



**Margrethe Vestager**  
Member of the European Commission

**Miguel ARIAS CAÑETE**  
Member of the European Commission

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Dear Ms Sideridou,

Thank you for your letter of 14 May 2019, in which you express your concerns on the potential environmental impact of electricity production in Greece.

On your first point regarding the lignite divestiture, the antitrust commitments accepted in 2018 will allow PPC's competitors to access a portion of the existing lignite capacity through the acquisition of some of PPC's lignite-fired plants, the operation lifetime of which will reflect how they are currently licensed to PPC. The commitments, therefore, do not foresee an extension of the lifetime of the plants compared to the present state.

We share your concerns that Greece has not yet reached the target of creating a fully competitive and environmentally sustainable electricity market. We trust that the implementation of the commitments will introduce more competition in the Greek wholesale electricity market and reduce Greece's reliance on lignite-fired generation.

As regards the capacity mechanism, the public consultation on the planned capacity mechanism launched by the Greek authorities on 23 April 2019 was a good opportunity for the stakeholders to express their views on the pre-notified mechanism. We are glad to see that you have also put forward your concerns in reply to that public consultation. When analysing the case, we will take your concerns and the views expressed by other stakeholders duly into account. As regards the State aid assessment, the Commission will assess the planned Greek capacity mechanism on the basis of the Guidelines on state aid for environment protection and energy 2014-2020 and the relevant sector legislation including the recently agreed electricity Regulation.

*Ms Mahi Sideridou*  
*Managing Director*  
*Europe Beyond Coal*  
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On the draft National Energy and Climate Plan, the Commission published its recommendations on 18 June, which if implemented will lead to a robust final integrated plan. The Commission considers the plan to be a fairly well-developed strategy. In particular, in terms of renewable energy, the national contribution to the EU target for 2030 is set at a share of 31%, which is in line with the result of the formula in Annex II of the Governance Regulation.

The Commission shares with your organization the vision of a decarbonised electricity sector as an integral part of our efforts to achieve climate neutrality by mid-century.

Yours sincerely,



Margrethe Vestager



Miguel Arias Cañete