

Greece: Compromise reached for Crete interconnection

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After the last meeting regarding the fate of Greek project for Crete-Athens electricity connection, it was agreed that electricity transmission system operator ADMIE will remain at the helm of the project.

The European Commission's decision to endorse ADMIE as the project's promoter came at the price, as it is believed that the Greek side has accepted some level of compromise. However, details regarding this are still not known. This decision opens the possibility for the launch of the tender for the project in early 2019.

Last week, Greek Regulatory Authority for Energy (RAE) has officially named Ariadne Interconnector, a special purpose vehicle established by ADMIE, as the project promoter for Crete-Athens electricity interconnection, instead of EuroAsia Interconnector, a consortium established to develop IsraelCyprus-Greece electricity link.

The Ariadne Interconnector SPV, established in early September as a wholly owned subsidiary of ADMIE, will begin operating with startup capital of 200 million euros. It will also be responsible for the Greek segment of the larger EuroAsia Interconnector project. Previously, RAE decided to award control of the development of Athens-Crete interconnection, the project should be partially financed through the Europe Connecting Facility (CEF), to ADMIE.

However, the European Commission (EC) said that it considers the decision made by Greek Regulatory Authority for Energy (RAE) to award the concession for Crete interconnection to ADMIE invalid. The statement from the EC said that RAE cannot award the concession to any party until the end of the year, the time period given to EuroAsia Interconnector, a consortium of Cypriot interests responsible for a wider PCI-status project planned to link the Greek, Cypriot and Israeli power grids, to decide if it will utilize a right offered for a 39 % stake, or less, in the venture to develop the CreteAthens link. The EC warned that the project will be regarded as a national Greek project rather than a PCI-status European project if RAE's decision to award ADMIE the project remains in force.