

PPC's Feedback on the Climate, Energy and Environmental State aid Guidelines (CEEAG)

Public Power Corporation (PPC) leads Greece's transition towards a greener, more socially responsible, and more efficient energy model. We welcome the updated Climate, Energy and Environmental State aid Guidelines (CEEAG) as a tool to support a cost-effective, just transition and to accelerate phasing out fossil fuels.

PPC considers that the proposed CEEAG broadly reflect the new climate, environmental, and energy priorities of the Green Deal. The guidelines should also reflect that neither states nor companies have the same starting point.

Achieving climate neutrality requires a radical transformation of our economies. This would include investing in carbon-free production processes, embracing more expensive energy sources (e.g., renewables, hydrogen), or developing new technologies, such as carbon capture, storage and utilisation technologies, hydrogen and smart energy networks. In addition, policy tools such as effective CEEAG should focus on facilitating investment while maintaining competitive markets that improve products, services, output and resource use.

Creating a climate-neutral Europe calls for rethinking every part of our economy. Therefore, PPC particularly welcomes broadening the scope of the guidelines to include decarbonisation, clean mobility, energy efficiency in buildings, circularity, and biodiversity.

PPC runs the fastest lignite phase-out program in Europe and has increased its investment in renewables. We look forward to any policies or measures that assist in moving away from lignite, such as the aid for early closure of lignite power plants and aid for exceptional costs. Furthermore, we agree on the need to incentivise new investments in natural gas only if bonded commitments to implement decarbonisation technologies.

Phasing out subsidies for new investments into energy sources unlikely to have positive environmental effects, such as fossil fuels, is imperative. Though, to ensure a level playing with all stakeholders-this should:

1. Secure energy system stability.
2. Recognise that the adaptation and a gradual transition, both for the conversion of existing technologies (e.g., converting combined-cycle units to hydrogen) and developing new technologies will, for a transition period, need support from existing technologies.
3. Provide financial support for alternative technologies/conversions that are not yet available on a large scale and are not therefore economically viable.
4. Establish a regulatory framework for the adoption of alternatives /new technologies.