Greek Ministry of Energy is preparing to open up the market for bilateral electricity supply contracts, which will force the producers of
electricity from renewable energy sources to sell part of their generation to the local industry, thus assisting in the reduction of energy costs and strengthening its competitiveness.

According to the model, the investors that secure a guaranteed rate for the output from major RES projects will also commit themselves to have 50 % of their new capacity construction funded through bilateral contracts, and also grant industries 25 % of the new units' output. Failing to meet that commitment will mean they will lose their beneficial guaranteed rate for their output.

In practice, this means that of the new RES capacity totaling 4.2 GW, that the European Commission has approved up to 2025, 2.1 GW can proceed via bilateral contracts with clients. That way the industry and electricity suppliers will be able to cover a significant share of their needs at fixed rates, thus offsetting fluctuations in the wholesale market. The current energy crisis has highlighted the significance of that tool in the formation of the final cost of electricity for both residential and commercial consumers. In Greece, all electricity consumed in the country goes through the energy exchange, with consumers bearing the increased costs, while in other countries where the bilateral contracts are extensively used that amount ranges between 40 and 60 %.

However, the new model will not be ready for the first tender scheduled for next month, which will offer 600 MW in wind and solar capacity. The aim is for the new model to be ready for the next tender, which is also expected within 2022.