 below the recently legislated 50% threshold will be important. Further benefits can be obtained by bringing markets in line with the EU electricity target model. Moreover, Greece' market model would benefit from investment incentives to ensure that a flexible generation portfolio will continue to exist that is suitable to accommodate more renewable electricity production whilst ensuring system security. Concerning *Research and Innovation*, Greece is currently much behind the EU average and main international partners in terms of intensity of low-carbon technologies patents.

Against this background, the Energy Union strategy can provide **potential benefits** for Greece:

- *Internal Energy Market*: A full integration of Greece into the EU's electricity and gas markets and convergence upon the EU electricity target model will increase competition on Greece's electricity and gas markets. Aligning the Greek gas retail market to EU standards for market liberalisation will ensure that Greece can benefit optimally from the gas-to-gas competition that will evolve when gas sources have become more diversified.
- *Energy efficiency*: The Energy Union will strengthen the targeted use of financial instruments for increased investments also for Greece particularly in the transport and buildings sector, e.g. through the European Structural and Investment Fund. Investments in energy efficiency can reduce energy bills of Greece's vulnerable customers and enterprises whilst providing a much needed boost to the construction sector.
- *Decarbonisation*: The EU 2030 Framework for Climate and Energy will provide additional opportunities to further develop Greece's potential for renewable energy and hence can contribute to maintaining public acceptance of the transition to a greener energy sector. A move towards the EU electricity target model will allow for an even deeper renewables integration by providing for proper investment signals.
- *Research and Innovation*: The Energy Union's new strategy for Research and Innovation can support Greece's progress on low-carbon technology development.