

The European Commission (EC) has approved 1.4 billion euros in state aid by Greece intended for the mechanism that will support the development of renewable energy projects on 47 Greek islands.

The support program envisages the islands' 29 autonomous non-interconnected electricity systems to be backed by hybrid renewable power projects, such as solar or wind plus storage, which be awarded through tenders. The support program should result in the construction of 264 MW of new renewable installed capacity by the end of 2026.

The EC highlighted the urgent need for additional renewable energy capacity on Crete. Due to the risk of electricity supply shortages on the island, priority will be given to projects in the most advanced stages. They will be subsidized through feed-in premium payments, which will be received by electricity producers to cover the gap between production costs and wholesale electricity prices.

Currently, the 47 islands are not connected to the Greek mainland and produce most of their electricity from oil or diesel-fueled generators. The support scheme envisages their backing with RES generation capacities until their eventual integration in the mainland network.