The European model for electricity targets the unification of national markets and the creation of a single European market. Greek Ministry of Energy is determined to put an end to the pursuit of excessive capital gains in the energy sector at the expense of consumers, by introducing the competitive European model for setting the price of electricity after eight years of postponements.

Minister Kostis Hatzidakis is adamant to put an end to constant delays in the introduction of the new model. Having already proceeded with the streamlining of Public Power Corporation (PPC) and the simplification of the renewable energy source licensing, Greece cannot ignore the high energy costs anymore. All other European Union countries have liberalized their energy markets through their so-called target model, and Greece is the only one without it.

Electricity from renewable sources will enter the market without protected status, and the various subsidy mechanisms for conventional electricity production units, which burden consumers and enterprises, will be abolished.

The industry, which is exposed to international competition, will be able to sign bilateral contracts, just like its rivals do in Europe, thus achieving better prices for the supply of electricity. The new model will also be the key to the reduction of electricity prices for both for industrial and residential consumers.

Greece has by far the highest wholesale electricity price in Europe: In the first half of the year it came to 42.47 euros/MWh, some 8 to 10 euros more than neighboring countries in the Balkans and Italy and almost 20 euros above Germany and Belgium.

This terrible distinction for Greece is the outcome of structural features in the Greek market and institutionalized distortions that both household and industrial consumers are forced to pay for. The energy cost is the main disadvantage of Greek industry compared to its rivals in foreign markets.