

Introductory Comments by Costis Stambolis

Honourable deputy-minister of Foreign Affairs, Mr. Dimitrios Mardas,

Mr Kaimakis, representative of the Minister of the Environment and Energy,

Members of Parliament,

Your excellencies Ambassadors,

Ladies and gentlemen,

Dear members of IENE,

This year, this conference is celebrating 20 years of continuous presence; a conference that began before IENE was even established in 1996 and is closely connected to the Institute since it was born to its scientific committee. As the founder of the Conference I have certain accountabilities with regards its development into perhaps the most important of its kind and mainly in terms of its modus operandi. It is polyphonic in terms of the opinions expressed and represented political movements, democratic in terms of its structure and the encouragement of open discussion and free exchange of views, sweeping in terms of the subject matters covered as it always covers the entire spectrum of the energy sector, and scientific in terms of the documentation of the speeches, interventions and presentations.

Every year the realisation of the “Energy & Development” Conference is a great challenge, both at organisational level and in terms of the formulation of the agenda which we always try to be topical and offer opportunities for participation by existing but also new players in the energy sector both from Greece and abroad. In this way, over the two days of the conference every delegate has the opportunity to form a spherical view of developments in Greece and the world.

Ladies and gentlemen,

During the twenty years of the “Energy & Development” institution there have been cosmogonic changes in the energy sector in Greece and mainly internationally. In Greece, when the conference began in June 1996 the first quantities of natural gas had not yet been received. This happened later that year while in the twenty years that followed the natural gas market has grown but not to the extent envisioned by the rapporteurs for the importation of natural gas to Greece in the 1980s. At the same time we have observed the growth of RES, especially wind power closely followed by small hydroelectric, photovoltaic and, more recently, biomass; geothermal remains the great absentee. Characteristically, let me mention that when the Conference began there were hardly 15-20 MW of installed wind parks while today they have reached 2.0 GW, still however very much behind target; together with photovoltaics, the total installed power of RES now reaches 5.06 GW; if we add large hydroelectric installations it exceeds 8.23 GW, amount that corresponds to 40% of total installed power.

Additionally, over the past twenty years we have had the breaking of PPC’s monopoly on power production, with the first private unit, Ironas, coming into operation in 2004; this was followed by several other units and their total power production has reached 2.5 GW. Institutionally there have also been massive changes with the deregulation of the electricity market, the establishment of RAE, HTSO and IPTO and the unbundling of the market with the creation of HTSO as well as the operation of the Daily Electricity Market and the entry of electricity traders. We have also had important developments in natural gas with the completion of the construction of the LNG terminal at Revithousa, the construction of 1,500 km of main pipelines and high-pressure branches, the entry of

natural gas in domestic and commercial consumption with the construction of approximately 5,000 km of low-pressure pipelines, the construction of an interconnecting pipeline with Turkey and the establishment of an independent National Natural Gas System operator (DESFA) through its succession from DEPA.

There have also been equally important developments in the oil and refinery sector with massive investments worth over EUR 4 billion over only the last five years for the expansion and upgrading of all refineries. As a result the Greek market has not only established full sufficiency in products but the refineries have now developed exporting activities. On the contrary, there has been great stagnation in upstream; it is only in the last five years that coordinated efforts by the state and the companies for a restart have been observed.

Also notable is the entry of PPC, ELPE and several other private energy companies to the stock exchange, a fact that contributed to the attraction of important capital and offered companies financial independence and decreased their dependence on the state.

Over the last twenty years there have also been exceptional milestones at global level with the establishment of RES as a mainstream power production source (over 2.000 GW of installed power globally, 60% of which was installed in the last ten years), the spread of the use of natural gas in Western markets with the significant growth of LNG, massive increase in the consumption of oil, natural gas but also coal, indicative to the rapid improvement of living standards in many until recently developing countries, the most characteristic example of which is the establishment of China as the second largest economy of the planet. During the same period, we also have the elevation of Climate Change into a major factor in the formulation of policies at international but also national level.

Finally, it would be an oversight not to refer to the most notable fact that despite the considerable reduction of Greece's GDP over the last 5-6 years and the resulting reduction of energy consumption there has been an enlargement of the energy sector; this an indisputable fact reflected in the basic sizes being presented and is due to the long-term horizon of energy projects. During this period, 2009-2014, there were increased investments of EUR 15 billion in total, i.e. almost EUR 2.5 billion/year (despite the fact the oil product consumption decreased by 35% over the last 8 years, electricity consumption by 16% as did natural gas consumption).

It is interesting to raise another issue that has occurred through IENE research on "Energy and Employment". According to this research in 2008 approximately 80.000 people were employed in the energy sector as a whole; this rose to 94.000 people in 2012 and then fell, mainly due to the reduction in investments in photovoltaics, by about 6.000 people. The increase in employment was due mainly to new RES projects and energy efficiency while at the same time there were reductions in employment in traditional sectors such as petroleum retail. It clear that the energy sector, under the right conditions can create new and well-paid employment and contribute effectively to growth and development.

Of course, if the country's negative financial rhythms continue and if the government's hostile stance towards private enterprise does not change, the energy sector will succumb to disinvestment. On the contrary, if the right motives are put in place and there is a suitable market operational framework, this could contribute massively and re-establish energy as a true lever for growth.

Allow me to conclude these introductory comments by passing the baton to my colleague Pantelis Kapros, professor of energy economy and head of the EC3 Lab of the National Technical University and chairman of the Scientific Council of IENE.

