

CLIMATE CHANGE LEGISLATION IN

Greece

AN EXCERPT FROM

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A Review of Climate Change Legislation in 99 Countries



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Greece

Legislative Process

Greece has a unicameral legislature consisting of 300 Members of Parliament (MPs) and State Deputies elected for four-year terms. The last election occurred in January 2015. MPs are elected through a system of 'reinforced proportional representation' across 56 constituencies. Of the 300 seats, 250 are elected by the constituencies and the party receiving the most votes is 'reinforced' with an additional 50 seats. State Deputies have the same parliamentary roles as MPs and sit in the same chamber, but are elected depending on party popularity within each state-province. The number of State Deputies is not fixed (but shall not exceed 20; there are currently 12). The Parliament also elects the President of the Republic on a five-year term with a two-thirds majority required. If this cannot be achieved the Parliament is dissolved.

Government ministers may introduce Law Proposals and MPs may introduce Draft Laws as bills. If a Draft Law or Law Proposal incurs additional expenses for the State Budget it must be accompanied by a General Accounting Office's report specifying the amount of expenditure involved. Bills must also be submitted with an Impact Assessment Report as well as a report outlining the findings of a public consultation on the proposed Bill. Once passed through a two-stage process in the Parliament, the Draft Law or Law Proposal has to be promulgated by the President of the Republic within one month and published in the Official Gazette of the Hellenic Republic.

Approach to Climate Change

Party to the UNFCCC and the Kyoto Protocol, Greece qualifies as an Annex I country having to comply with legally binding targets for GHG emission reductions. Moreover, a significant part of Greek legal framework is the result of transposition of EU regulations and directives to the national level. Against this background of international commitments, Greece has developed an approach to climate change largely driven by GHG emission reductions through reforms to the energy sector.

Before ratifying the Kyoto Protocol in 2002, Greece adopted its first National Climate Change Programme, in 1995. A second version of this policy instrument was drafted in 2002, and later revised in 2007, specifying mitigation actions.

Mitigation was also the focus of the 2002 Strategy for Sustainable Development (revised in 2007), adopted by the Ministry of Environment, Energy and Climate Change (MEECC – Inter-ministerial Committee on Climate Change, established 1996). The document says climate change is one of the most important environmental problems within the country and highlights the national targets on GHG emission reductions defined by the Kyoto Protocol and the EU as the basis for the adoption of the National Programme for the Reduction of Greenhouse Gas Emissions by the Council of the Ministers. The Strategy defines the key climate change mitigation measures as the reform and diversification of energy supply, rational use and conservation of energy, measures for the reduction of other GHGs, and institutional mechanisms.

Energy Supply

Greece is bound by EU targets to increase the share of renewable energy in gross final energy consumption from 6.9% in 2005 to 18% in 2020. The 2010 National Renewable Energy Action Plan adopts a combination of measures on energy efficiency and renewable energy to meet this target. According to the Plan, power generation from renewable sources should more than triple in

comparison to 2010 to meet the 2020 targets of 40% renewable energy share in total electricity generation, 10% in transport and 20% in heating and cooling.

In 2012 the government adopted the Renewable Energy Roadmap 2050. The document proposes concrete measures to achieve renewable energy targets and GHG emissions reduction, including energy certification for buildings, a certification scheme for energy service companies, tax relief and electrification of transport. The 2050 Roadmap also establishes that renewables should account for 20% of final energy consumption by 2020 and 60-70% in 2050.

Energy Demand

The 2008-2016 National Energy Efficiency Action Plan (NEEAP) is adopted within the scope of the EU Directive on Energy End-use Efficiency and Energy Services. The Plan, updated in 2010, adopts measures to improve energy efficiency, divided into the following categories: a) horizontal measures; b) cross-sectoral measures (addressing residential sector, tertiary sector, private sector, and public sector); and c) transport specific measures.

Greece has also adopted several programmes encouraging a reduction of energy consumption and the increased use of renewable energies.

Adopted in 2012, “Building the Future” is a public-private partnership that aims to spur at least 3 million energy efficiency interventions by 2020 to improve residential and commercial buildings’ energy performance by installing modern technologies for better insulation, efficient heating and use of local renewable energy sources. Within this framework, policy instruments, such as white certificates, voluntary agreements between the industrial and the commercial sector, and contracts of guaranteed performance are planned.

Addressing small communities’ energy use, the 2012 the “Green agricultural and island communities – New development model Programme” aims to promote the installation of renewable energy sources and energy efficiency measures in remote areas with less than 1,000 inhabitants (total budget of EUR 50 million, USD 62.7 million).

Finally, the 2012 “Energy Efficiency of Household Buildings Programme” aims to improve the energy performance and efficiency of residential buildings by providing interest-free loans and subsidies for the installation of renewable energy and energy-saving measures.

Given the importance of the tourism sector, the government also created a special programme to provide subsidies for energy efficiency and environmental protection measures, as well as awareness-raising about investment potential in the buildings sector. The subsidies of the “Green Programme” range from EUR 15,000 to €400,000 (USD 18,825 – USD 502,000) an amount expected to cover an average of 40%-45% of the total investment.

Carbon pricing

The EU ETS is the main carbon pricing scheme in Greece, operational since January 2005. It initially covered stationary installations only, but was later amended to include aviation activities. For the period 2013-2020, the Directive prohibited the allocation of free units for electricity production, so most emission allowances in Greece are to be acquired through auctioning (around 84% of the ETS emissions derive from electricity generation plants).

Transport

According to the National Energy Efficiency Action Plan, the transport sector holds the greatest energy saving potential amongst all main economic sectors, reaching up to 36% of the total required savings. Yet, policies and legislation addressing the sector are relatively underdeveloped. Greece has no support scheme for the purchase of electric vehicles, although hybrid and low- emission vehicles are exempt from registration tax and hybrid vehicles are not subject to traffic restrictions in Athens. As of 2011, the circulation tax for private cars is based on CO₂ emissions and engine capacity. Since 2013, a luxury tax applies to cars exceeding 1,929 cc engine capacity.

Adaptation

Despite recognising the need to address climate change adaptation and respond to threats such as higher summer temperatures, increased frequency of extreme events (fires, floods), intensified coastal erosion and reduced water resources availability, Greece has not yet adopted a National Adaptation Plan. However, a National Adaptation Strategy is being prepared and its development is one of the main priorities of the Ministry of Environment, Energy and Climate Change. Risk and vulnerability assessments have been conducted within the UNFCCC National Communication process (most recently the 6th Communication, which was submitted in 2014) and the Bank of Greece published a detailed analysis of climate change sectoral impacts in the 'Environmental, Economic and Social Impacts of Climate Change in Greece' study, in 2011.

Greece: Legislative portfolio

Name of law	Law 4001/2011 on the " Operation of Electricity and Gas Energy Markets, for Exploration, Production and Transmission Networks of Hydrocarbons and other provisions"
Date	22 August 2011
Summary	The Law 4001/2011 transposes into national legislation EU Directives concerning common rules for the internal market in electricity and common rules for the internal market in gas that oblige EU member states to further liberalise their electricity and natural gas markets. For this purpose, and going further, this piece of legislation gives legal ground to the reforms in the Greek energy sector, mostly consisting of partial privatization of state-controlled energy companies. Amongst its main provisions, the law stipulates the unbundling of the system operators and enhances the role of the independent regulator regarding energy security, licensing, monitoring of the market and consumer protection. In addition, this law amends the law 2289/1995 on "Prospecting, exploration and exploitation of hydrocarbons and other provisions".

Name of law	Law 3889/2010 "Financing Environmental Interventions, Green Fund, Ratification of Forest Maps and other provisions"
Date	14 October 2010
Summary	The law sets up a special system of financing environmental interventions to strengthen development through environmental protection, to ensure the efficient and transparent management of resources for environmental protection and conservation and to address climate change. The financing scheme includes the establishment of the Environmental Strategic Policy Committee; the systematic assurance, qualification and classification of those resources devoted to protecting, enhancing and restoring the environment, and the restructuring and organisation of the public sector body responsible for managing these resources, the "Green Fund".

Green Fund resources come from taxes, government Budgets, EU funds and various donations from natural or legal entities. Its main role is to provide environmental protection projects, including those fomenting actions in line with resource efficiency policies in place, with technical, economic, management and financial support.

The law also amends Law 3661/2008 ("Measures to reduce energy consumption in buildings and other provisions") to extend energy efficiency requirements to all residential buildings, including those used less than 4 months per year.

Name of law	Law 3855/2010 on "Measures to improve energy efficiency in end-use, energy services and other provisions"
Date	23 June 2010
Summary	This piece of legislation sets out national targets for energy saving (9% of the average annual final value of energy consumption) and defines the measures to be implemented in order to meet these goals, in line with the EU 20-20-20 strategy. In addition, the law defines the institutional and financial framework needed to improve the energy end-use efficiency, creating some of the conditions for the development and promotion of a market for energy services. It also provides other energy improvement measures to final consumers.

Name of law	Law 3851/2010 on "Accelerating the development of Renewable Energy Sources to address climate change and other provisions on jurisdiction of the Ministry of Environment, Energy and Climate Change"
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Date	4 June 2010
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Summary	This law extends the scope of Law 3468/2006 ("Electricity Production of Renewable Energy Sources"). It introduces a pricing system for each MWh produced by different RES (onshore and offshore wind power, photovoltaic systems, hydroelectric power, solar power, geothermal energy and biomass. Under this law, producers of electricity (supplying buildings) from RES are exempt from the special duty (article 25 of L3468/2006) in order to increase the share of renewables in the energy mix and to make renewables more attractive to producers and consumers. A technical study on environmental and financial feasibility of installing alternative systems for energy supply for all new buildings is required to be submitted to the competent authorities.
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The law simplifies the licensing procedure, improving the feed-in-tariff scheme (in particular for wind and solar power), reducing existing barriers at local level, and setting out specific regulations for the use of RES in buildings. The law also expands the scope of L3661/2008 ("Measures for the reduction of energy consumption in buildings"). According to the present law, all new buildings that apply for construction licence after 1 January 2011 must have a solar energy water-heating system. In addition, the total energy consumption needs in all new buildings should be met by RES systems by 31 December 2019; for public sector buildings this obligation should be met by 31 December 2014.

Finally, to achieve the national target of 20% share of renewable energy in final energy consumption, the law establishes a 40% RES in electricity production target, 20% RES in heating and cooling target, and 10% RES in transport target.

Name of law	Law 3831/2010 on "Revision of the vehicle taxes regime for vehicles, abolishment of the vehicles recycling measures (scrappage scheme) and measures for tackling atmospheric pollution"
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Date	25 February 2010
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Summary	This law regulates traffic taxes for different vehicles. It divides cars into four classes from A (vehicles with the lowest emissions) to D (vehicles with the highest emissions). The revised taxes are based on these four classes and on cylinder capacity. The legislation exempts from annual vehicle taxes privately owned hybrid, electric, and hydrogen passenger cars in classes A and B with capacity lower than 1,929cc. As for A and B class hybrid, electric or hydrogen vehicles with a cylinder capacity higher than 1,929cc, the relevant vehicle taxes are cut by half. Hybrid and low-emission vehicles are also exempt.
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Name of law	Law 3661/2008 on “Measures to reduce energy consumption in buildings and other provisions”
Date	19 May 2008
Summary	<p>This law sets up the minimum requirements for energy efficiency in new and existing buildings, adopting a methodology for the calculation of energy consumption in buildings. It makes energy performance certificates compulsory in all new buildings. Also, for large buildings (exceeding 1,000 total sq. m) under renovation whether to be sold or rented, their energy efficiency is to be upgraded, when it is technically and economically feasible, to the minimum requirements of the energy efficiency regulation set by this law. The law also requires the licensing procedures for buildings to include a study on passive solar system heating/cooling/electricity production systems that uses renewable energy.</p>
Name of law	Law L3468/2006 on “Generation of electricity from renewable energy sources and through high-efficiency co-generation of electricity and heat and miscellaneous provisions”
Date	27 June 2006
Summary	<p>In addition to transposing to the national level the EU directive on the promotion of electricity produced from renewable energy sources in the internal electricity market, this legislation aims to promote the generation of electrical power from renewable energy sources (RES) and high-efficiency co-generation of electricity and heat plants in the internal electricity market. It details the pricing of electricity produced from RES, introducing technology specific tariffs, higher tariffs for small PV units and offshore wind, and higher tariffs for energy produced by RES units operating in the non-interconnected islands. It also defines the authorities for the co-ordination and promotion of investments in the sectors of RES and high-efficiency cogeneration.</p> <p>The Law also calls for yearly revision of the feed-in tariffs set by the law through a decision by the Minister of Development. The revision is to be determined on the basis of the weighted average increase of the dominant utility's (PPC) electricity rates, before a full liberalisation of the electricity market is achieved.</p> <p>It also introduces a regime of strict follow-up procedures for the holders of electricity generation licenses, in order to keep them bound to their legal commitments and provisions, and suppress profiteering from license trading. The law further imposes mandatory measurements of RES potential by a certified body before a RES generation license can be issued.</p>
Name of law	Law 3423/2005 on “Introducing Biofuels and other Renewable Fuels to the Greek Market”
Date	13 December 2005
Summary	<p>This law expands the scope of a previous law on regulation of the oil market regarding the production, trade and storage of fuels. The current law is part of the legal framework on biofuels. It regulates the supply of biofuels in the market and it introduces a national scheme (Biofuels Allocation Programme) that defines the quantities to be allocated to distributors every year. The Programme is in alignment with EU Directives, according to which Member States must adopt national targets which will ensure that a minimum proportion of biofuels and other renewable fuels will be supplied in the market of each Member State. The law also sets the rules so that market competition is guaranteed and biofuels enter the Greek market smoothly and successfully.</p>
Name of law	Law 3299/04 on “Private Investment Incentives for Economic Development and Regional Convergence”
Date	23 December 2004
Summary	<p>This law provides financial support for energy efficiency and renewable energy investments in the industry and service sectors. Specifically, financial support will be given to biofuels production (listed under category 1 in the law text), and electricity generation from wind power, geothermal, biomass and hydropower projects (listed under category 4 in the law text). Biofuels production projects will receive financial support between 0% and 40% of the total cost of leasing, depending on the geographical region the project will take place in (under this law Greece has been divided in four regions). Similarly, category 1 projects will receive financial support between 30% and 40%. Energy saving projects should achieve at least 10% reduction in energy consumption in order to be entitled for financing. Tax breaks</p>

will be given as follows: category 1 projects between 0% and 100% depending on the geographical region while category 4 projects will be totally tax exempt. Category 1 projects will receive financial support between 0% and 48.1% of the total cost, depending on the geographical region while for category 4 projects the financial support range is 35%-48.1% of the total cost.

The law equally includes economic policies to stimulate energy efficiency in industry not covered by the EU-ETS.

Name of law	L2244/1994 on "Regulation of power generation issues from renewable energy sources and conventional fuels and other provisions"
Date	7 October 1994
Summary	<p>This law establishes the legal basis for the development of renewable energy in Greece, providing access to the grid for individual energy producers. The Greek Public Power Corporation (PPC) holds the exclusive rights for the production, transfer and distribution of electricity throughout the country. However, the Minister of the relevant department (now the MEECC) can authorise individual producers (natural or legal entities) to produce electricity at power stations which belong to them (as opposed to those which belong to the PPC), introducing thus for the first time an element of energy market liberalisation, applicable for the generation of electricity for installations up to 50MW. These natural or legal entities can either produce electricity for personal use (self-producers) or they can sell it to the PPC (independent producers).</p> <p>Individual energy producers can use renewable sources, such as wind power, solar power, biomass, geothermal resources and hydropower. Addressing energy consumption, the legislation adopted a fixed feed-in price for renewables of roughly 90% of the household electricity rate. The law also sets general provisions for the licensing and function of power stations, the pricing of electricity production from individual producers and the technical and economic terms for contracts between individual producers and the PPC. The Centre for Renewable Energy Sources and Saving is set to be the national centre for the co-ordination of all the activities related to renewable sources of energy.</p>

Name of law	Ministerial Decision (21906) "Compensation to those carbon intensive industries (sectors and sub-sectors) exposed to carbon leakage caused by the indirect costs of the EU Emissions Trading Scheme" (as it is defined in the Directive 2009/29/EC)
Date	09 December 2014
Summary	<p>This is a joint decision among the Ministry of Economics, the Ministry of Competitiveness and Development and the Ministry of Environment, Energy and Climate Change having regard to national and European legislation. The aim of this decision is to compensate those electricity intensive industries which are at risk of carbon leakage due to the EU ETS. Only specific industries (listed in the Appendix 1 of the Ministerial Decision) are entitled to compensation. The appropriate national body to provide these compensations is the Operator of the Electricity Market (OEM). The financial aid comes from the revenue raised from the carbon market and it cannot exceed the 20% of this revenue.</p>

Greece: Executive portfolio

Name of Policy	Second National Climate Change Programme (approved by Act of the Ministerial Council 5/27.02.2003, amended in 2007)
Date	5 March 2003
Summary	Like the first National Climate Change Programme (1995), the 2 nd Programme adopts policies and measures necessary for Greece to meet its Kyoto target. The main actions to reach this goal include: a) further development of natural gas in all final demand energy sectors as well as in power generation, including co-generation; b) promotion of renewable energy sources for electricity and heat production; c) promotion of energy saving measures in industry and in the residential – tertiary sectors; d) promotion of energy efficient appliances and energy equipment in the residential – tertiary sectors; e) structural changes in agriculture and in chemical industry; f) emission reduction actions in transport and waste management sectors.

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