

Greece: RES special account loses funds

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European Energy Exchange decision to reduce Greece's CO2 emissions right allowance for the last four months of the year made an impact on the RES special account, which already facing deficit at the end of 2020, and now it has been dealt a further blow by EU Exchange. It is expected that the account would lose around 54 million euros as a result of this decision.

This decision, based on European Commission rules, was made ahead of the implementation of the Market Stability Reserve mechanism. Greece's CO2 emission rights allowance for 2020 is reduced by 3,767,500 tons, namely from 24,396,500 tons to 20,628,000 tons. This reduction is related to the period between September and December.

The percentage of CO2 emission right revenues resulting from auctions which is distributed to the RES special account has been increased to 72 % from 65 % in March. The latter figure was valid in 2019 and its was initially planned to also be maintained for 2020.

RES special account finished 2019 with some 50 million euros in surplus, but already in the first quarter of 2020 it showed a 423 million euros annual drop in revenues, mainly as a result of the drop in the marginal system price and the reduction of carbon emission prices, factors that have significantly improved the energy suppliers' profit margins.