

Greece: Joint venture of PPC and RWE to be established

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A joint venture establishment is planned by PPC Renewables, a renewables arm of state-controlled Public Power Corporation (PPC), and German energy giant RWE for RES investments in Greece by this summer.

The two companies, which signed a Memorandum of Understanding (MoU) on the exchange of technical knowhow and RES development in Greece in March 2020, are looking to equally contribute for the establishment of a joint RES portfolio totaling 2 GW.

According to Greek Minister for Development and Investments Adonis Georgiadis, PPC is expected to approve the agreement between the two companies within the next few days. However, the details of the PPC Renewables-RWE joint venture deal are not expected to be finalized until early February.

In late 2020, a team of RWE officials, during their working visit to Greece, visited West Macedonia region, a lignite-dependent area, for on-site inspections of areas offering investment interest to the German company. Besides new projects, RWE is also interested to take on projects already being developed by other companies. Details seen fostering the development of the MoU into a business plan, including project financing prospects and the establishment of working groups, were discussed at the meeting between PPC and RWE representatives. RWE officials also met with the representatives of the Greek Ministry of Energy and discussed the length of time required in Greece for RES licenses, as well as financial incentives promised through the fair transition fund, an EU plan to support green economy transitions. The focus of RWE's interest is on PPC's plan for the installation of a solar power plant in Ptolemaida, and the transformation of some lignite-fired electricity plants in the region of western Macedonia into units burning biomass. PPC announced that the two sides have agreed to focus on developing wind power and solar energy projects, which will be carried out according to each side's established practices on the basis of a framework ensuring optimum cooperation and an appropriate business model. A joint venture in the form of a special purpose vehicle offering its partners a 51-49 % share is expected to be established.