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The Green Tank's comments to the public consultation on the Master Plan for Greece's lignite regions

This is the executive summary of detailed comments and 16 recommendations submitted (in Greek) by the Green Tank to the public consultation on the "Just Development Transition Plan" (SDAM – Master Plan) which is currently open.

Executive Summary

The 40-day public consultation on the Master Plan for Greece's lignite regions is a positive development. Greece is trying to respond to the needs of the front-bearing lignite phase-out and, so, becomes the first lignite-producing country in the EU that submits such a plan to public consultation. In this way, it provides the opportunity to stakeholders and citizens to participate in an official way in the response to the greatest development challenge the country faces, that is, the shift of local economies that have been dependent almost exclusively on lignite-related activities, towards sustainable economic activities.

The Greek Government had initially presented preliminary drafts of the Master Plan to the two regions (Western Macedonia and the Peloponnese) and nationally, via an online press conference of the Minister of the Environment and Energy and the Coordinator of the Just Development Transition Plan on September 9, 2020. During the weeks that ensued until the launch of the public consultation on October 2, 2020, comments were sought from the regional teams that have been established. Comparing the preliminary drafts and the final draft submitted to public consultation it becomes clear that the SDAM Committee has taken into account comments that were expressed in the public dialogue and in the regional teams, as evidenced by the fact that changes are noted; most of which are in the right direction.

For example, the Master Plan no longer includes the construction of a new 800 MW fossil gas plant in Western Macedonia, which was not only included in the preliminary drafts, but in fact presented as an 'emblematic' investment. Moreover, it seems that this plant has been replaced by a hydrogen producing plant. In addition, the establishment of a rural prison in Megalopoli was also removed from the list of emblematic investments – an investment option that had raised questions on its transformative contribution to the regional economy. Furthermore, the current version of the Master Plan does not impose the conversion of Ptolemaida 5 to another fossil gas unit, as was the case in the preliminary drafts, without such a prospect, however, being ruled out. In the field of energy savings a clearer quantification of the targets is provided, while for the first time the planning to cover the heating needs of inhabitants of the lignite regions is clearly articulated.

The Green Tank Policy solutions for a sustainable future

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In addition, the increase in the investment aid rates for those companies that invest in the lignite regions in order to attract investments in the two regions, where lignite monoculture dominated – until recently, is assessed also as positive. However, the change in maximum amounts for each investment is not mentioned (for each investment, five (5) million euros are foreseen; for each business ten (10) million euros and for each business group twenty (20) million euros), without clarification on what happens for an investment with a higher budget.

The prospect for the transformation of Western Macedonia and Megalopoli from lignite centers to solar energy champions, with the installation of approximately 2,55 GW photovoltaic parks by 2024 is in the right direction, despite the fact that the Master Plan does not include a mechanism to ensure that local communities will also benefit from this prospect nor does it foresee their connection with energy storage facilities.

Nonetheless, the Master plan at hand is characterized also by important omissions, as the following are missing:

- A long term strategic plan and a vision for the overall transformation of the productive model of the lignite regions and their contribution to the Greek economy's shift towards climate neutrality. The Master Plan at hand should have a more strategic character and be differentiated from a Business Plan or a list of investments, which constitute tools for the implementation of the Master Plan.
- The environmental dimension, despite the fact that the rehabilitation, restoration, and conservation of the natural environment of the lignite regions constitute an important factor to ensure the health and well-being of the local communities as well as a development lever for the lignite regions.
- A multi-participatory, open and democratic governance scheme for the transition of the lignite regions to the post-lignite era, focusing particularly on the participation of the local communities, the workers, the scientific communities and civil society.
- Attention to the development of small and medium scale projects, which can actively engage the local communities and have an immediate social and economic impact (e.g. through energy communities).
- The compatibility of the specific investment choices that are prioritized in the Master Plan with the EU Sustainable Taxonomy Regulation, which, if it existed, would guarantee the long-term environmental and financial sustainability of the Master Plan.
- The documentation and presentation of the methodology followed for the selection of the specific investment choices, as well as their correspondence to financial sources and benefits in the creation of new jobs and local added value to the whole regional economies.

Responding to the above omissions of the Master Plan, the following recommendations are made:

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1. *Include in the Master Plan a complete inventory of the environmental impacts of lignite in the region of Western Macedonia and Megalopoli and a coherent plan for the rehabilitation and restoration of the natural environment.*
2. *Submit the Territorial Just Transition Plan of the NUTS3 units that will be selected for financing by the EU Just Transition Fund with adequate time for consultation, prior to their submission for approval by the European Commission. The plans must be accompanied by detailed documentation regarding how the available resources will be allocated among the NUTS3 units.*
3. *Submit to public consultation a proposal for the governance scheme that will be in place during the implementation of the transition of the lignite regions, which may initially be based on the corresponding, publicly available, proposal by the World Bank for the Region of Western Macedonia.*

With respect to the financing plan, the following are recommended:

4. *Integrate in the unified planning, other financing instruments such as the European Agricultural Fund for Rural Development, as well as other funding opportunities that are available via such competitive projects as LIFE and HORIZON Europe and national funding, mainly income from the auction of CO_2 allowances available via the Green Fund and the Local Resource offered by the Public Power Corporation, which are complementary and offer the maximum added value to the two regions.*
5. *Provide a detailed description of the resources that are dedicated exclusively for the implementation of the Master Plan of the two regions during the 2021-2027 programming period as well as resources for technical assistance that will be granted in order to secure their timely absorption.*

In order to correct methodological gaps noted in the Master Plan, the following recommendations are made:

6. *Include the compatibility of investments with the EU Sustainable Taxonomy Regulation) among the investment selection criteria.*
7. *For each of the investments there should be a reference to the number of permanent jobs created, the local added value, the total amount of investment, clearly identifying the part that will come from the various funding sources.*

With respect to covering the heating needs of inhabitants of the lignite regions the following recommendation are made:

8. *Re-examine the issue of covering the heating needs of the lignite regions on the basis of a techno-economic analysis and factoring in the long-term viability of the alternative solutions and their compatibility with the long-term national and European greenhouse gas emission reduction targets.*

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9. *Completely disengage the new lignite plant "Ptolemaida 5" from the district heating of the lignite regions in Western Macedonia.*

10. *The fossil gas pipelines which are planned to be constructed must be ready to be used for the transport of 100% green hydrogen in the future, right from the get-go.*

As far as the investments choices are concerned, the following are recommended:

11. *Clarify that the hydrogen in the emblematic investment of the new plant in Western Macedonia, will be produced by electrolysis of water using electricity from renewable energy sources (RES), i.e. the hydrogen will indeed be green.*

12. *The collaboration that seems to exist with RWE in photovoltaics should be extended to the conversion of lignite plants to clean electricity storage units. Moreover, the collaboration with other companies that are working on thermal storage technologies from RES energy should also be explored.*

13. *Increase significantly the absolute amount earmarked for energy savings in lignite regions, which could be listed as an 'emblematic' investment target for the 2021-2027 programming period.*

14. *Allocate resources for the exploitation of the rich industrial heritage of Greece's lignite regions aiming to promote tourism.*

To further aid the financial support and participation of local communities in the implementation of the Master Plan the following recommendations are made:

15. *Ask large energy companies that will invest in a region in renewables to render part of the initial investment available for purchase by energy communities that the local communities will establish, which will in turn offer them the capability of earning income from electricity sales proportional to their original investments*.

16. *Commit separate resources to support non-profit energy communities which aim to develop RES, the installation of sustainable heating and cooling technologies (e.g. heat pumps) and energy savings projects with the aim of covering local needs.*