

26. 03. 2019

Brussels,
Ares(2019) 440228

Dear Ms Sideridou,

Thank you for your letter of 24th January 2019, in which you raise the issue of the possible environmental impact of the antitrust remedies approved in April 2018 in the *Greek lignite* case.

First of all, the Commission has been very conscious of the potential environmental implications of any remedies when re-opening this competition case after the Court procedure in 2018. While the enforcement of the remedies originally proposed by Greece in 2009 would have led to the construction of new lignite-fired plants, the new remedies allow PPC's competitors to access a portion of the existing lignite capacity, without increasing in any way the use of lignite in Greece. The implementation of the remedies will result in an opening of the wholesale electricity market and will in turn incentivize all players, including PPC, to make a more cost efficient use of the existing plants and potentially lead to investments in greener generation technologies.

You raise concerns regarding the construction of a new lignite-fired unit (Meliti 2) originally planned by PPC. Please note that none of the investors has shown interest in the construction of such unit. However, even after the implementation of the antitrust remedies, PPC will remain by far the main operator of lignite capacity in Greece. The shift toward a greener mix of energy sources will therefore still heavily depend on PPC's behaviour and its adjustment to the new environmental targets.

With regard to the alleged subsidies to lignite, the flexibility mechanism approved by the Commission does not support any lignite-fired plants. For the possible future market-wide capacity mechanism, the Commission is in preliminary discussions with the Greek authorities. According to the State aid guidelines, the environmental impact is an important assessment criterion for such mechanisms.

As a final remark, significant work still needs to be done to create a competitive and environmentally sustainable electricity market in Greece. We trust that the opening of the market through the antitrust remedies will help introducing more competition and attracting investments for a sustainable economy in Greece.

Yours sincerely,
Margrethe Vestager



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