

NEWSLETTER

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NOTE FROM THE EDITOR

In this first half of 2021, Metaxas & Associates Law Firm managed to remain fully active and market leader in our core practice areas of Energy, EU Law, State Aid, and International Dispute Settlement, despite the unforeseen effects brought by COVID-19 pandemic. Practice highlights of our Firm include several important cases and legal mandates.

Inside this Issue, we present five significant topics amongst the latest developments in the European legal landscape:

- Overview and Assessment of Energy Storage - Current developments in Greece.
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- The transition to a post-lignite era in Greece in light of the establishment of the EU Just Transition Fund.
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Our Firm's top rankings for 2021 in the field of Energy and EU & Competition Law confirm the distinguished level of client service and scientific specialization we offer, a core priority for all of us at M&A Law Firm. Therefore, we warmly thank our clients for their continuous support as well as our clients and peers for their contribution both to Legal 500's and Chambers' Europe 2021 research and reviews, as well as all members of our Team for their ongoing dedication and performance!



Managing Partner of Metaxas & Associates Law Firm, Prof. Dr. Antonis Metaxas, in a challenging interview in "LAWYER | The Business Magazine" that focuses on the impact of the COVID-19 pandemic on infrastructure investments, the energy market and the consequent challenges in the field of energy policy, as well as the successful strategy that M&A Law Firm has been following since its establishment



Awards

- **Metaxas & Associates Law Firm** has been ranked for a sixth consecutive year as **Leading Law Firm** by the reputable Chambers & Partners in their **Chambers Europe 2021 Guide**. Our Firm further advanced its outstanding rankings both in **Energy and Competition/EU Law** in this year's edition of Chambers & Partners Europe. The guide emphasizes that our Firm is highly respected for its niche expertise, offering excellent legal services on a wide range of most important and complex cases in the broader field of Business Law.
- **Top Leading Lawyer** award for yet another year in the **Energy and EU Law** legal practice in Greece to our Managing Partner, **Prof. Dr. Antonis Metaxas, who is characterized in clients' testimonials as "Guru of Energy Law"**.
- **M&A Law Firm** has been awarded as **Top-Tier Law Firm** in **Energy and EU & Competition Law** also by the **Legal 500 EMEA 2021 edition**. Our Firm has been ranked for a fourth consecutive year in the top position of the prestigious Legal 500 Europe, Middle East and Africa (EMEA) rankings. In its analysis, the EMEA 2021 edition acknowledges that Metaxas & Associates Law Firm is a team of 'true experts in energy law and regulation' that provides 'thorough knowledge of the energy sector, in terms of both domestic and EU legislation'. Moreover, M&A Law Firm is noted for its 'profound expertise in the EU regulatory framework' and considered as **"the best in the country for EU law matters"**. Furthermore, our Managing Partner Professor Antonis Metaxas is lauded as a 'leading pioneer' in the practice areas of his specialization.
- **Prof. Dr. Antonis Metaxas**, ranked as **"Leading Individual"** both in **Energy and EU/Competition Law**, while Partner **Stathis Kakounis** is ranked as **"Next Generation Partner"** in **Energy Law** and Senior Associate **Yiannis Floros** is ranked as **"Next Generation Partner"** in **EU/Competition Law** and **"Rising Star"** in **Energy Law**.

"They have a thorough knowledge of the energy sector, in terms of both domestic and EU legislation.

You can be sure of dealing with lawyers who have a deep knowledge of global energy trends, which is the key issue for providing exceptional strength in the complex Greek energy field. This is what makes this practice unique among others"

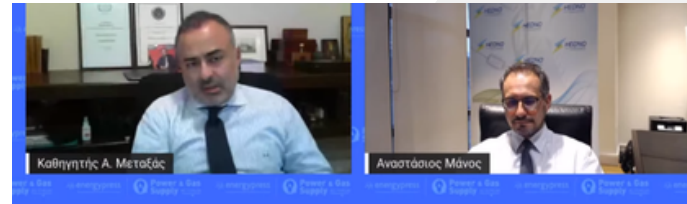


"They do high-quality, detailed work and they are true experts in state aid and competition law. They approach their practice in a really professional and client-oriented manner. The whole team has been excellent, we got top advice. Antonis Metaxas has managed to form a team of good lawyers that makes you feel confident you are being advised by the best in the country for EU Law matters"



Conferences

- **Prof Dr. Antonis Metaxas**, participated as Chair in the energy infrastructures panel of the **2nd Power & Gas Supply Forum**, hosted by energypress.gr that took place on March 31st 2020. Key decision-makers, high ranked politicians, distinguished academics and business leaders of the Greek Energy Market focused on the electricity and gas distribution networks and infrastructures, the role of TSOs in the new Market landscape created by the implementation of the EU Target Model, as well as the latest important challenges for the gas supply sector in Greece.
- **Prof. Dr. Antonis Metaxas** was invited as a speaker at the **"Liability of Administrative Judges"** Conference, which was organized by the Association of European Administrative Judges (AEAJ) in cooperation with the Law Faculty of the Vilnius universitetas / Vilnius University. His speech was titled **"Judicial Breaches of EU Law, effet utile and the principle of national procedural autonomy"**.
- **M&A Law Firm** actively participated in the webinar entitled **"RES Aggregation in Greece: What are the business models?"** that took place on May 26th 2021. This webinar, organized by Next Kraftwerke, one of the largest Aggregators in Europe, created a platform to discuss the latest Greek market developments from a regulatory, commercial and technological angle. Mr. **Yiannis Floros**, Senior Associate at **Metaxas & Associates Law Firm** and Member of the Executive Board of the **Hellenic Energy Regulation Institute**, participated as Speaker focusing on the EU and Greek legislative framework on RES Aggregators and the challenges they are bound to face in the framework of the implementation of the Target Model.



Practice Highlights

A **German and a Spanish Multinational** hired **Metaxas & Associates Law Firm** to act as their legal advisor on the acquisition and development of a large PV and Storage investment portfolio assisting them in finding targeted solutions to serve their investment objectives given the complex legal and regulatory framework in Greece.



M&A Law Firm has been granted the Mandate to act as legal advisor to the **Hellenic Hydrocarbon Resources Management (HHRM)** on the reassessment and modification of **offshore safety provisions in hydrocarbon activities** aiming, inter alia, to ensure the safe storage of natural gas. Our Law Firm is also advising on necessary adaptations of the existing legal framework for the **safe storage of CO₂**.



Following our successful representation of our clients before the Greek Council of State, **customer switching** of energy suppliers is now subject to a substantial amendment of the respective rules in the framework of a public consultation initiated by the Regulatory Authority for Energy.



M&A Law Firm has been granted the Mandate for the legal representation of the **Municipality of Megalopolis** in the preparatory process and design of the **Territorial Just Transition Plan (ESDIM)** towards its **decarbonization** effort to ensure **a fair development transition by 2023**, in the framework of Greece's transition to a differentiated mixture of electricity production that will not be based on lignite.



Overview and Assessment of Energy Storage - Current Developments in Greece

The Ministry of Environment and Energy is currently working on adopting a legal framework for the development and participation of electricity storage units in the Electricity Markets of the Law 4425/2016. This proposal is expected to be submitted to the Ministry in early June and is necessary for securing the electricity supply in Greece and ensuring the participation of storage units and RES plants in the electricity market.

The storage regulation should aim at enabling and regulating the participation of storage units in the electricity markets as independent participants or through representatives, the connection of storage units to the grid and their use of the grid, the participation of storage units in any future capacity mechanisms, the installation and efficient exploitation of dispersed units per producers and the harmonization of the Greek regulatory framework with the EU acquis and practices of other EU countries.

In the meantime, a substantial progress in investment activity is currently emerging since rising major deals are being negotiated and the main focus is on renewables and the energy transition. This activity promises a significant growth in the Greek territory for all RES technologies, even the more innovative, such as offshore wind farms and energy storage units. Moreover, major energy players are moving to capitalize on opportunities that are emerging as the country pushes ahead with its decarbonization effort. Also, investor talks concerning domestic and international partnerships, the latter promising to secure expertise in sectors such as offshore wind farms, are in progress.

As per power utility PPC is concerned, is moving ahead with RES investments aiming at launching projects with a total capacity of 1.5 GW by 2023. Furthermore, the initiative of phasing out the two major oil/coal power plants in Ptolemaida and Megalopolis, are currently in progress. PPC also plans to invest 3.4 billion euros on RES project development in these regions, upgrading the distribution networks.

In light of this restructure, it is expected that the offshore wind market will be also expanded. One first step for the growth of the energy storage is a joint venture with German power company RWE by the end of summer for development of RES projects totaling 2 GW. Following that, Energy Company Mytilineos is also preparing to develop 20 energy storage projects, each with 50 MW capacity, by utilizing its immense knowhow gained in this field through involvement in such projects abroad.

"The storage regulation is expected to be submitted to the Ministry of Environment and Energy in early June and is necessary for securing the electricity supply in Greece and ensuring the participation of storage units and RES plants in the electricity market."



EU's Provisional Agreement on Climate Law

On April 21st 2021, the European Union negotiators reached a provisional agreement on a European Climate Law, in the form of a new Regulation. As one of the key elements of the European Green Deal, the European Climate Law enshrines the EU's commitment to reaching climate neutrality by 2050 and the intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels. The European Climate Law was heralded as a key goal of the von der Leyen Commission in its 2019 Political Guidelines, as part of the EU Green Deal, a comprehensive roadmap for climate action and sustainable investment.

In addition to setting emissions targets, the European Climate Law provides for the wholesale review of EU legislation to work towards those ends, and arms the Commission with various tools to support the EU's transition to a green economy. Towards the 2050 climate neutrality target, the European framework for climate action is further enhanced by introducing the following elements:

- An ambitious 2030 climate target of at least 55% reduction of net emissions as compared to 1990, with clarity on the contribution of emission reductions and removals;
- Recognition of the need to enhance the EU's carbon sink through a more ambitious LULUCF regulation, for which the Commission will make proposals in June 2021;

- A process for setting a 2040 climate target, taking into account an indicative greenhouse gas budget for 2030-2050 to be published by the Commission;
- A commitment to negative emissions after 2050;
- The establishment of European Scientific Advisory Board on Climate Change, that will provide independent scientific advice;
- Stronger provisions on adaptation to climate change;

The final text of the Regulation, which would have direct effect and would be adopted by qualified majority, is yet to be published. The Commission notes that the European Climate Law aims to ensure strong coherence across EU policies with the climate neutrality objective, reiterating the EU's intention to review existing EU frameworks in light of the green transition.



European Commission's President Ursula von der Leyen said: "I am delighted that we have reached an agreement on this core element of the European Green Deal. Our political commitment to becoming the first climate neutral continent by 2050 is now also a legal commitment. The Climate Law sets the EU on a green path for a generation. It is our binding pledge to our children and grandchildren."



Actions to promote Renewable Energy Power Purchase Agreements in the proposal for a revised Renewable Energy Directive

With the Industrial Strategy Update, the European Commission (EC) proposed new measures to support the business case for the green and digital transitions by ensuring that all our policies and investments are geared towards achieving this objective. Among these measures, the EC is looking at ways to promote and further support the uptake of corporate renewable Power Purchase Agreements (PPAs), as part of the revised Renewable Energy Directive that will be published during June 2021.

Industry has a role to play in providing demand-side flexibility and acting as the “battery” of Europe. Industrial consumers and SMEs (Small and Medium Enterprises) can also support the expansion of renewables by concluding corporate renewable PPAs.

These are long-term contracts between corporate buyers and renewable power producers to purchase green electricity at pre-agreed prices, thus providing price security to both sides and improving the bankability of renewable power projects. The EC will consider measures to facilitate the uptake of such agreements.

The EC considers revising the Renewable Energy Directive to align it with the European Green Deal. In February 2021, the EC initiated a public consultation process for a revision of the Renewable Energy Directive (RED II). The revision follows the European Green Deal, in which the EC committed to propose revisions to legislation in order to ensure emission targets are met.

In the European Green Deal, the EC proposed to increase the Union's 2030 greenhouse gas (GHG) reduction target from 40% to at least 55%, with the objective of climate neutrality by 2050, which means ramping up renewable electricity and renewable hydrogen production.

To deliver on its climate commitments and modernise its economy, Europe needs to accelerate the roll-out of renewable energy sources. The EC will work with Member States to increase their ambition on renewable energies, notably supporting large-scale integrated projects and necessary grid expansions. Apart from the fact that the Renewable Energy Directive stipulates that Member States need to remove unjustified barriers to long-term PPAs, it is observed that there are still administrative and regulatory barriers in several Member States.

Such hurdles make it too complicated for big industrial energy consumers to directly buy renewable electricity from renewable power plant operators. Therefore, PPAs can provide an important incentive for investments into new renewable capacities without depending on public support schemes.



Commission's Proposal on the new Regulation to address distortions caused by foreign subsidies in the Single Market

On 5 May 2021, the European Commission (EC) proposed a Regulation which lays down rules and procedures for investigating foreign subsidies that distort the EU internal market, and with a view to creating a level playing field as between EU and non-EU market actors in the Single Market. This legislative proposal follows the adoption of the White Paper in June 2020 and an extensive consultation process with stakeholders.

The Proposal aims at closing the regulatory gap in the Single Market, whereby subsidies granted by non-EU governments currently go largely unchecked, while subsidies granted by Member States (MS) are subject to close scrutiny.

The new tool is designed to effectively tackle foreign subsidies that cause distortions and harm the level playing field in the Single Market in any market situation. It is also a key element to deliver on the updated EU Industrial Strategy, by promoting a fair and competitive Single Market, thus, setting the right conditions for the European industry to thrive.

According to the Proposal, the EC will have the power to investigate foreign subsidies granted to an undertaking engaging in any "economic activity" in the EU Single Market, including, in particular, activities relating to the acquisition of control or a merger with

an EU undertaking or participation in a public procurement procedure. With respect to the redressive measures and commitments, the proposed Regulation includes a range of structural or behavioural remedies, such as the divestment of certain assets or the prohibition of a certain market behaviour.

EC's proposal is accompanied by an Impact Assessment report, which explains in detail the rationale behind the proposed Regulation and describes several situations in which foreign subsidies may cause distortions in the Single Market. The European Parliament and the MS are currently reviewing EC's proposal in the context of the ordinary legislative procedure with a view of adopt a final text of the Regulation. Once adopted, the Regulation will be directly applicable across the EU.



Executive Vice-President of the European Commission Margrethe Vestager mentioned: "Europe is a trade and investment superpower. In 2019 the stock of foreign direct investments was worth more than 7 trillion euros. Openness of the Single Market requires fairness. We are adopting a proposal to tackle distortive subsidies granted by non-EU countries in order to ensure a level playing field in these challenging times, to support the recovery of the EU economy."



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