

In order to offset the impact of ditching coal in electricity generation by 2028 and cutting carbon emissions in line with European Union climate targets by 2050, the country will spend 5 billion euros, according to Greek Minister of Energy Kostis Hatzidakis.

Minister Hatzidakis said that the total sum will include state money, funds from the European Union and loans from the European Investment Bank. The funds will be spent on infrastructure projects, subsidies to new businesses, and training, to help West Macedonia and Megalopoli in southern Peloponnese switch to green energy, agriculture and tourism. These regions are the main suppliers of the cheap and abundant lignite Greece has relied on for electricity generation for more than half a century.

Greek Government has pledged to shut down 80 % of coal-fired power plants operated by state-controlled Public Power Corporation (PPC) by 2023 in order to reduce its carbon footprint. Minister Hatzidakis also said that some 16 private investments in renewable energy and other activities are in the pipeline and are expected to help create more than 8,000 jobs in West Macedonia and Megalopoli. Greece will also consider tax incentives to new businesses in the affected areas to support local communities.

Investments include a plan by PPC to build solar parks in West Macedonia with total installed capacity of 2.3 GW, and a 130 million euros solar project by oil refiner Hellenic Petroleum (ELPE) in the same region.

PPC has already shut two coal units with a total capacity of 550 MW in West Macedonia region and will switch off the remaining ten by 2023. TPP Ptolemaida V, which is still under construction and is expected to enter the system in 2022, will use lignite until 2028, after which it will also switch to alternative fuel.