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ENERGY

Investment Energy Summit Greece, Cyprus, Israel

“Metaxas & Associates - Attorneys at Law” was the Official Contributor of the Trilateral Energy Summit organized by Economist Conferences that was held on the 28th- 29th March 2012 at Divani Apollon Palace & Spa Hotel in Athens, Greece.

The Investment Energy Summit’s objective was to enlighten each aspect of collaboration among Greece, Cyprus and Israel on issues regarding the strategy of the new energy landscape.

More specifically, the status of energy exploration and its geostrategic significance for the region were thoroughly discussed during the sessions of the 2-day event, as well as the prospects of the transportation of natural gas, in the light of the creation of a third pole of Europe's energy supply. The conference further focused on the re-design of the European energy map, with emphasis on investment potentiality, as well on the geopolitical dimensions. The issue of the Exclusive Economic Zones was also included in the agenda.

See the relevant links with the speeches

<http://www.hazliseconomist.com/en/event/energy>

Finnish, Greek and Polish legislation still not in line with EU rules

Increasing the renewable energy share to at least 20% by 2020 in the EU overall energy consumption is an important precondition for a more sustainable and competitive Europe. Reaching this goal relies on the commitment of Member States to fully implement the requirements of the EU legislation.

The Renewable Energy Directive (2009/28/EC) had to be implemented by Member States by 5 December 2010. The timely transposition of EU legislation

is a priority for the Commission, especially since unnecessary delays in implementing may jeopardize the achievement of the EU renewable energy objective. However, Finland, Greece, and Poland have not yet informed the Commission of the full transposition of the Directive into their national legislation.

Therefore, the Commission has decided to send Reasoned Opinions to these Member States. If the Member States did not comply with their legal obligation within a two-month period, the Commission might decide to refer them to the Court of Justice.

However, Greece has complied with the relevant obligation and integrated the provisions of the said Directive into the national legislation with Law no. 4062/2012, which was published in the Official Gazette (Issue A-70) on March 30, 2012.

German regions oppose drastic reduction of feed-in-tariff for PV

Representatives from several regional German governments have spoken out against proposed changes to Germany's feed-in-tariff (FIT) scheme. The revised scheme, proposed by Minister of Environment Norbert Röttgen and Minister of Economy Phillip Rösler, would reduce FITs by 20 to 30 percent on March 9, 2012 and would implement a monthly rate degression starting on May 1, 2012. Shortly before a parliamentary debate on the cuts, the prime minister of Bavaria, Horst Seehofer, said the March 9 cutoff date must be changed, because it threatens existing investments in solar projects. Meanwhile, the minister of environment of Lower Saxony, Stefan Birkner, told German newspaper Hamburger Abendblatt that even if the cuts are necessary, the trust of investors remains paramount. In order for the proposal to become law, Röttgen needs the support of regional representatives in the second chamber of parliament, the Bundesrat.

Italy eliminates retroactive part of measure to stop PV on agricultural land

The retroactive portion of an Italian measure to stop incentives for photovoltaic (PV) power plants installed on agricultural land has been eliminated by the Industry Commission of the Senate, according to Italian news portal Qualenergia, which published the new version of the article containing the regulation. The amended version of the law would allow solar developers to receive incentives for PV projects commissioned within 60 days after the publication of the decree containing the measure, which happened on Jan. 25, 2012. The previous version of the bill set the deadline at the date of publication, Jan. 25; however, the Italian renewable energy law issued in March 2011 had set the deadline at Mar. 28, 2012. During the last few weeks, a number of Italian solar associations and operators have denounced the measure, saying it would damage many investments. The Italian parliament has 60 days from the date of publication to make amendments to the decree.

Greece provides for a local content requirement premium on FiT

According to article 39 para. 12 of Law no. 4062/2012 (Official Gazette A-70/30.03.2012), it is provided for an increase of up to 10% on the tariff provided for electricity produced by photovoltaic stations, under the condition that 70% of the cost of the equipment used for these stations derives from products produced in EU or EEA. The power limits of the stations for which such an increase will apply, as well as the relevant percentage of the equipment, the exact extent of the increase, the procedure, the terms and conditions certifying the derivation of the equipment, the specification of the cost of the equipment and its production procedure, as well as any other necessary detail for the application of this provision will be specified in a Ministerial Decision to be issued by the Ministry of Energy, Environment and Climate Change. This provision affects PV plants to issue a Production license or to sign a Grid Connection contract after this law has entered into force.

Hellenic Council of State's Decision on Public Service Obligations

Greece's Supreme Administrative Court issued in February 2012 its decision on the actions for annulment brought before it by Energa S.A., a company operating in the energy supply market. The two actions for annulment were brought before the Council of State in 2009 and 2010, requesting the annulment of the relative Ministerial Decisions by which Public Service Obligations (PSOs) were determined for the years 2008, 2009 and 2010.

The basic argument based on which the Decision is formulated concerns the fact that EU Directive 2003/54/EC provides for the imposition of Public Service Obligations in a way that is transparent and unbiased.

According to Article 3 of Directive 2003/54/EC, Member States may impose PSOs on energy suppliers, which they shall clearly define and, when financial compensation is provided for, this shall be done in a non-discriminatory and transparent way. The Directive, however, does not regulate other issues, such as who is burdened with the obligation for financial compensation, leaving this responsibility to Member States.

As regards the Greek energy market, imposition of PSOs is imposed solely on the Public Power Corporation SA, therefore providing the grounds for the maintenance of its monopoly in the relevant energy supply market, in violation of the said Directive. Moreover, the granting of financial compensation to PPC so as to balance its costs, and further on, the imposition of the obligation for financial compensation on all other energy suppliers active in the Inter-connected System is in breach of the Directive's provision and, more specific, of Article 3 thereof.

Therefore, the Council of State found that the financial compensation may not be regarded as being provided for in a non-discriminatory and transparent way, as it reflects a cost which occurs for PPC from its function in a market in which no other competitor is allowed to compete, under conditions of an illegal monopoly.

In its ruling the Court also decided that the imposition of PSOs is legal, as the Ministerial Decision determining PSOs (single pricing per category of consumers of electricity throughout the Country and reduced charges for families with more than three children), on which the contested Ministerial Acts were based, is duly justified and in accordance with Article 3 of the Directive, article 21 paras 2 and 5 and article 106 para 1 of the Greek Constitution, and within the ambit of Laws 2773/1999 and 3426/2005.

Following the above mentioned reasoning, the Council of State pronounced the annulment of the contested Ministerial Acts, by which the annual allocation for PSO cost and the charges applicable to each category of consumers for the years 2008, 2009 and 2010 were determined.

STATE AID

Commission consults stakeholders on state aid rules for the maritime sector

The European Commission has launched a public consultation to get stakeholders' views on the application of the 2004 EU Guidelines on state aid to maritime transport. Submissions can be made until 14 May 2012. In light of the comments received, the Commission will decide whether the Guidelines need to be revised and will consult further so as to determine if new rules should be adopted. In the absence of any revision the current Guidelines continue to apply.

The purpose of the present consultation is to invite Member States and stakeholders to provide feedback and data about the effect that the Maritime Guidelines have had on the EU maritime industry or the evolution of business models. The Commission is also interested in information about possible shortcomings of the Guidelines that could be encountered in the future.

Commission opens in-depth investigations in air transport sector in Belgium, France and Germany

The European Commission will investigate whether financial arrangements between public authorities and the airports of Charleroi (Belgium), Angoulême (France) and Dortmund (Germany), as well as rebates and marketing agreements concluded between these airports and some of the airlines using them, are in line with EU state aid rules. The opening of proceedings gives interested third parties an opportunity to submit comments on the measures under assessment; it does not prejudge the outcome of the investigation.

Investments by public authorities into companies carrying out economic activities are in line with EU state aid rules when they are made on terms that a private player operating under market conditions would accept (the market economy investor principle, MEIP). In the aviation sector, infrastructure investment subsidies can in principle be found compatible with the guidelines on state aid in the aviation sector when they are necessary, proportionate, pursue an objective of general interest, ensure non-discriminatory access for all users and do not unduly affect trade in the internal market. Operating support is far more likely to distort competition between airports and is therefore in principle incompatible with the internal market.

On the basis of the available information the Commission cannot exclude that the measures in favour of the three airports and their customer airlines involve state aid, which gives them an undue advantage vis-à-vis their competitors and are, thus, incompatible with the internal market.

Commission issues a Commission Staff Working Document on state aid-compliant financing, restructuring and privatization of State-owned enterprises

The Commission has issued a Staff Working Document on state aid-compliant financing, restructuring and privatization of State-owned enterprises in order to raise awareness in all Member States of EU state aid rules applicable to inter alia privatization of State-owned enterprises and to provide

clarifications on the application of the main state aid principles. This document also aims at clarifying the impact that state aid rules could have on the policies and decisions of Member States undergoing economic adjustment programmes.

You can read the whole document at:

http://ec.europa.eu/competition/state_aid/studies_reports/swd_guidance_paper_en.pdf

TRANSPORT

Commission requests Poland and Greece to comply fully with rules on airport charges

The European Commission has requested Poland and Greece to complete the steps necessary to implement EU rules to ensure that airport charges are transparent and non-discriminatory. Following these rules it is important to avoid passengers in the EU paying more than they should for air travel. The Commission's request takes the form of a reasoned opinion under EU infringement procedures. If these Member States fail to inform the Commission within two months of the remaining measures taken to ensure full compliance with the law, the Commission could refer the case to the EU Court of Justice.

For further information you can contact:



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