



HELLENIC ASSOCIATION OF PHOTOVOLTAIC COMPANIES

## The Photovoltaics Market in Greece

Update: Jan 2006

### Photovoltaics in Greece: an emerging market

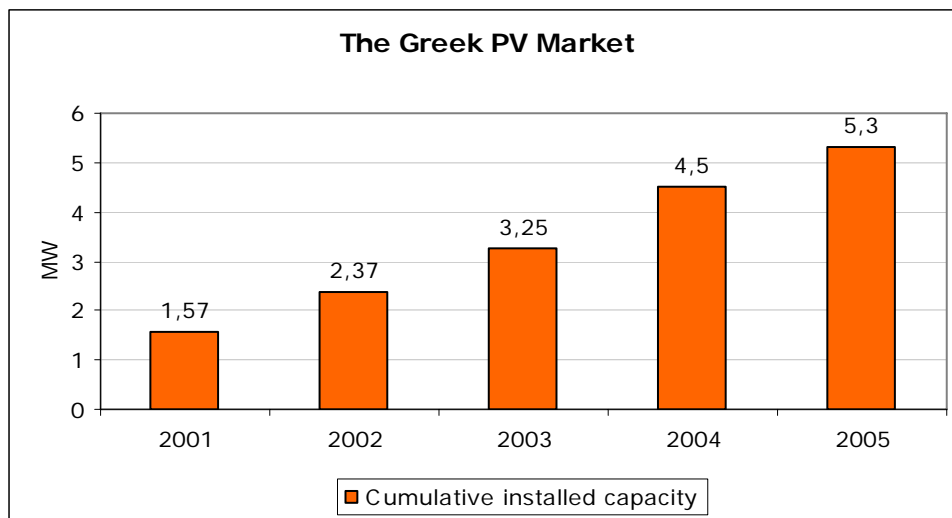
Greece could be the next solar Eldorado. This is a motto often heard nowadays, as the Greek government is expected to bring a new RES legislating to the Parliament in early 2006. Among other things, this new legislation foresees an enhanced feed-in-tariff for PV, more or less similar to the German and Spanish support schemes.

Such a development is going to change the Greek PV market drastically. For years, the market survived mainly due to state grants (40-50% of total cost) offered to enterprises through the Operational Programme "Competitiveness" of the Ministry of Development.

The Greek PV market installed some 1,300 kWp in 2004 (total cumulative capacity installed by end 2004 ca. 4.5 MWp). The vast majority of these installations were stand-alone systems, mainly for the telecommunications sector which alone installed more than 700 kWp in 2004. This is due to special grants given to mobile phone companies by the Ministry of Development, which made the installation of PV systems attractive compared to the conventional diesel generators.

There are a few dozens of companies now active in the PV business (small retailers, installers, relevant electronics (BOS) importers, and consultants). However, 4-5 companies have the lion's share in the market (more than 90% of the total).

<b>Market Share of PV Applications</b>		
(End of 2004)		
<b>Type of PV application</b>	<b>Installed Capacity (MWp)</b>	<b>Market share (%)</b>
Grid-connected	1.25	28
Off-grid	3.29	72
<b>TOTAL</b>	<b>4.54</b>	<b>100</b>



\* The figure for 2005 is a first estimate. Actual numbers will be published in February 2006.

### Financial support for PV in Greece

Commercial PV applications are eligible to a grant of up to 40-50% of total cost (depending on the geographical area) under the Operational Programme “Competitiveness” of the Greek Ministry for Development (ending in 2006 though), and/or up to 35-55% under the Development Law. However, there are no grants for domestic applications as yet.

Solar electricity can be sold to the Grid Operator (HTSO for mainland grid or the Public Power Corporation [PPC] in the case of autonomous island grids). It is obligatory for HTSO and PPC to buy all energy produced by the IPPs under 10-year contracts. The current tariff, under which HTSO and PPC buy solar electricity is 0.066-0.084 €/kWh (up to 90% of the retail price for domestic consumers).

The Greek government has announced a new feed-in-tariff for PV to be voted by the Parliament in early 2006. According to the first drafts, the tariff will range from 0.40 to 0.45 €/kWh. This new tariff will increase each year following inflation rate (80% of its annual nominal value). The tariff will be guaranteed for 20 years. There is also a small chance of extra tax deductions leading to lower installation costs. Some grants for commercial applications will still apply through the Development Law. Permitting and installation procedures will also be simplified.