



HELLENIC REPUBLIC
Ministry of Environment and Energy

General Secretariat
for Energy & Mineral Resources

FINAL COMMITMENT TEXT

01/09/2021

NON-CONFIDENTIAL VERSION

Case COMP/38.700 – Greek Lignite and electricity markets

COMMITMENTS TO THE EUROPEAN COMMISSION

The Hellenic Republic hereby offers the following commitments (“**Commitments**”) to the European Commission (“**Commission**”) with a view to address the Commission’s competition concerns as expressed by the Commission in its decision of 5 March 2008 (C(2008) 824) taking into account the judgments of the European Courts in relation to the Commission decisions of 5 March 2008 (C(2008) 824) and of 4 August 2009 (C(2009) 6244) on the lignite case (COMP/38.700 – Greek lignite and electricity markets), now final and binding. The Hellenic Republic offers the Commitments with a view to remedying the concerns expressed by the Commission in its decision of 5 March 2008 (C(2008) 824) and replacing the remedy offered by virtue of the commitments made by the Hellenic Republic on 15 February 2018 (“**the previous Commitments**”), which (remedy) was established by the Commission decision of 17 April 2018 (C(2018) 2104 final). For the avoidance of doubt, the present Commitments shall replace entirely the previous Commitments and the obligations stemming therefrom, including from the national legislation that implemented the previous Commitments in the legal order of the Hellenic Republic.

This text shall be interpreted in light of the Commission’s decision of 5 March 2008 (C(2008) 824) and the general framework of European Union law, in particular Article 106 of the TFEU.

Section A. Definitions

1. For the purpose of the Commitments, the following terms shall have the following meaning:

Buyer: The person having acquired the capacity of a trading member in accordance with the rules of HEnEx or EEX (as the case may be), who is eligible to enter into a Contract in accordance with the present Commitments. All companies affiliated with PPC cannot qualify as Buyers.

Commitments Period: The period starting from the Effective Date until:

- (i) if Ptolemaida V enters the Greek electricity markets as a lignite fired plant after Existing Lignite Plants have been commercially decommissioned, the end of the calendar quarter when the last of the Existing Lignite Plants is commercially decommissioned; or
- (ii) if Ptolemaida V enters the Greek electricity markets as a lignite fired plant prior to Existing Lignite Plants having been commercially decommissioned, the earlier of:
 - a. the end of the calendar quarter when the last of the Existing Lignite Plants and Ptolemaida V are commercially decommissioned; or
 - b. 31 December 2024.

For the avoidance of doubt, the Commitments Period shall end no later than 31 December 2024. A lignite fired plant is considered to be commercially decommissioned when it is (i) effectively decommissioned, namely the plant does not participate in the Greek electricity markets or; (ii) operating solely under a strategic reserve mechanism; or (iii) converted from being lignite fired to using natural gas, biomass or another renewable fuel as feedstock.

Contract: The agreement between PPC and a Buyer to trade the Products in accordance with the rules of HEnEx or EEX (as the case may be) and the present Commitments.

Decision: The decision to be adopted by the Commission pursuant to Article 106 (3) of the TFEU establishing the measure provided herein to correct the anti-competitive effects identified in the Commission decision of 5 March 2008 (C(2008) 824).

Decommissioning Plan: The plan of the Hellenic Republic to decommission the Existing Lignite Plants, as part of the Hellenic Republic's current environmental policy set out in the National Energy and Climate Plan of the Hellenic Republic ratified by the decision of the Governmental Council for Economic Policy of 23 December 2019 and published at the Government Gazette (Issue B' 4893/31.12.2019) or any other decommissioning of PPC's lignite fired power generation plants on the basis of an earlier timeline.

EEX: The European Energy Exchange.

Effective Date: The date of adoption of the Decision, namely the Commission decision pursuant to Article 106 (3) of the TFEU establishing the measure provided herein to correct the anti-competitive effects identified in the Commission decision of 5 March 2008 (C(2008) 824).

Existing Lignite Plants: The lignite fired power generation plants owned by PPC and operative as at the Effective Date (excluding, for the avoidance of doubt, Ptolemaida V).

HCMC: The Hellenic Capital Market Commission.

HEnEx: The Hellenic Energy Exchange S.A.

Indemnified Party: The Monitoring Trustee and/or its employees and agents.

Monitoring Trustee: One or more natural or legal person(s) who is/are approved by the Commission and appointed by the Hellenic Republic, and has/have the duty to monitor the Hellenic Republic's and PPC's compliance with the Commitments.

Net Seller Position: The combined position held by PPC with reference to transactions concluded in both the forward markets of HEnEx and EEX in each relevant quarter of the Commitments Period calculated as from the Effective Date. The assessment of the position shall be made on the basis of concluded transactions, and not with reference to its open (unmatched) bids). If PPC holds a net buyer position in the forward markets of EEX and/or HEnEX at the Effective Date, the netting of these volumes will not be counted as part of the volumes sold to achieve the required Net Seller Position. Bilateral sales by PPC that have not been traded on HEnEX or EEX are not counted as part of the volumes sold to achieve the required Net Seller Position, even if those sales have been cleared there. Pre-agreed trades between the seller and the buyer shall not be considered for the purposes of PPC's Net Seller Position.

PPC: Public Power Corporation S.A., incorporated under the laws of Greece, with its registered office at Chalkokondyli 30 – 104 32 Athens and registered with the General Commercial Registry under number 786301000.

Product: The electricity baseload futures contract having a delivery period of 1 quarter to be traded in accordance with the present Commitments and the applicable rules of HEnEx or EEX (as applicable).

Ptolemaida V: The power generation plant under development on the Effective Date by PPC to be located in the region of Ptolemaida in Western Macedonia, Greece.

RAE: Hellenic Regulatory Authority for Energy.

Section B. The commitments

Commitments of the Hellenic Republic

2. The Hellenic Republic commits to ensure that a share of generation, calculated on the basis of PPC's lignite-fired plants' generation, is released and sold to Buyers during the Commitments Period and under the conditions specified herein. In particular, the Hellenic Republic will ensure the sale by PPC to Buyers of quarterly Products that shall be traded through the forward market of HEnEx or EEX (the choice of trading venue is at PPC's discretion). The relevant electricity volumes sold pursuant to the present Commitments shall amount to 50% (for the first 4 calendar quarters of the Commitments Period) or 40% (for subsequent quarters until the end of the Commitments Period) of PPC's lignite-generated output in the same quarter of the preceding year in accordance with the terms and procedures provided below.

The Hellenic Republic undertakes to ensure that:

- (i) all necessary steps for the effective implementation of the Commitments are taken by 10 September 2021, including the adoption of all necessary legislative, regulatory and corporate measures and/or resolutions and/or measures of equivalent applicability,
- (ii) the first Contracts for Products with a delivery period during the fourth quarter of 2021 are concluded by 28 September 2021, and
- (iii) the Contracts in relation to subsequent periods are concluded in accordance with the timelines envisaged in the present Commitments. The present Commitments and the above measures implementing them shall uniformly apply in the legal order of the Hellenic Republic and shall be taken into consideration in all related regulatory and administrative procedures including but not limited to public procurement.

Volumes

3. The Contracts' total volume will be defined by appropriate legislative or regulatory act with reference to PPC's lignite-based quarterly output in MWh of the respective quarter of the preceding year, so that the Contracts' volumes reflect the seasonality effects on lignite production stemming from the system demand needs. It is expected that due to the Decommissioning Plan, each year the absolute volume of lignite-based generation of PPC will decline, and so will the volumes offered under the Contracts. The table below reflects, based on actual lignite production output figures, the Contracts' volumes that are expected to be offered for the fourth quarter of 2021, based on the lignite production of PPC of the fourth quarter of 2020.

Period	Lignite Production in fourth quarter 2020 (GWh) ¹	Percentage of lignite electricity release for 2021	Contracts quarterly volumes for Q4 2021
October 2020	339	50%	893 GWh
November 2020	617		
December 2020	830		
Total	1,786		

Without prejudice to the provisions regarding the duration of the Commitments Period set out in the present Commitments, the Contracts' volumes to be offered per quarter under the current Commitments during the Commitments Period will be computed in line with the table below:

Quarter	Period used for computing the Contracts' volumes	Lignite electricity release (%)	Quarter	Period used for computing the Contracts' volumes	Lignite electricity release (%)
Q4 2021	October 2020	50%	Q1 2023	January 2022	40%
	November 2020			February 2022	
	December 2020			March 2022	
Q1 2022	January 2021	50%	Q2 2023	April 2022	
	February 2021			May 2022	
	March 2021			June 2022	
Q2 2022	April 2021	50%	Q3 2023	July 2022	
	May 2021			August 2022	
	June 2021			September 2022	
Q3 2022	July 2021	50%	Q4 2023	October 2022	
	August 2021			November 2022	
	September 2021			December 2022	
Q4 2022	October 2021	40%			
	November 2021				
	December 2021				

4. For the avoidance of doubt, the above table relating to the computation of volumes is indicative and the Commitments Period may end before or after 31 December 2023 (depending on the commercial

¹ According to data published by the Hellenic Independent Power Transmission Operator, available at: <https://www.admie.gr/agora/enimerotika-deltia/miniaia-deltia-energeias>.

decommissioning of PPC's lignite fired plants and whether Ptolemaida V enters the Greek electricity markets as a lignite fired plant before or after the commercial decommissioning of Existing Lignite Plants), in which case the table relating to the computation of volume shall be deemed to be adjusted accordingly. For the avoidance of doubt, the Commitments Period shall end no later than 31 December 2024.

5. PPC's output that stems from lignite-fired production under a strategic reserve mechanism will not be counted for the computation of the Contracts' volumes.

Fundamental principles governing the Products

6. PPC, at its sole discretion, shall sell the Products to Buyers through the forward market of either HEnEx or EEX. The trading of the Products through either trading venue shall be subject to the condition that the respective trading venue facilitates the disclosure of information to the Monitoring Trustee so that the latter is in a position to fulfill its duties and obligations set out in paragraph 26 of the present Commitments. PPC shall authorize the Monitoring Trustee to receive all necessary relevant information from HEnEx and EEX.
7. For the avoidance of doubt, these Commitments do not oblige PPC to supply any of the volumes under these Products with lignite-fired power generation.
8. The eligibility of Buyers to enter into Contracts shall be assessed solely on the basis of the relevant rules and procedures of HEnEx and EEX.
9. The Products shall be financially or physically settled in accordance with the relevant rules of HEnEx or EEX (as applicable). For the avoidance of doubt, if the Products are traded through EEX, no physical settlement shall apply.
10. The delivery duration of the Contracts shall be quarterly.
11. The Contracts shall be available as Products.
12. The pricing of the Products shall be determined by PPC, working within the rules of HEnEx and/or EEX (as applicable), with a view to obtaining the Net Seller Position set out in paragraph 14. While PPC maintains the discretion to set the price of the Contracts, it should not sell at a price below a certain threshold [CONFIDENTIAL].

13. Subject to the provisions of the present Commitments, all other aspects governing the Products and Contracts shall be in accordance with the relevant rules of HEnEx or EEX (as applicable).

PPC's Net Seller Position

14. At the time when the respective volumes will be made available for each calendar year, PPC shall hold a Net Seller Position in line with the table below:

Relevant quarter	Net Seller Position to be attained (volumes)	Net Seller Position attained by	Net Seller Position maintained until
Q4 2021	50% of Q4 2020	28/09/2021	28/09/2021
Q1 2022	50% of Q1 2021	31/10/2021	30/11/2021
Q2 2022	50% of Q2 2021	31/10/2021	01/01/2022
Q3 2022	50% of Q3 2021	31/10/2021	01/01/2022
Q4 2022	40% of Q4 2021	31/01/2022	01/04/2022
Q1 2023	40% of Q1 2022	31/10/2022	30/11/2022
Q2 2023	40% of Q2 2022	31/10/2022	01/01/2023
Q3 2023	40% of Q3 2022	31/10/2022	01/01/2023
Q4 2023	40% of Q4 2022	31/01/2023	01/04/2023

15. The above table relating to PPC's Net Seller Position shall be deemed to be adjusted accordingly if the duration of the Commitments Period goes beyond 31 December 2023 (depending on the commercial decommissioning of PPC's lignite fired plants and whether Ptolemaida V enters the Greek electricity markets as a lignite fired plant before or after the commercial decommissioning of Existing Lignite Plants). For the avoidance of doubt, the Commitments Period shall end no later than 31 December 2024.

16. If PPC fails to achieve the Net Seller Position set out in paragraph 14 in a given quarter, despite having used its best efforts to sell the volumes in question, [CONFIDENTIAL] any remaining volumes shall be transferred to the same quarter of the subsequent year. PPC's obligation to hold the Net Seller Position on any such volumes that are transferred to a subsequent year will be maintained until it has effectively fulfilled this obligation or until Q4 2024.

17. For the avoidance of doubt, PPC shall be able to participate in the forward markets in the upcoming quarters of the respective calendar year as seller or buyer and as a result alter this Net Seller Position (similarly to other market participants), as from the moment indicated in the table above (column 'Net Seller Position maintained until').

18. PPC shall not be allowed to conclude agreements with parties to sell electricity volumes combined with an agreement to buy volumes back later (back-to-back agreements) in respect of the volumes sold pursuant to the present Commitments.

Section C. The Monitoring Trustee

I. Appointment procedure

19. The Hellenic Republic shall appoint a Monitoring Trustee to carry out the functions specified in these Commitments for a Monitoring Trustee. Once the Monitoring Trustee is approved by the Commission, the Monitoring Trustee shall monitor the Hellenic Republic's compliance with the Commitments. The Monitoring Trustee, to the extent that relevant information is not available to it, may consult with HEnEx, EEX, RAE or the HCMC on matters relating to the monitoring of the sale of the agreed volumes under the Commitments, and RAE, subject to the rules governing its status as an independent regulatory authority and provided that its independence is safeguarded, will facilitate the Monitoring Trustee's relevant functions.

20. The Monitoring Trustee shall:

- (i) at the time of appointment, be independent of the Hellenic Republic, RAE, HCMC, HEnEx, EEX and PPC;
- (ii) possess the necessary qualifications to carry out its mandate, for example have sufficient relevant experience as consultant or auditor;
- (iii) neither have nor become exposed to a conflict of interest.
- (iv) be remunerated in a way that does not impede the independent and effective fulfilment of its mandate.

For the avoidance of doubt, the Monitoring Trustee shall not exercise any control, impede nor supervise or interfere in any way with the role, functions and tasks of RAE, which is an independent regulatory authority under the laws of the Hellenic Republic and EU law.

Proposal by the Hellenic Republic

21. No later than two weeks after the Effective Date, the Hellenic Republic, shall submit the name or names of one or more natural or legal persons whom the Hellenic Republic proposes to appoint as

the Monitoring Trustee to the Commission for approval. The proposal shall contain sufficient information for the Commission to verify that the person or persons proposed as Monitoring Trustee fulfil the requirements set out in paragraph 20 of the Commitments and shall include:

- (i) the full terms of the proposed mandate, which shall include all provisions necessary to enable the Monitoring Trustee to fulfil its duties under these Commitments;
- (ii) the outline of a work plan which describes how the Monitoring Trustee intends to carry out its duties under these Commitments; and
- (iii) the form of a solemn declaration to be signed and executed by an authorized representative of the Monitoring Trustee which shall provide that the Monitoring Trustee shall not interfere with the role and functions of RAE as an independent regulatory authority throughout the appointment period.

Approval or rejection by the Commission

22. The Commission shall have the discretion to approve or reject the proposed Monitoring Trustee and to approve the proposed mandate subject to any modifications it deems necessary for the Monitoring Trustee to fulfil its obligations. If approved, the Hellenic Republic shall appoint or cause to be appointed the person or persons concerned as Monitoring Trustee, in accordance with the mandate approved by the Commission. The Monitoring Trustee shall be appointed within one week of the Commission's approval, in accordance with the mandate approved by the Commission.

New proposal by the Hellenic Republic

23. If all the proposed Monitoring Trustees are rejected, the Hellenic Republic shall submit the names of at least two more natural or legal persons within one week of being informed of the rejection, in accordance with paragraph 19 of these Commitments.

Monitoring Trustee nominated by the Commission

24. If all further proposed Monitoring Trustees are rejected by the Commission, the Commission shall nominate a Monitoring Trustee, whom the Hellenic Republic shall appoint, or cause to be appointed, in accordance with a trustee mandate approved by the Commission. Such nomination and/or appointment shall be without prejudice to the function and role of RAE as an independent regulatory authority under the laws of the Hellenic Republic and EU law.

II. Functions of the Monitoring Trustee

25. The Monitoring Trustee shall assume its specified duties and obligations in order to ensure compliance with the Commitments. The Commission may, on its own initiative or following up from the request of the Hellenic Republic, give any instructions to the Monitoring Trustee in order to ensure compliance with the conditions and obligations attached to the Commitments.

Duties and obligations of the Monitoring Trustee

26. The Monitoring Trustee shall:

(i) Propose in its first report to the Commission a detailed work plan describing how it intends to monitor compliance with the obligations and conditions attached to the Commitments and provide the declaration in the form provided by the Hellenic Republic confirming that the Monitoring Trustee shall not interfere with the role and functions of RAE as an independent regulatory authority throughout the appointment period. The above work plan will be communicated to RAE for the expression of comments and/or objections, the latter concerning narrowly and exclusively the case that the detailed compliance work plan of the Monitoring Trustee interferes with RAE's role and function as an independent regulatory authority and proposing amendments in line with the requirement for such independence to be safeguarded at all times;

(ii) Monitor the execution and implementation of the process to conclude Contracts with Buyers, with due regard to all rights and obligations arising under these Commitments;

(iii) Propose to the Hellenic Republic such measures as the Monitoring Trustee considers necessary to ensure compliance with the conditions and obligations of the Commitments;

(iv) Review and assess information made available by PPC, HEnEX or EEX and any governmental authority to confirm that:

a. the Contracts' volumes amount to the levels set out in paragraph 3 of the Commitments (consulting with RAE if necessary in accordance with paragraph 19 of the Commitments);

b. PPC maintains a Net Seller Position in accordance with paragraphs 14, 15 and 17 of the Commitments;

c. No back-to-back agreements have been concluded in accordance with the requirements of paragraph 18 above;

d. If PPC has failed to achieve the Net Seller Position as set out in paragraph 14, it has made its best efforts to sell the volumes in question, [CONFIDENTIAL];

- (v) Produce and provide a written quarterly report detailing its findings further to the assessment carried out in accordance with paragraph 26 (iv) of the Commitments;
- (vi) Provide a non-confidential copy of each written report submitted to the Commission pursuant to paragraph 26 (v) as well as of the work plan of paragraph 26 (i) to the Hellenic Republic at the same date as the date of submission of the relevant report or work plan to the Commission;
- (vii) Promptly report in writing to the Commission, sending to the Hellenic Republic a non-confidential copy at the same time, if it concludes on reasonable grounds that the Hellenic Republic is failing to comply with these Commitments;
- (viii) Act as a contact point for any requests by third parties, in particular Buyers, in relation to the Commitments;
- (ix) Assume any other functions assigned to the Monitoring Trustee under the conditions and obligations attached to the Decision.

III. Duties and obligations of the Parties

27. The Hellenic Republic shall cooperate with and cause PPC and its advisors to:

- provide the Monitoring Trustee with all such co-operation, assistance and information as the Monitoring Trustee may reasonably require to perform its tasks; and
- authorise the Monitoring Trustee to receive all necessary relevant information from HEnEx and EEX in accordance with paragraph 6.

28. The Hellenic Republic shall enable RAE and the HCMC to be available for meetings and to provide the Monitoring Trustee with all information necessary for the performance of its tasks, subject to the rules governing its status as an independent authority.

29. The Hellenic Republic shall indemnify each Indemnified Party and hold each such Indemnified Party harmless, and hereby agrees that an Indemnified Party shall have no liability to the Hellenic Republic for any liabilities arising out of the performance of the Monitoring Trustee's duties under the Commitments, except to the extent that such liabilities result from the willful default, recklessness, gross negligence or bad faith of the Monitoring Trustee, its employees, agents or advisors.

30. At the expense of the Hellenic Republic, the Monitoring Trustee may appoint advisors (in particular for corporate finance or legal advice), subject to the Hellenic Republic's approval (this approval not to be unreasonably withheld or delayed) if the Monitoring Trustee considers the appointment of such advisors necessary or appropriate for the performance of its duties and obligations under the mandate, provided that any fees and other expenses incurred by the Monitoring Trustee are reasonable. Should the Hellenic Republic refuse to approve the advisors proposed by the Monitoring Trustee the Commission may approve the appointment of such advisors instead, after having heard the Hellenic Republic. Only the Monitoring Trustee shall be entitled to issue instructions to the advisors.

31. The Hellenic Republic agrees that the contact details of the Monitoring Trustee are published on the website of the Commission's Directorate-General for Competition.

32. For a period of 10 years from the Effective Date, the Commission may request all information from the Hellenic Republic that is reasonable necessary to monitor the effective implementation of these Commitments.

IV. Replacement, discharge and reappointment of the Trustee

33. If the Monitoring Trustee ceases to perform its functions under the Commitments or for any other good cause, including the exposure of the Monitoring Trustee to a conflict of interest:

- (i) the Commission may after hearing the Monitoring Trustee and the Hellenic Republic, require the Hellenic Republic to replace the Monitoring Trustee; or
- (ii) The Hellenic Republic may, with the prior approval of the Commission, replace the Monitoring Trustee.

34. If the Monitoring Trustee is removed according to paragraph 33, the Monitoring Trustee may be required to continue in its function until a new Monitoring Trustee is in place to whom the Monitoring Trustee has effected a full hand over of all relevant information. The new Monitoring Trustee shall be appointed in accordance with the procedure provided in paragraphs 19 to 24.

35. Unless removed according to paragraph 33 of these Commitments, the Monitoring Trustee shall cease to act as Monitoring Trustee only after the Commission has discharged it from its duties after all the Commitments with which the Monitoring Trustee has been entrusted have been implemented.

However, the Commission may at any time require the reappointment of the Monitoring Trustee if it subsequently appears that the Commitments might not have been fully and properly implemented.

36. Any decision to replace, discharge or reappoint the Trustee shall take place without prejudice and in full respect of the role and functions of RAE as an independent authority under the laws of the Hellenic Republic and EU law.

Section D. The review clause

37. The Commission may extend the time periods foreseen in the Commitments in response to a request from the Hellenic Republic or, in appropriate cases, on its own initiative. For the Hellenic Republic to request an extension of a time period, it shall submit a reasoned request to the Commission no later than one month before the expiry of that period, showing good cause. This request shall be accompanied by a report from the Monitoring Trustee, who shall, at the same time send a non-confidential copy of the report to the Hellenic Republic. Only in exceptional circumstances shall the Hellenic Republic be entitled to request an extension within the last month of any period.

38. The Commission may further, in response to a reasoned request from the Hellenic Republic showing good cause, waive, modify or substitute, in exceptional circumstances, one or more of the undertakings in the Commitments. This request shall be accompanied by a report from the Monitoring Trustee, who shall, at the same time send a non-confidential copy of the report to the Hellenic Republic. The request shall not have the effect of suspending the application of the undertaking and, in particular, of suspending the expiry of any time period in which the undertaking has to be complied with.

Section E. Entry into force

39. The Commitments shall take effect upon the Effective Date.



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duly authorized for and on behalf of the Hellenic Republic

Alexandra Sdoukou

Secretary General for Energy & Mineral Resources