

Greek Minister of Energy Giorgos Stathakis has started the meetings with potential buyers of the production units of Public Power Corporation (PPC), which are expected to be privatized in line with the bailout agreement, in order to inform the buyers on the agreement with creditors and feel their interest before the market test which is expected in September.

According to the agreement with Greece's creditors, state-controlled PPC will have to sell about 40 % of its coal-fired production units as well as to increase the amounts of electricity offered through NOME auction, which have been introduced last year in an attempt to allow third party access to PPC's low cost lignite-fired and hydropower electricity generation. However, hydropower plants are excluded from the deal for the time being, but this could change if September market test shows insufficient investors' interest in offered coal-fired TPPs.

According to unofficial information, Greek-Italian joint venture Elpedison informed the Minister Stathakis that the company is not interested in the privatization of PPC unless hydropower plants are included in the deal as well. It is expected that general opinion of all potential investors will be similar, so the Government will have to include PPC's HPPs in the sale.

According to the latest agreement with the creditors, PPC's power plants would be sold in one or more packages by the end of the first half of 2018. The proposal also includes staging a market test for the sale in September 2017 in order to gauge the interest of domestic and foreign investors, the submission of non-binding bids by the end of November, followed by the submission of binding bids in February 2018 and the signing of the final sale agreement in the following months. The choice of power plants which should be put up for sale will be down to investors, unlike the previous Greek proposal where PPC will choose the package for sale.