

Greece: Investors could loose interest in wind projects after the block of Enel's Kafireas wind farm

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Potential investors in Greek wind energy sector may loose interest following a temporary court order which blocked further development of Kafireas wind farm on Evia island, a project developed by Enel Green Power Hellas (EGPH), a subsidiary of Italian energy company Enel.

The court's block was prompted after a local environmental protection group and three residents of Evia's Karystos area legally challenged a series of 27 ministerial decisions made by the energy ministry to endorse the project's development. It is argued that planned eight wind farms will be installed at forest land inducted into Natura 2000, a network of environmentally protected natural areas in the EU. A final court verdict is expected in October, but the project must remain stagnant until then.

Representatives of Enel said that the company acknowledges the ruling of the Greek Supreme Administrative Court and will fully comply with its demands, adding that it has fulfilled all licensing regulations and submitted to the court all documents required for the start of the project. However, other companies involved in Greek wind energy sector said that court's decision sends a negative message that does not at all contribute to the generation of a positive investment climate at a time when the country is seeking to become attractive to investors again.

Enel will be investing approximately 300 million euros in the construction of Kafireas, which is expected to become operational in the first quarter of 2019 and will be supported by a 20-year power purchase agreement (PPA) with the Greek electricity market operator LAGIE. Kafireas, which will feature a high voltage (150kV) interconnection line to the mainland comprising of overhead, submarine and underground cables, will be able to generate approximately 483 GWh of electricity per year. Once completed, the new facility will have a total installed capacity of 154 MW and will be the country's largest wind farm

EGPH already operates two wind farms in the municipality of Karistos, the 7.5 MW Iliolousti I and the 9 MW Iliolousti II. The company is a leading owner and operator of renewable energy plants in Greece with 308 MW of installed capacity from wind, hydro and solar power.