

Greek consumers, both in residential and commercial categories, are facing increases of up to 50 % of their electricity bills for September as wholesale electricity prices broke all records in August.

Therefore, the Government is alarmed by both the increased burden on consumers and the chain reaction on the prices of other products and services. However, there are no instruments at their disposal to mitigate the effect since the underlying reasons are external, specifically, the rally in carbon dioxide emissions prices as a result of European Union policies to mitigate climate change and the continuing rise in natural gas prices. Electricity prices in European wholesale markets have caught fire and are now well over 100 euros/ MWh, with the highest prices in the Balkans and Hungary (155 euros/MWh in Bulgaria, 145 euros in Serbia, 125 euros in Croatia and Slovenia, and 115 euros/MWh in Hungary and Romania). But it is Greece that is the most expensive electricity market, with the wholesale price at 157 euros/ MWh, a 70 % increase since the start of the year.

Given that electricity prices are expected to stabilize at these high levels, the Regulatory Authority for Energy (RAE) has proposed greater transparency in electricity contracts, so the consumers are made aware of the price adjustments. Electricity suppliers, including state- controlled PPC have opposed the proposals and RAE has extended negotiations to September 14.

Greek Minister of Energy Kostas Skrekas has asked the electricity sector to contribute toward the containment of price hikes. He is expected to hold talks with market players and finalize a package of temporary measures to ease the pressure on electricity consumers. The Government intervention is set to concern consumer bills, as the Ministry of Finance is seeking ways to return to consumers the increased tax revenues that will automatically stem from the increase in wholesale electricity prices.