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1 Insight into the Greek electric sector and energy planning
2 with mature technologies and fuel diversification
3

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1 **Abstract**

2

3 The numerous available options for the development of the Greek electric sector in combination
4 with the various techno-economic and political constraints make energy planning rather complex.
5 Furthermore as full auctioning of CO₂ allowances shall be the rule from 2013 onwards for the
6 electric sector following free allocation, even more uncertainties emerge. This work aims at
7 investigating the main characteristics of the Greek electric system taking into consideration the
8 various allowance allocation schemes, evaluates fundamental energy scenarios and ultimately
9 performs energy planning. The reliability of the algorithm utilised is assessed by predicting
10 successfully key figure energy results for years 2004-2008. Main parameter under investigation
11 in the study is the cost of CO₂ emissions allowances, while expansion scenarios are evaluated
12 according to a newly developed set of indices standing for feasibility, environmental
13 performance, cost effectiveness and energy safety. Many expansion scenarios examined were
14 proved unrealistic as led to extremely high utilization of imported fuels for electricity production,
15 while others proved inefficient on environmental or economic basis. Finally it was proved that if
16 a “conservative” energy planning is adopted, emissions reduction in 2020 can reach 6.3% over
17 2005.

18

19 Keywords: Greek electric sector; energy planning; CO₂ allowances

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29

1 **1. Introduction**

2

3 From United Nations Framework Convention on Climate Change and the Kyoto
4 Protocol, the Climate Change seems to evolve into an environmental and
5 economic subject of major importance, which increasingly establishes its
6 position in the political agendas around the globe. In January 2008 the European
7 Commission (EC) outlined an extensive package of proposals for the European
8 Union (EU) 27 Member States (MS), known as “Climate action and renewable
9 energy package”, in order to set commitments and objectives by 2020 and
10 effectively fight Climate Change.

11

12 Major commitments of EU in the package is the 20% reduction of Green House
13 Gas (GHG) emissions over 1990 and 20% energy use coming from renewables
14 by 2020. The intention of these measures is to transform Europe into a highly
15 energy-efficient and low GHG-emitting economy, and furthermore increase its
16 energy security. The package was adopted in December 2008 by European
17 Parliament and Council transforming the proposal to legally binding targets for
18 the MS. Finally it resulted in EC Directives and Decisions in 2009 ([EC, 2009a](#),
19 [2009b](#), [2009c](#)).

20

21 As base year for the presentation of emissions reductions, the year 2005 was
22 adopted since data for that year is more reliable, including verified emissions of
23 the installations. Calculations over 2005 also make much clearer the efforts that
24 must be carried out by comparing with a more recent situation ([EC, 2008a](#)).

1 Therefore the former EU target of -20% GHG in 2020 over 1990, equivalently
2 becomes -14% over 2005. According to the Directive this will have to be
3 achieved through a 21% reduction in ETS sectors and 10% in non-ETS sectors.
4 For Greece the non-ETS sector target is specifically defined at 4% ([EC, 2008a,](#)
5 [2009a](#)).

6
7 One fundamental line of the adopted EU strategy is the enhancement of ETS,
8 which was launched in 2005 and now is in its second phase (2008-2012). While
9 in the first two phases of ETS, MS set their own emission target levels, for the
10 third phase (2013-2020) a single EU-wide cap is adopted for the emissions of
11 electric sector and other installation activities included in Appendix of directive
12 2003/87/EC. For the electric sector specifically, the total amount of the
13 allowances after 2013 will be auctioned, except for the case of useful heat
14 production; the later will be encouraged with free allowances, as it promotes
15 more efficient electricity generation and helps avoid distortions of competition
16 with installations of other sectors which also produce heat ([EC, 2009a](#)). As a
17 result of the single EU cap country specific targets are not defined, and
18 reductions are expected to take place based on cost-efficiency.

19
20 To meet EU target of 20% by 2020 for renewables, E.C. set individual targets for
21 MS, taking into consideration starting points, renewable energy potentials,
22 energy mixes, past efforts and Gross Domestic Products. For Greece the target
23 was set at 18% RES use in final energy demand by 2020. The accomplishment of
24 the national targets for renewables plays key role in the “Climate action and
25 renewable energy package” as these contribute not only in emissions reductions

1 but also decrease the EU's dependence on foreign energy sources, enhancing thus
2 the energy safety.

3

4 The effort which is necessary for the implementation of the above measures and
5 the compliance with the above targets in the case of Greek electric sector,
6 strongly rely on the unique characteristics of the sector and the country itself,
7 which are described by Dagoumas et al. ([2007](#)).

8

9 The complexity of energy planning is also increased due to the transition after
10 2013 to “full auctioning” of CO₂ allowances, a transparent and simple allocation
11 mechanism which can reduce competition distortions in energy market ([EC,](#)
12 [2008b](#)).

13

14 For the analysis of the behaviour of Greek energy sectors, numerous are the
15 recent studies that have been carried out. The total energy system was simulated
16 by Capros and Mantzos ([2000](#)), by Mirasgedis et al. ([2002](#)) and by Agoris et al.
17 ([2004](#)) focusing mainly on the estimation of CO₂ abatement cost for various
18 emissions mitigation measures and technologies, without considering ETS. In the
19 more recent studies of Dagoumas et al. ([2007](#), [2008](#)) allocation of CO₂
20 allowances and ETS are taken into consideration, for the investigation of electric
21 system expansion. Nevertheless in these later studies, emissions modelling seems
22 to be implemented as a fixed CO₂ constraint on the operation of power plants,
23 rather than a measure which acts through alteration of plants' economic
24 efficiency; for that reason the amount of total procured CO₂ allowances in these
25 studies is predetermined and not estimated. In any of the aforementioned studies
26 full auctioning is not investigated after 2013. On the other hand in the model
27 based analysis of the EU Policy Package concerning all 27 countries, which was
28 carried out by Capros et al ([2008](#)), ETS in combination with both grandfathering
29 and full auctioning allocation mechanisms was examined; however this study

1 mainly concerned the implementation of EU measures in all MS, investigating
2 aspects as distributional equity in efforts sharing, rather than focusing on the
3 uniqueness of Greece.

4

5 This work adds by modelling ETS in a more realistic fashion, taking into
6 consideration partial free allocation of CO₂ allowances for period 2005-12 and
7 full auctioning after 2013. In this approach power plants operate without
8 predetermined emission constraints, being able to surpass their allocated
9 allowances with additional cost, while are limited only by their economic
10 efficiency; therefore ETS and allocation mechanisms inherently affect the
11 balance of the market and subsequently the annual energy mixes. This more
12 advanced approach is further combined with the new EU package requirements,
13 limitations and targets with focus specifically on Greek electric sector.

14

15 With the aid of the model, and after pointing out that one of the basic principles
16 of Greek energy policy is energy safety, the potentials of a “conservative” low
17 risk energy planning for the expansion of Greek electric sector are thoroughly
18 explored, and the roles of domestic lignite and imported coal are examined.
19 Additionally, scenarios of radical changes for the electric system expansion and
20 their impacts and feasibility are investigated. These cases, including the
21 investigation of CO₂ allowances price effects which comprises main parameter in
22 this work, are not covered by any previous studies.

23

24

25 **2. Simulation of Greek Connected Electric System**

26 **2.1 Modelling methodology**

27

28 This work looks into various expansion scenarios for the Greek connected
29 electric system towards 2020. The aim is to investigate and evaluate these

1 scenarios according to their environmental performance, economic efficiency,
2 implementation feasibility, energy source diversification in production mix and
3 energy safety towards 2020. For that purpose, the module BALANCE of the
4 Energy and Power Evaluation Program (ENPEP) was used ([ANL, 2007](#)). This
5 software, in order to determine the balance between energy supply and demand,
6 uses a non-linear equilibrium approach. The model relies on a decentralized
7 decision-making process in the energy sector, allowing the consideration of
8 factors other than cost, approach which stands for multiple decision makers. In
9 the current study the main basis for the implementation of the calculations is
10 least cost, while other issues, as enforcement of specific energy policies or
11 technological and technical constraints are additionally considered; such
12 parameters are the priority of RES energy in system dispatch and the policy for
13 energy import as a last resort.

14

15

16 **2.2 Model setup – Common data and assumptions**

17

18 ENPEP/BALANCE is a data intensive model. Among its requirements is the
19 initial definition of the structure of the entire system, including all the sectors that
20 will be taken into consideration during simulation as well as their constituents; as
21 such in the current study were considered the electric sector, transport and
22 distribution of electricity, fuel and RES and finally consumption sectors. For the
23 base year of the simulation input parameters must be defined containing energy
24 statistics for all sectors, and more specifically prices and quantities of the energy
25 flows in the system. For the following years, projections about growth of energy

1 demand, energy sources prices as well as technical and policy constraints and
2 assumptions are required and must be defined as well.

3

4 In the present study a base case scenario was initially developed including all the
5 components that would be common in the scenarios to be investigated. The first
6 step of the modelling work was a systematic representation of the existing
7 electric connected system which was carried out on a power plant unit basis
8 ([Hellenic Transmission System Operator, 2006](#); [PPC](#)); the system is outlined in
9 Table 1 on a plant basis for the ETS reference year 2005. Decommissioning of
10 old fossil fuel units, as well as commissioning of new hydroelectric plants,
11 elements common in all scenarios, were based mainly on PPC's business plan
12 ([PPC, 2008](#)) and press releases ([PPC](#)) and are outlined in Table 2 and Table 3
13 respectively. Until 2008 oil, natural gas and coal prices were taken into
14 consideration according to real market prices while for the future period (2009-
15 2020) were assumed unchanged. This was decided since the investigation of
16 fuels price variation influence on energy planning is not in the scope of the
17 present study. In the case of natural gas and lignite, estimations had to be made
18 as their cost to PPC is confidential. For lignite, a mine based approach was
19 followed concerning mainly fuel quality and cost variations ([PPC](#)). In addition to
20 price, energy production levels were defined for all power plants for the base
21 year according to existing data of Hellenic Transmission System Operator
22 ([HTSO](#)). For hydroelectric plants, hydrologic conditions of 2004 were adopted
23 for all next years as well, assuming in the present study that 2004 was a year of
24 moderate rainfalls.

25

1 **Table 1. Description of Greek Connected Electric System (2005)**

Plant type	Number of Units	Installed Net Capacity (MW)
Pulverised Fuel (Lignite)	22	4,808
ST (Oil)	4	718
CCGT (NGas)	5	1,967
GT & ST (NGas)	3	487
Hydro (Large)	24	3,024
RES (excluding cogeneration)	7	433

2

3

4 **Table 2. Retirement plan of PPC existing units**

Year of retirement	Total Retired Net Capacity (MW)	Plant type
2010	339	ST (NGas)
2010	173	CCGT (NGas)
2010	226	PF (Lignite)
2011	288	ST (Oil)
2012	430	ST (Oil)
2013	334	PF (Lignite)
2017	274	PF (Lignite)
2018	545	PF (Lignite)
2020	275	PF (Lignite)

5

6 **Table 3. Commissioning of new Hydroelectric plants**

Year of commission	Capacity (MW)
2009	161.6
2010	186.0
2013	285.0

2016 16.5

1
2 Regarding base year annual demand, 2004 Load Duration Curve (LDC) was
3 derived from HTSO data. Base and future year demand projections were
4 allocated to the sectors according to 2004 statistics as it is shown in Table 4
5 ([Eurostat, 2008](#)). For demand forecasts towards 2020, a specific per sector annual
6 rate of increase was calculated, based on 2004 over 2003 data ([Eurostat, 2008](#)).
7 This rate was kept constant for all years (Table 4), even though data is available
8 for the first years to date, in order to not over-customize the solution.

9

10 **Table 4. Electricity consumption by sector (year 2004 – Connected system)**

Electricity Demand	Electricity consumption by sector (%)	Rate of electricity consumption increase (2004/2003)
Households & Services	71.39%	3.8%
Transportation	0.47%	0.4%
Industry	28.13%	0 ^a
Total	100%	2.71%

^aZero valued used instead of the negative -1.19%

11

12 Techno-economic data as plants capital costs, operation and maintenance fixed
13 and variable costs, as well as planned outages where either assumed ([DOE/IEA,](#)
14 [2009](#)) or derived from estimations based on PPC data ([PPC](#)). Unplanned outages
15 of PPC power plants were defined according HTSO for period 2006-2007
16 ([HTSO](#)); periods of major unplanned outages were not taken into consideration
17 in order again to not over-customize the solution on past years data. For the same
18 reason outage percentages were kept constant for all years. Emission factors were

1 calculated specifically for each power plant, taking into consideration plants'
2 reported emissions to the European Pollutant Emission Register ([EPER](#)) and
3 electricity production ([HTSO](#)) for year 2004; for the incomplete oxidation of
4 fuels towards CO₂ typical factor values were adopted ([EC, 2004](#)).

5

6 **2.3 Realistic CO₂ allowances modelling**

7

8 The investigation of the effects of the quantity and price of CO₂ emissions
9 allowances on the behaviour of Greek electric sector in the various scenarios
10 constitutes a major element of the current study. According to this approach the
11 time period examined in the study is virtually divided into four different regimes.
12 In the first period, the “no ETS period”, which takes place in 2004, is assumed
13 that no emission trading related activities take place in the system. National
14 Allocation Plan (NAP) periods, “NAP I” and “NAP II”, follow referring to
15 periods 2005-2007 and 2008-2012 respectively. During these, the allocation of
16 CO₂ allowances to the plants is performed as designated by the first and second
17 NAPs ([HMEPPPW, 2004](#), [2006](#)). According to these a specific amount of
18 allowances is allocated for free to each power plant in the system for each period.
19 At the same time the option of a plant to surpass its free allowed allocation and
20 buy additional allowances is left open in the study. The amounts of these
21 allowances for periods “NAP I” and “NAP II” are explicitly defined on a plant
22 and year basis, permitting free transfer among units of the same plant; transfers
23 are not allowed in any other case in the study, including banking or transferring
24 of allowances to next years. Finally the “full auctioning period” is assigned to
25 years 2013-2020, where no free allowances are allocated to the electric sector

1 plants, fully lining to EC “energy package”. In this phase each plant has to buy
2 its emission allowances, even for the first tone of CO₂ that will emit.

3

4 **2.4 Model validation**

5

6 Prior to scenario investigation, the accuracy of the model was examined against
7 data of the past years. In order to make that feasible, as base year of calculations
8 the year 2004 was selected, while the results were examined through 2008.

9

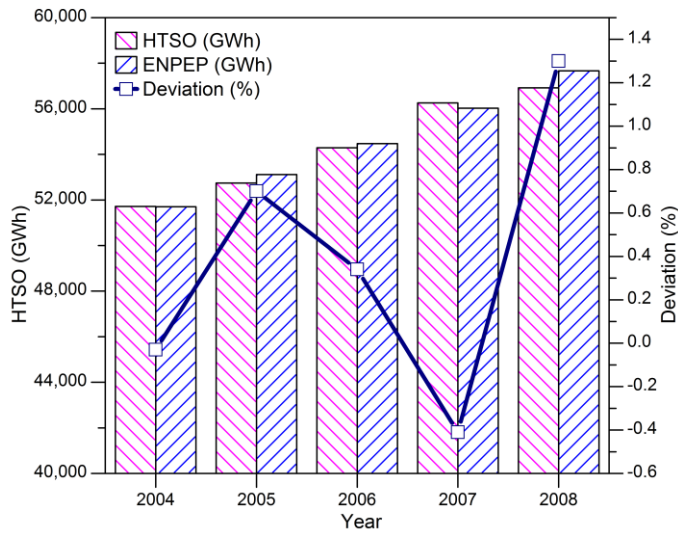
10 Although input data was not over-customized for years 2004-2008, referring to
11 major plants unplanned outages that were not taken at consideration, electricity
12 demand per sector that was set based on 2004 over 2003 data, and hydrologic
13 conditions that were considered same to 2004’s, projections seem to agree very
14 well with the reported data. Electricity demand forecasts (Figure 1) seem to
15 deviate no more than +1.3% over HTSO data. Figure 2 illustrates the projected
16 electricity production per plant type for years 2005-2008. As it is shown
17 projections are in reasonable agreement with HTSO data. An exception to this
18 agreement, which again proves the rule of successful predictions capability of the
19 model, occurs in year 2006. In this year the electricity production from lignite
20 plants is predicted substantially higher than the reported one; this can partially be
21 attributed to the actual hydrologic conditions of that year which led to increased
22 hydroelectric energy production. In fact the hydroelectric energy actually
23 generated in 2006 was approximately 28% higher than 2004’s, and therefore
24 28% more than the assumed levels. Part of this additional hydroelectric energy
25 replaced base load and thus decreased lignite plants production. The better

1 hydrologic conditions of 2006 were also combined with two major unplanned
2 outages; SES Ptolemais Unit IV (pulverised lignite combustion technology) with
3 net capacity 274MW, which was out of system for three warm months (28/06/06
4 – 30/09/06) and SES Lavrio Unit III (combined cycle technology) which was out
5 for two months in the same year (01/01/06 – 01/03/06) ([HTSO](#)). The combined
6 effects of the above incidents can provide an explanation for the simultaneous
7 decrease in hydroelectric production projections and increase in the respective
8 lignite and CCGT in relation to HTSO reported values. In the same direction also
9 seem to have affected the several days employee’s strike activities in 2008, as
10 well as the maintenance of SES Agios Dimitrios Unit III in combination with
11 additional delays in the integration of the unit in the production system ([PPC,](#)
12 [2009](#)). Similarly the underestimation of imported energy in 2007 and 2008
13 projections is consistent with the overestimation of hydroelectric energy
14 production for these years; as 2007 and 2008 finally proved to be “dry” years
15 with productions decreased 35% and 39% respectively in relation to 2004, the
16 actual need for imports inevitably increased.

17

18 Beyond the hydrologic conditions and the isolated facts mentioned above, further
19 discrepancies, as the slight overprediction of electricity production from
20 Combined Cycle Gas Turbine (CCGT) plants can be attributed to other
21 modelling issues. As such it can be considered the shape approximation of
22 annual load curve in the model, which is not precisely fitted to the real data;
23 additional issue is the difficulty to simulate the dual use of hydroelectricity to
24 meet occasionally peak and base demand in Greece.

25



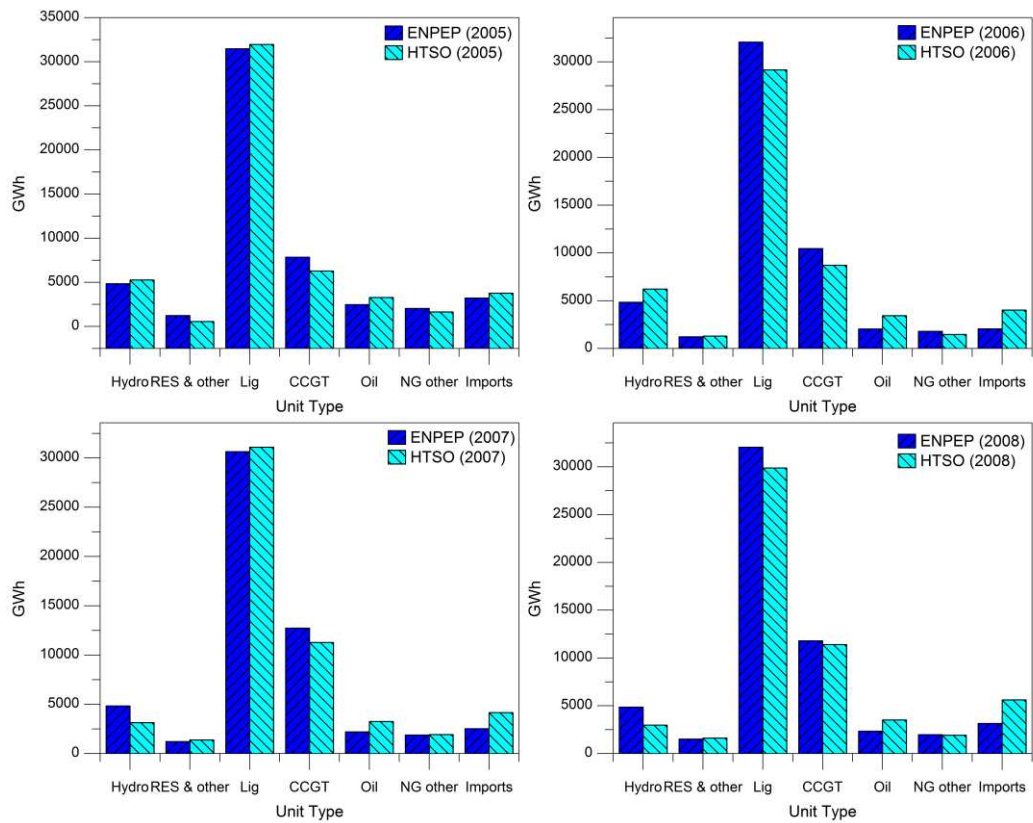
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Figure 1. Comparison of projected and measured electric load

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Figure 2. Comparison of projected and produced electricity per plant type – 1 year periods

7

1 The aim of the Greek sector simulation in the present study is not to perform
2 electricity production projections with absolute accuracy, but to efficiently
3 identify the trends and behaviour of the electric system and project future energy
4 mix, avoiding significant systematic errors. The opposite would not in any case
5 be feasible as the calculations, which are performed on a year basis, could not
6 sufficiently take into consideration smaller time scale characteristics of the
7 electricity market behaviour, non equilibrium effects and market distortions. For
8 that reason as well as the non over-customization of the model on available data,
9 discrepancies appear in years where statistics is today available and thus could be
10 avoided. However significant unsuccessful predictions do not occur
11 systematically.

12

13

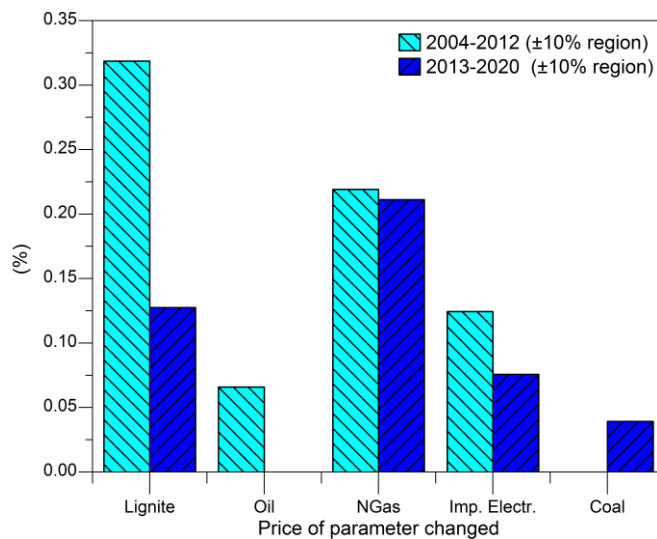
14 **2.5 Sensitivity Analysis**

15

16 In order to investigate the effect of input data uncertainties on projections, a
17 systematic sensitivity analysis was carried out. The parameters examined in the
18 present study are the costs of fuel and imported electricity, aiming to investigate
19 their effect on the price of the produced electricity. Figure 3 illustrates the %
20 variation of electricity price which results from 1% variation of each parameter,
21 for the two periods of the study 2004-2012 and 2013-2020. These results were
22 obtained by ranging parameter values by $\pm 10\%$ for scenario D30 (Table 5). As it
23 is shown the factor which influences most the electricity price at the earlier years
24 is lignite cost, which is consistent with the present and expected near term
25 lignite-oriented structure of the Greek electric system. Natural gas price plays

1 key role in both periods of the study, but becomes dominant at the second half,
 2 where full auctioning of CO₂ allowances takes place and lignite use is diminished
 3 in electricity production mix. The role of the other fuels price as well as imported
 4 electricity price concerning their influence on system price can be considered of
 5 secondary importance. It must be pointed out that the results presented in Figure
 6 3 are related to the assumptions and limitations of the current study and the
 7 scenario they refer.

8



9

10 **Figure 3. Electricity price variation (%) for 1% variation of each parameter in the +10 and**
 11 **-10 region – 2004-2012 and 2013-2020 average**

12

13

14 **3 Investigation of Energy Scenarios**

15

16 After the validation of the model and the examination of its projection
 17 capabilities as well as accuracy and sensitivity levels, two groups of scenarios

1 were investigated; a complete list along with a reference to the main
 2 characteristics of each scenario is illustrated in Table 5.

3
 4
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 9

10 **Table 5. Description of scenarios investigated in current study**

Scen ario	Cost of CO ₂ (\$/t)		Installation of RES (to 2020)	Installation of fossil fuel plants (MW) 2012 - 2020			Gr ou p
	2005- 2012	2013- 2020	GW	PF (Lig)	PF (Coal)	CCGT (NG)	
	A00	20	0	3			
A15	20	15	3	796	4,089	5,624	1
A30	20	30	3				
O30	20	30	0	0	0	0	
B00	20	0	3				
B30	20	30	3	0	2,124	1,925	
C00	20	0	3				
C30	20	30	3	0	3,717	1,925	2
D00	20	0	3				
D30	20	30	3	796	3,186	1,540	
E00	20	0	6				
E30	20	30	6	796	3,186	1,540	

11

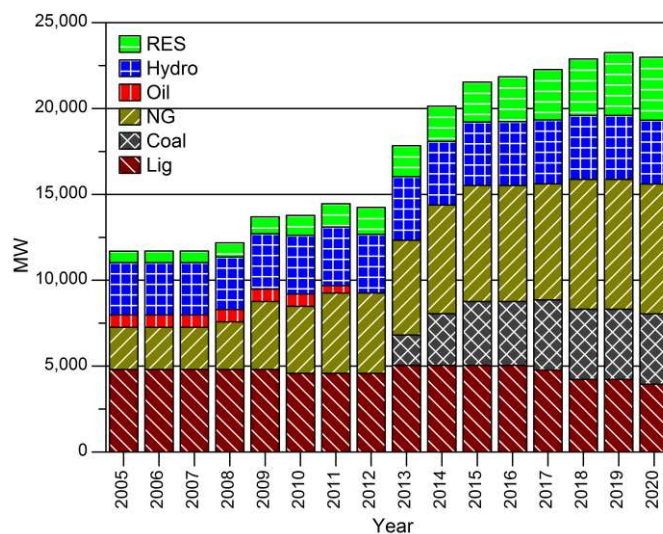
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2 3.1 Radical change scenarios

3

4 The first group of scenarios aims at investigating the feasibility of possible
5 commissioning of a large number of new power installations, installations that
6 were announced from time to time in the press by electric companies. In addition
7 to these 3GW of RES are installed starting from 2008 until 2020. The expansion
8 of the system per plant type is depicted in Figure 4, while the distribution of RES
9 utilities commissioning through years is considered exponential. As it is evident,
10 this scenario deals with the possibility of an extended increase of installation
11 capacity and system expansion, especially for the case of natural gas CCGT
12 plants. From this scenario a set of very interesting questions arise; which will be
13 the behaviour of this virtual electric system? Which plant types will take
14 increased share of load and gain priority in the system dispatch? Which
15 technology and fuels will prevail in the final mix? What will be the response of
16 the system to high, moderate and zero CO₂ allowances price?

17



18

1 **Figure 4. Electric sector expansion – Scenarios A00, A15, A30**

2

3

4 **3.2 Step-by-step energy planning scenarios**

5

6 **3.2.1 The adopted methodology and its conceptual base**

7

8 The second set of scenarios in general comprises a sequential effort to develop an
9 efficient but also realistic expansion plan of the Greek electric sector. This is
10 achieved by establishing a “doing nothing” scenario as a basis, on which the
11 insufficiencies, shortages and generally the behaviour of the electric system are
12 evaluated according to certain criteria. This evaluation leads on decisions and
13 corrective actions and consequently on new improved scenarios, the performance
14 of which is evaluated again. This procedure is repeated until reaching a target
15 scenario, which in general may be a solution, compliant with specific constraints.
16 In this study the target is to investigate the possible outcome of a rational and
17 rather conservative energy policy.

18

19 **3.2.2 Evaluation criteria as energy planning basis**

20

21 The first step before scenarios development is the establishment of the criteria
22 basis on which the scenarios will be evaluated and improved towards a finally

1 acceptable solution. In the context of the present study, scenario performance is
2 assessed taking into consideration the aspects of

- 3 • feasibility and realism,
- 4 • cost efficiency,
- 5 • fuel diversification,
- 6 • energy safety,
- 7 • decarbonisation and
- 8 • environmental target compliance.

9

10 These aspects are particularised in the present study and taken into consideration
11 for evaluation through parameters as

- 12 • agreement with technical constraints
- 13 • penetration of immature technologies and technologies that lead in high
14 CO₂ avoidance cost
- 15 • earlier year of technology penetration
- 16 • System Average Price
- 17 • total CO₂ abatement cost
- 18 • share of imported fuels in final electricity production
- 19 • percentage of base load installed capacity over peak load
- 20 • levels of imported energy
- 21 • emitted CO₂ per MWh of electricity produced
- 22 • annual and average annual CO₂ emissions towards 2020 over 2005's
23 emissions
- 24 • CO₂ reductions which correspond to equivalent, "ideal" emission paths
- 25 • RES percentage in final electric mix

1

2

3 **3.2.3 Emission performance and equivalent emission paths**

4

5 The various scenarios that generally can be developed may perform in a different
6 way concerning their emissions performance. Therefore it is very difficult to
7 efficiently compare them directly as they may differ not only in the final year's
8 emission level over base year, but also in the way they reach there, namely in the
9 intermediate path they follow. A scenario which demonstrates higher emission
10 decrease in 2020 over 2005 levels is not essentially superior to another which
11 results in lower absolute decrease in 2020 but higher total reduction over all
12 years towards 2020. In the same way a scenario with high total emission
13 reduction but very unequal distribution of this reduction over the years or poor
14 performance at the last years, does not necessarily outperform another with lower
15 total emissions reduction but very good distribution through the years.

16

17 For the purposes of a thorough and complete scenario comparison regarding
18 emission performance, the concept of equivalent exponential emission path is
19 introduced in the study. The equivalent exponential emissions path for a specific
20 scenario refers to a hypothetical series of annual emissions, which start at the
21 same level and year with the original one and, but extend towards the last year
22 exponentially; this results in the same total emissions with the scenario under
23 investigation but with constant ratio between the emissions of subsequent years.
24 The necessity for calculation and study of the exponential equivalent path is

1 crucial for the successful evaluation and comparison of emission performance
2 among scenarios as this provides information about parameters such as

- 3 • the exponential equivalent decrease of emissions in the final year over
4 base year
- 5 • the deviation of the specific scenario real emission path from the
6 hypothetical exponential path

7

8 The first parameter corresponds to the % reduction of emissions that would have
9 been achieved in the final year of the study, if the reduction rate had been kept
10 constant in all years, over the emissions of the base year. This parameter
11 characterizes the overall efficiency of the scenario and can help to investigate
12 how far away the scenario lies from the compliance with an absolute reduction
13 target at the end of study.

14

15 The exponential emissions reduction path can in some aspects be regarded as the
16 ideal path that an energy scenario could have led to; this arises since it leads to
17 the same overall emissions reduction levels with the original path, but shares the
18 reduction burden evenly over the years, avoiding large deviations. From this
19 viewpoint, the second parameter, the deviation of real emissions path from the
20 hypothetical exponential path, reveals information about the consistency,
21 technical and economic efficiency and consequently the feasibility of a scenario.

22 The larger the deviation of a scenario from its corresponding exponential path,
23 the larger will be the mandatory, maximum annual efforts and measures that will
24 have to be implemented in specific years in order to achieve the same total levels
25 of emissions reduction. Another equivalent path that could be considered as

1 optimum, in order to perform emissions comparisons, is the linear equivalent
2 path, in which the absolute annual reduction of emissions is considered constant
3 for all years rather than the reduction rate. An advantage of the equivalent
4 exponential over the linear path is that for the same total emission reduction, the
5 absolute annual effort slightly decreases with the years; this way the total annual
6 effort, aggravated by the emissions increase due to load increase, is merely
7 alleviated. For that reason in the present study the equivalent exponential
8 emissions path is considered as ideal and all the comparisons are performed over
9 it and not the equivalent linear.

10

11 The equivalent exponential emission path is not adequate only by itself to
12 characterize emission performance of scenarios as, for example, two different
13 scenarios with the same overall decrease of emissions would lead in the same
14 exponential path. For that reason a set of indices was developed and used in
15 order to supplement the complete evaluation of emission performance. Among
16 these indices, of high importance is the average annual emission reduction over
17 base year's emissions. This index corresponds to the "running average" reduction
18 until each year over base year emissions; reveals thus information about the state
19 of emissions reduction through the years, taking into consideration earlier
20 actions. Certainly this averaging index can also be calculated for the equivalent
21 exponential path as well, providing the average annual equivalent exponential
22 path, which is useful for comparison purposes with the original one. Minimum
23 deviation between these two paths indicates performance comparable to the ideal
24 concerning effort sharing between years. Furthermore, early intersection of the
25 two paths shows strong early actions and quick system response to achieve final

1 target. In general a scenario with superior emissions performance should produce
2 average emissions reduction curve that quickly meets and subsequently closely
3 follows its equivalent exponential.

4

5 The total annual emissions of the electric sector may increase or decrease
6 between subsequent years mainly due to two different parameters. The first is the
7 structure and characteristics of the electric sector itself. This parameter can
8 globally be represented by an electricity production “quality” index which
9 represents the quantity of emitted CO₂ per inland produced GWh; obviously the
10 lower this index is the more decarbonised the system gets. The other parameter is
11 the electricity production variation, which is directly linked to demand; increase
12 of power production tends to increase emissions. As the effects of these two
13 quantities combine two other parameters must be defined to provide information
14 about the relative influence each one. These are emissions change due to
15 electricity production quantity and quality change; comparison between these can
16 reveal which the dominant is and eventually helps the analyst substantiate total
17 emission trends.

18

19 **3.2.4 Energy planning through sequentially improved** 20 **scenarios**

21

22 The whole concept of the “step-by-step energy planning scenarios” is to
23 sequentially build or investigate an expansion plan for the electric sector, starting
24 from a “doing nothing” scenario basis. Each new scenario that arises is evaluated
25 according to the aforementioned criteria, and its inefficiencies are spotted. After

1 that, the scenarios are modified properly in order to obtain certain characteristics
2 and attributes on a specific area each time, yielding thus new ones. This
3 procedure is repeated until reaching a target scenario.

4

5 The sequence described above is clearly illustrated in Table 5, where the final
6 scenarios E00 and E30 are ultimately reached starting from the “Doing nothing”
7 O30, through four discrete steps. In summary these steps are implemented
8 through increase in CCGT and pulverised coal (PC) capacity, addition of
9 domestic lignite in the fuel mix and increase of RES capacity. Target scenarios
10 E00 and E30 correspond to a possible, conservative and low risk expansion of
11 Greek electric sector. All scenarios are examined under high or zero emissions
12 allowances price in order to look into their effects on the final energy mix and
13 cost efficiency of scenarios.

14

15

16 **4. Results and discussion**

17

18 **4.1 “Radical change” scenarios results**

19

20 This group of scenarios (A00, A15 and A30) concerns new capacity installation,
21 as is it was derived from electric companies’ investment plans and
22 announcements in the press. The annual and average annual CO₂ emissions over
23 2005’s levels are depicted in Figure 5 along with their corresponding equivalent
24 exponential emission paths. As it is shown, the emission increase projected in

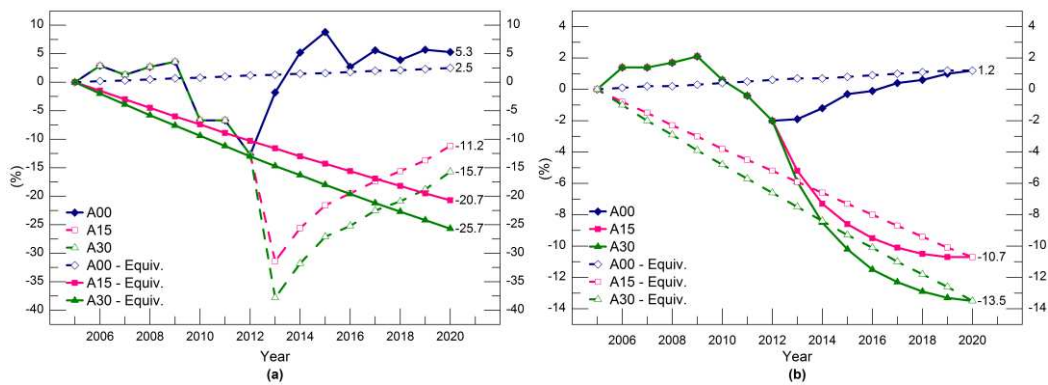
1 2020 for zero, moderate and higher CO₂ allowances price are 5.3%, -11.2% and -
2 15.7% respectively. The particularity of these scenarios is that, for moderate and
3 higher CO₂ allowance cost, the reductions they project over 2005's emissions
4 reaches its maximum levels in 2012 and then gradually decrease towards 2020.
5 This set of scenarios can therefore be characterized as "strong early action"
6 scenarios. For that reason and in order to take into consideration this earlier high
7 reduction of emissions, the equivalent exponential emission reduction in 2020 is
8 looked into as well. In the specific case the equivalent exponential emission
9 reduction in 2020 for scenarios A15 and A30 reaches emission reduction of
10 20.7% and 25.7% over 2005 levels. In other words, the specific scenarios would
11 have reached the latter levels in 2020, achieving the same total absolute emission
12 reduction, if they had accomplished their annual emission reductions from the
13 base to the last year keeping constant annual emission reduction. These
14 equivalent reductions are very close or fully comply, even with the global E.U.
15 target of -21% in 2020 for the ETS sectors ([EC, 2009a](#)). On the other hand the
16 zero CO₂ allowances cost scenario A00, clearly demonstrates poor emission
17 performance resulting in final increase of total CO₂, fact which shows the strong
18 effect of the full auctioning mechanism in combination with the ETS.

19

20 Figure 5b depicts the average annual emissions of each year over 2005 levels for
21 scenarios A00, A15, A30 along their corresponding equivalent exponential
22 emission paths. As it is shown, average annual emissions for the whole period
23 until 2020 reach -10.7% and -13.5% over 2005's emissions for moderate and
24 higher CO₂ allowances price respectively. These levels correspond to a virtual
25 emission reduction which if was accomplished from the first year and kept steady

1 until last year, would had resulted in the same total absolute reduction with the
 2 original path of emissions. In 2014 the original average annual emissions become
 3 lower than the corresponding equivalent exponential (Figure 5b), indicating that
 4 the actual total emission reduction to that date has become greater than the ideal
 5 (premature actions). Although the good emission performance of scenarios A15
 6 and A30, the large divergence between the real and exponential equivalent
 7 curves, for both annual and average annual emissions reduction rates (Figure 5a
 8 and Figure 5b), urges further investigation of the economic efficiency and
 9 technical feasibility of the scenarios.

10



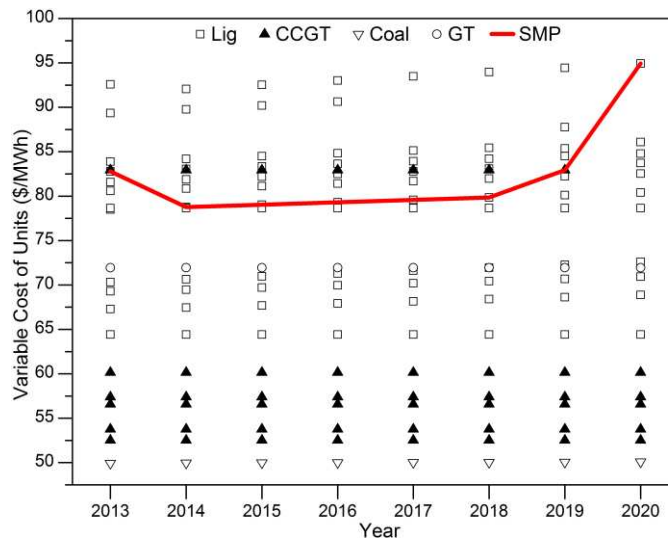
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12 **Figure 5. Annual and average annual CO₂ emissions' increase over 2005 (%) - Scenarios**
 13 **A00, A15, A30 and corresponding equivalent exponential paths**

14

15 Indeed by investigating the variable operating and maintenance costs for all
 16 plants included in scenario A30, it comes out that a great number of lignite and
 17 CCGT units, present costs higher than System Marginal Price (SMP) (Figure 6);
 18 hence these are not utilized in system dispatch scheduling for electricity
 19 production at all or are used to meet reserve requirements only. This fact reveals
 20 for the scenario excess in capacity installation in relation to demand, and thus
 21 diminished realism concerning actual realization.

1



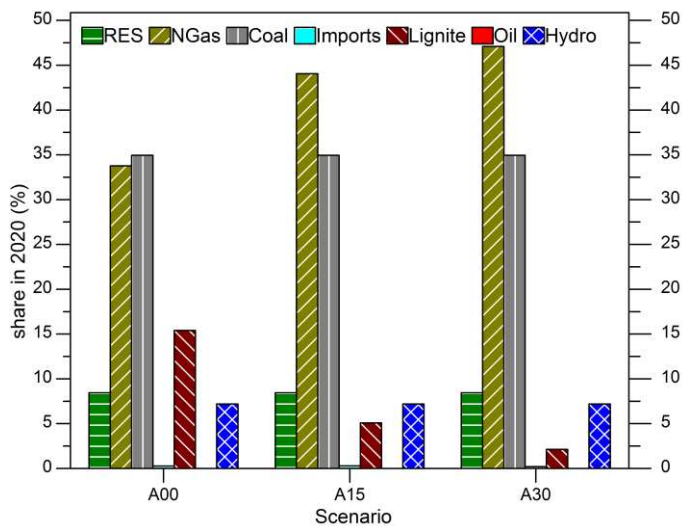
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3 **Figure 6. Overinvestment in power capacity - Scenario A30**

4

5 Taking a deeper look into the scenarios and the final electricity production mix
6 they project in 2020 (Figure 7), many useful observations can be made. Initially
7 the total electricity production from imported coal and natural gas, is extremely
8 high reaching the levels of 79.2% and 82.2% for moderate and higher CO₂
9 allowances price (A15 and A30). This is followed by the diminishing of
10 domestic lignite use for electricity production, at about 5.1% for medium CO₂
11 cost and almost zero (2.1%) for higher CO₂ prices. In any case, these high levels
12 of imported fuel use in electricity production mix are undesirable in terms of
13 energy safety for the country. These phenomena seem to be allayed for the case
14 of zero emissions cost, where lignite power plants retain their competitiveness
15 comparing to CCGT or PC plants and thus maintain their priority in dispatch
16 scheduling. Concerning RES penetration in the final electricity production mix,
17 all scenarios present poor performance projecting only 8.5% penetration in 2020.

18



1

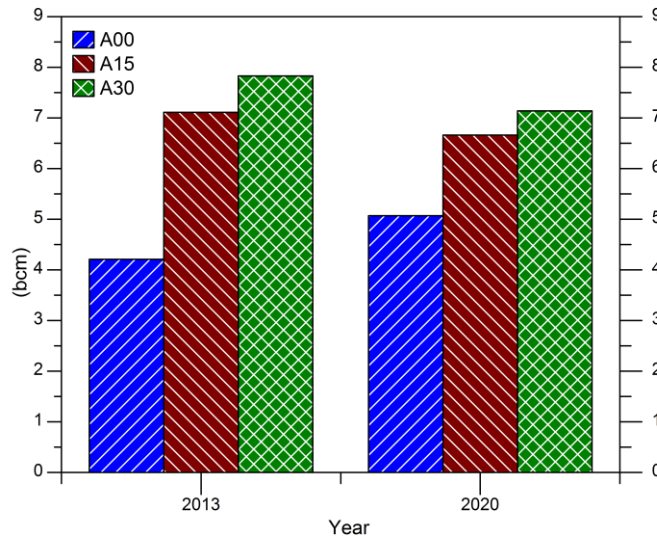
2 **Figure 7. Comparison of electricity production mixture in 2020 for scenarios A00, A15, A30**

3

4 Beyond energy safety and fuel diversification, the high shares of natural gas in
 5 final electric mix that are projected, especially in A15 and A30 scenarios, prompt
 6 to technical implementation and feasibility issues. More specifically the question
 7 that arises is if the natural gas contracted capacity of Greece will be sufficient of
 8 delivering those quantities to the system. As it is illustrated in Figure 8, the
 9 annual consumption of natural gas for electricity production reaches levels of
 10 7.11bcm and 7.83bcm in 2013 for scenarios A15 and A30, in order to supply
 11 only the electricity production sector. Considering that the use of natural gas for
 12 electricity production was about 70% of the total consumption for years 2004-
 13 2006 ([Council for the National Energy Strategy of Greece, 2008](#)) and assuming
 14 this will be also the case for 2013, these projections correspond to total demand
 15 of natural gas of 10.16bcm and 11.19bcm. On the other the annual capacity of
 16 Greece covered by contracts is currently 4.23bcm ([Council for the National
 17 Energy Strategy of Greece, 2008](#)). This deviation reveals need for new
 18 agreements on natural gas supply of the country in order to make the scenarios
 19 under investigation technically feasible. The capacity adequacy of existing

1 transportation network is also under question for the aforementioned quantities of
2 natural gas. The decreased levels of natural gas utilization for electricity
3 production which are projected for 2020 are due to penetration of coal into the
4 production mix; nevertheless natural gas levels remain high.

5



6

7 **Figure 8. Annual consumption of natural gas for electricity production**

8

9

10 **4.2 Results of step-by-step energy planning**

11

12 **4.2.1 Intermediate solutions**

13

14 “Doing nothing” scenario (O30) occurs mainly to reveal the inadequacy of
15 existing electric system to meet future load demand levels towards 2020. The
16 implementation of the sequential improvement over that base scenario resulted in
17 a series of new scenarios. The first of these in the sequence (B00 and B30) deal

1 with the replacement of decommissioned plants with new PF coal and CCGT
2 natural gas power plants, while trying to keep total CO₂ emissions at the same
3 levels. With this scenario it is therefore attempted to increase installed capacity
4 by adding new plants that emit lower CO₂ than the decommissioned, without
5 increasing total emissions. This can undoubtedly be realised since lignite plants
6 of specific capacity emit more CO₂ per produced MWh_{el} than coal or natural gas
7 plants of the same capacity; consequently for the same level of lignite emissions
8 the capacity of coal and natural gas plants will be larger. This is mainly due to
9 the emission factors of coal (92.71 tCO₂/TJ) and natural gas (55.82 71 tCO₂/TJ),
10 which are lower than the respective of lignite (122.0 tCO₂/TJ) ([HMEPPPW,](#)
11 [2009](#)). Working on the aforementioned idea of keeping emissions of replaced
12 plants in B scenarios steady, 1,925 MW_{net} of CCGT and 2,124MW_{net} of PC were
13 installed replacing a total of 2,884MW_{net} of decommissioned lignite, oil and
14 natural gas power. To the fossil fuel plants replacements, an additional
15 installation of 3GW of RES was also employed.

16

17 It must be pointed out that the substitution of decommissioned lignite plants was
18 carried out by standard typical CCGT and PC candidates, whose technical
19 specifications, including net capacity, were assumed constant for all cases and
20 scenarios. To that assumption can mainly be attributed any discrepancies
21 between the capacities of decommissioned lignite and calculated capacities of the
22 new commissioned PC and CCGT according to the concept of constant
23 emissions. It must be noticed that the improved priority in dispatch scheduling of
24 the PC and CCGT units in relation to the lignite ones, was not taken into
25 consideration; therefore emissions are expected to actually decrease rather than

1 remain constant comparing to O30; this will be further enhanced by the generally
2 lower efficiency of existing (35.6% average 2001-2005) ([IEA, 2008](#)) and new
3 lignite plants (42-45%) in relation to new pulverized coal (43-47%) and natural
4 gas combined cycle plants (54-58%) as long as this is efficiency is it associated
5 with Best Available Techniques (BAT) ([IPPC, 2006](#)).

6

7 Scenarios B00 and B30 improved the initial “Doing nothing” scenario O30
8 diminishing the shortage of electric energy from 45.8% to 11.6% in 2020, which
9 was represented by “virtual” imports, and also increased RES final share to 8.4%
10 (Figure 9). With next scenario C it is aimed to further decrease electricity
11 production deficiency and at the same time increase the ratio of base capacity
12 over peak load. For that reason an additional capacity of 1,593MW_{net} of PC
13 power plants is commissioned in comparison with B. This results for the case of
14 higher CO₂ allowances price (C30), in the reduction of annual imports from
15 11.6% to 5.7% and reduction of natural gas share from 35.5% to 33% in 2020;
16 the base capacity over peak load ratio is also increased from 36.8% to 47.9%
17 (Figure 10). It is obvious that with the improvements performed in scenario C30
18 over B30, energy safety is promoted in every aspect.

19

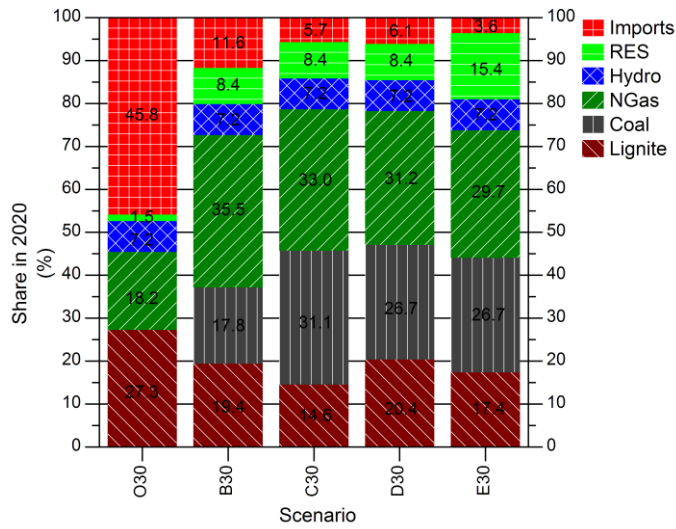
20 The objective of scenario D is to further reduce the use of imported fuels at
21 shares near or lower than 30% in final electricity production in order to further
22 promote energy safety. For that reason the share of domestic lignite is increased
23 in final mix. Therefore in scenario D comparing with C, two lignite power plants
24 are commissioned in place of one PC and one CCGT natural gas plant. Although
25 this does not seem to seriously influence final electric mix in the case of higher

1 CO₂ allowances price (D30), still reduces natural gas and coal shares in 2020 at
2 31.2% and 26.7% respectively increasing lignite share at 20.4% (Figure 9).
3 Hence energy safety is improved as electricity production from domestic sources
4 in final mix is enhanced by almost 6 units (36% instead of 30.2%). Furthermore
5 as lignite partially replaces natural gas capacity, the ratio of base load capacity
6 over peak load increases by 2 percentage units as well (Figure 10). Therefore the
7 installation of additional lignite capacity in the existing system, replacing coal
8 and natural gas, seems to enhance energy safety of the country in two ways. The
9 limited increase of lignite share which is observed in D30 can certainly be
10 attributed to the high price of CO₂ emissions allowances.

11

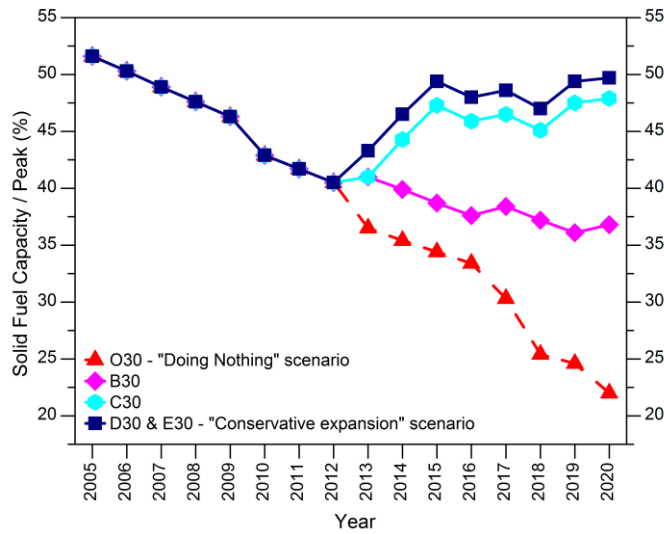
12 Scenario D similarly to B and C, results in RES penetration in final electric mix
13 at about 8.4%. The increase of that share is the aim of scenario E, and for that
14 reason the total capacity installation of RES is increased from 3GW to 6GW.
15 This action results in share of RES in final electricity mix of about 15.4% in
16 2020 which is closer to the E.C. target for Member State Greece of 18% in final
17 energy demand. The additional increase of RES share seems to diminish the
18 utilization of all fossil fuels at shares below 30% in final electric mix in 2020.

19



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4
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Figure 9. Comparison of electricity production mix in 2020 - Scenarios O30, B30, C30, D30, E30



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9
10

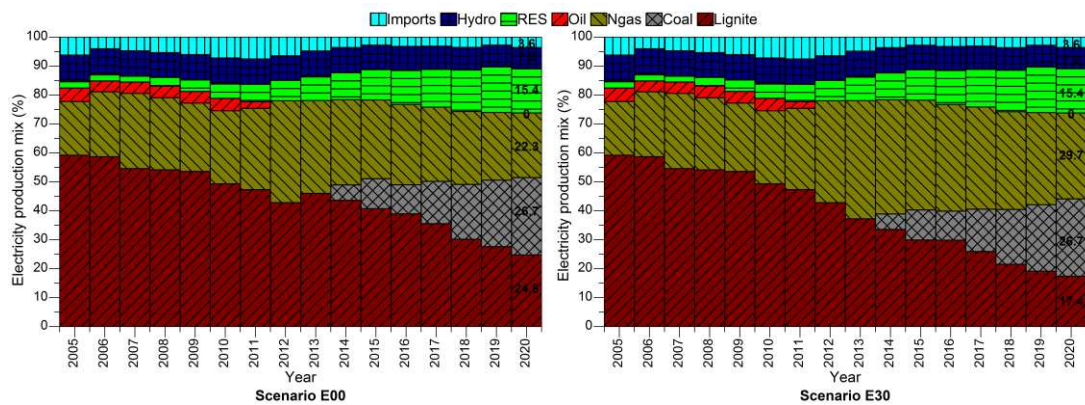
Figure 10. Base load capacity over peak for the intermediate solutions and the final scenario of the step-by-step energy planning methodology.

4.2.2 Final scenario

11
12

1 The step-by-step energy planning methodology led to the final scenario E. The
2 path from 2005 towards 2020 in terms of final electricity mix by origin is
3 illustrated in Figure 11 for the cases of zero and higher CO₂ emissions
4 allowances price (E00 and E30). As it is shown imports are kept at moderate to
5 low levels for all years except of years 2011 and 2012; there the system seems
6 unable to fully meet the demand without increased imports. Near this time period
7 high natural gas shares are also observed, phenomenon which however gradually
8 decreases towards 2020. The final electricity production mix in 2020 is
9 acceptable in terms of energy safety, as all fuel shares remain at levels below
10 than 30%, even for the case of higher CO₂ price, parameter which certainly
11 seems to favour the imported natural gas fuel. Furthermore base installed
12 capacity over peak load ratio is kept at fair and near 2005 levels, although the
13 major decrease that is presented by the scenario in the midterm (Figure 10). This
14 decrease on the other hand seems unavoidable due to the lack of planning for
15 new base load plants installation in the previous period. Power production from
16 lignite is projected constantly decreasing with the years in both cases E00 and
17 E30, but the reduction is more evident for the case of higher CO₂ price. This is
18 certainly attributed to the higher energy efficiency and lower emissions of PC
19 and CCGT natural gas plants which gain priority in dispatch scheduling in place
20 of lignite plants and therefore maximize their annual utilization. Coal penetration
21 into the system seems uncontested for the fuel prices considered in the present
22 scenario, as it maintains its share for both high and low CO₂ price cases, gaining
23 priority over not only lignite but also natural gas. Therefore while CCGT natural
24 gas plants seem to play important role early in 2012 and after, coal power plants
25 appear to steadily gain ground towards 2020.

1



2

3 **Figure 11. Projections of electricity production mix per year – Scenarios E00 and E30**

4

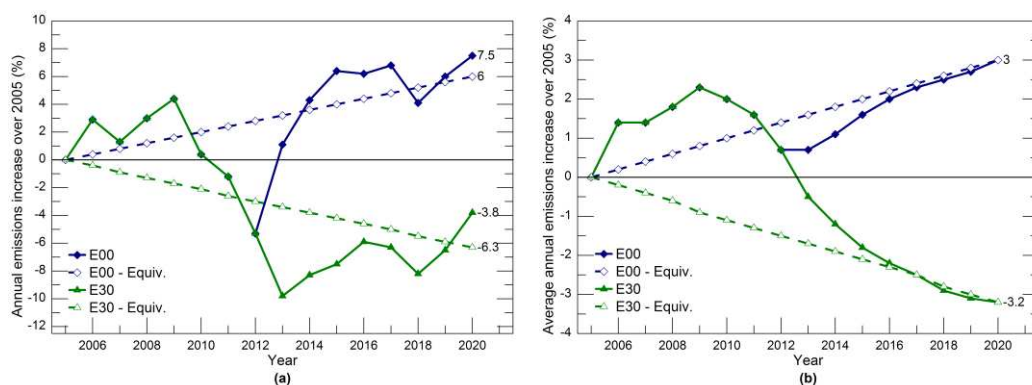
5 Concerning emissions performance, scenario E30 seems to achieve its maximum
6 emission reduction over 2005's levels (-9.8%) early in 2013 (Figure 12). After
7 that year, annual emissions are kept at relatively low levels, having an average of
8 6.8% in the period 2012-2020 over 2005's emissions. In the last two years of the
9 study, reduction is getting weaker reaching finally -3.8% in 2020. This is owing
10 to the additional emissions which correspond to load increase and which for 2019
11 and 2020 prevail over the emissions decrement due to improvement of electricity
12 production quality (tCO_2/GWh_{el} - Figure 13). Figure 14 demonstrates the
13 discretisation of annual emissions increase rate (%) of each year over its
14 previous, as a total of the emissions increase caused by load increase and the
15 emissions decrease caused by electricity production quality improvement.

16

17 In order to take into consideration redundancy of early actions in the final
18 emission reduction of 2020, the equivalent exponential path is determined for
19 annual and average annual emissions reduction over 2005's levels (Figure 12). In
20 the case of annual reduction, the equivalent exponential path, results in 6.3%
21 reduction in 2020 instead of 3.8% of the original path. The deviation between

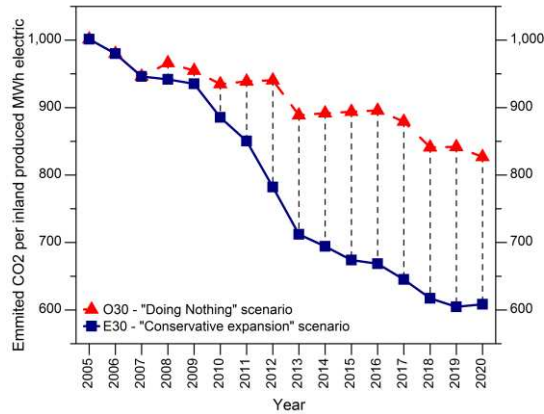
1 these two rates reveals that the overall performance of the scenario, in terms of
 2 total reductions, is superior to what is indicated for 2020; thus 2020's actual
 3 reduction rate seems to discredit the total efforts of the scenario and therefore can
 4 not be considered representative. Comparing the original and the equivalent
 5 exponential annual average emission reductions over 2005's levels (Figure 12b)
 6 for the case of higher CO₂ emission allowances price high performance
 7 characteristics of E30 are revealed. This can be concluded as the original average
 8 emissions curve reaches the equivalent exponential in an almost tangential way
 9 and afterwards slightly oscillates around it, which denotes not excessive early
 10 actions and potentially high cost efficiency. In year 2017 the two curves intersect
 11 indicating that in that year the total emissions of the real and equivalent
 12 exponential scenario become equal; in other words in that year the original
 13 scenario reaches the performance of the ideal. Finally the average annual
 14 emissions increase over 2005 levels reach -3.2%. This, as already mentioned,
 15 corresponds to the virtual case where 3.2% reduction is achieved over base year
 16 from the first year and then kept constant along all the years, resulting in the
 17 same total emissions. In the case of zero emission allowances cost (E00),
 18 emissions increase 7.5% over 2005 in 2020 which corresponds to equivalent
 19 exponential increase 6%.

20

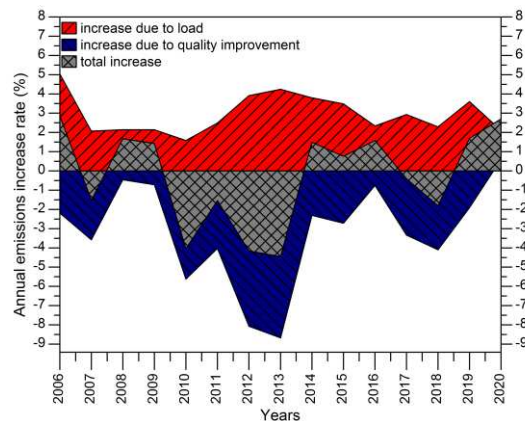


21

1 **Figure 12. Annual and average annual emissions increase over 2005 (%) - Scenarios E00,**
 2 **E30 and corresponding equivalent exponential paths**
 3



4
 5 **Figure 13. Comparison of system decarbonization for the “doing nothing” and**
 6 **“conservative expansion” scenarios**
 7

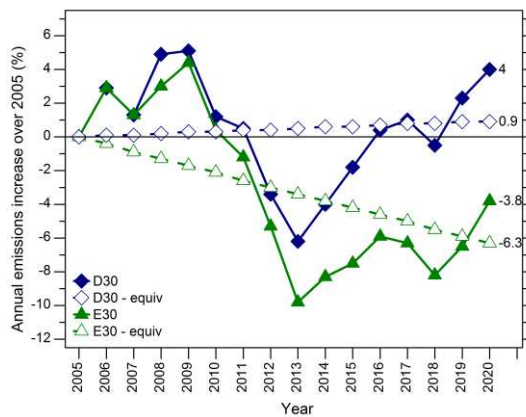


8
 9 **Figure 14. Annual emissions increase rate as a result of load increase and production**
 10 **quality improvement (% over previous year)**
 11
 12

13 **4.2.3 Effect of RES increase**
 14

1 RES seem to play important role in the system as they do not only produce CO₂
 2 free electricity but also enhance indigenous power production. With the gradual
 3 addition of 3GW RES capacity in the system, the share of RES in electricity
 4 production mix increases from 8.45% to 15.40%, while natural gas share and
 5 imports are limited from 31.17% to 29.72% and from 6.06% to 3.56% in 2020
 6 respectively (Figure 9); on the other hand, the share of domestic lignite drops
 7 from 20.42% to 17.43%. Ultimately the total indigenous electricity production is
 8 enhanced in 2020 from 36.07% to 40.02% in the final electricity production mix.
 9 At the same time emissions reduction in 2020 reaches 3.8% over 2005 levels
 10 (Figure 15), reduction which corresponds to 29Mt CO₂ for the whole period.
 11 Even more considerable seem to be the effects of RES capacity increase on
 12 emissions for zero CO₂ price.

13



14

15 **Figure 15. Annual emissions increase over 2005 (%) - Scenarios D30, E30 and**
 16 **corresponding equivalent exponential paths**

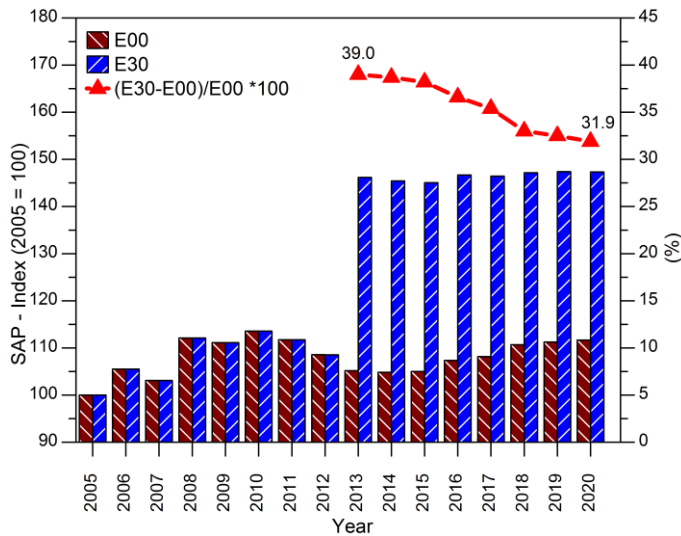
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18

19 **4.2.4 Effects of “full auctioning” on electricity price**

20

1 Full auctioning is expected to have significant effect on the average price of the
2 electricity production system (SAP) in Greece. SAP and its increase due to
3 additional CO₂ cost is presented in Figure 16. According to projections, after the
4 initiation of full auctioning mechanism, SAP for high CO₂ prices (E30) seems to
5 instantly increase 39% in relation with the zero CO₂ case (E00) and then
6 gradually decrease to 31.9% until 2020; this continuing reduction is be attributed
7 to the gradual decarbonisation of the system. With the initiation of full
8 auctioning in 2013 SAP increase is projected at 34.7% over 2012. It must be
9 noticed that this increase corresponds to the case that no allocation revenues will
10 be recycled to power producers. The extra cost of electricity production due to
11 CO₂ emission allowances is generally expected to be passed-through to the
12 consumers at high rates in the order of magnitude of 70-90% but to also lead to
13 unavoidable sunk costs for the utilities ([EC, 2008b](#)). These high rates are mainly
14 owing to the local nature of demand for electricity as well as due to demand's
15 inelasticity to electricity price. On the other hand for markets with decreased
16 competitiveness, such as the oligopolistic are, the pass-through rates of CO₂ costs
17 into electricity prices are expected reduced ([McKinsey and ECOFYS, 2006](#)). In
18 any case, full auctioning through its high influence on SAP will probably give
19 strong incentives for low emission technology investments in electric sector.
20



1

2 **Figure 16. Comparison of System Average Price for scenarios E00 and E30**

3

4 **5. Conclusions**

5

6 The simulation of the Greek electric sector using ENPEP/BALANCE can
 7 provide detailed information about its behaviour and thus make scenarios
 8 investigation and efficient energy planning possible.

9

10 The investigation of a radical change scenario, where all the installations
 11 announced by companies in press were commissioned, resulted in high emission
 12 performance due to extended decarbonisation of the system. However in terms of
 13 feasibility and promotion of energy safety these scenarios were proved inefficient
 14 as they resulted in extremely high utilization of imported fuels for electricity
 15 production; furthermore they led to low or zero annual loading of newly
 16 commissioned units, which reveals over-investment and is not consistent with the
 17 aspect of cost efficiency and feasibility.

18

1 Concerning energy planning, a procedure of sequential scenario evaluation and
2 improvement was adopted. For this evaluation a new set of indices was
3 successfully developed and used. The ultimate target in the study was to
4 investigate the best possible outcome of a conservative, low risk and highly
5 feasible energy planning concerning resources utilisation, RES penetration,
6 maturity of technologies adopted, fuel diversification and energy safety. The
7 scenario that was finally designed demonstrated good performance in most of
8 these aspects towards 2020, but fair emissions performance. In that scenario
9 natural gas and coal shares were kept at 29.7% and 26.7% respectively in 2020's
10 energy mix, while RES penetration in energy production reached 15.4%. Solid
11 fuel installed capacity over peak load, index standing for energy safety, was
12 projected 50% in 2020 reaching again 2005's levels. At the same time emitted
13 CO₂ per inland produced electricity, indicator of system decarbonisation, was
14 projected for 2020 at 0.608tCO₂/MWh_{el} which corresponds to 39% reduction in
15 comparison with 2005. Higher CO₂ prices seem to enhance lignite utilisation
16 diminishing, which was also occurring towards 2020 even for zero CO₂ prices,
17 leading finally to lignite shares near 17.4% in 2020; on the contrary zero CO₂
18 price appear to have milder effect resulting in a corresponding 24.8% share. In
19 any case, the installation of new lignite capacity in the system, replacing coal and
20 natural gas, seemed capable of improving energy safety as enhanced both
21 electricity production from domestic sources in final mix and also the ratio of
22 solid fuels capacity over peak load. RES seem to play well their dual role of CO₂
23 reduction and indigenous electricity production enhancement, though the later
24 aspect is slightly weakened by the simultaneous reduction of domestic lignite.
25 Finally with relatively conservative energy planning, emissions reduction can

1 reach in 2020 3.8% over 2005's levels (or 6.3% equivalent exponential path) if
2 CO₂ prices are high. Certainly this reduction is far away from the global E.C.
3 target of -21% for the ETS sector.

4

5 Concluding, and in the context of conservative energy planning, while CCGT
6 plants seem to play important role early in 2012 and after, PC power plants will
7 probably gain steady ground towards 2020. This shows to be inevitable in order
8 to simultaneously have natural gas share limited, electricity demand met with
9 safety and emissions reduced, proving the multiple roles of coal. A future
10 without coal in Greek electric sector, assuming conservative energy planning and
11 taking into serious consideration energy safety will be very hard to realize; a way
12 out can possibly be provided by large scale measures and actions, such as
13 extensive utilization of useful heat, or adoption of new innovative energy
14 policies.

15

16

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18

19

20 **Acknowledgments**

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