

Ladies and Gentlemen

With great joy I participate in the 10<sup>th</sup> South East Europe Energy Dialogue organized by IENE. I congratulate the Institute on this initiative, as well as on its studies and other activities concerning the energy sector in the region for many years.

In our days, taking into account the developments of the European Energy policy, the contacts and the dialogue among the countries, the companies and generally all the entities involved in the energy sector of the region are absolutely necessary. I expect that this conference will contribute substantially to this goal.

Ladies and Gentlemen

The Public Power Corporation of Greece founded in 1950, as 100% State Company but operated according to the principles of private economy, accomplished in short period of time a huge task determinative importance in the development of post war Greece. Its role concerning the prosperity of Greek people was and still remains decisive. In the '50s, within a period of less than 10 years PPC bought and incorporated 435 private electrical companies activating in local level. During the next 10 years, in the 60s, it fulfilled the huge task of Greece's electricity supply reaching the most remote mountainous village and the smallest island. So, then, 98% of the Greek territory and 100% of the population was supplied with electricity compared to 40% and 57% respectively in 1950.

At the same time, it exploited the domestic sources, such as lignite and hydro potential, a determinative fact for our national economy for which PPC was and still constitutes its backbone. Within its activity PPC became the major investment factor of the country investing each year hundreds of million euros. Consequently, at the same time it acquired very rich know-how and capability for organization and implementation of major projects, implementation of studies for generation projects of any kind referring to Electricity Transmission and Distribution; and of course operation of Plants and Networks as well as management of 7.500.000 (seven point five) million consumers who constitute its customers. This task has been very complicated in our days not only due to the crisis but also because we are obliged to combine the social aspect as well as the companies' interest in the framework of the liberalized market and the strong competition.

Concerning the investments, indicatively I mention that within the last three-year period PPC invested more than € 2,7 billion implementing Ilarionas HPP 160 MW, thermal Power station in Megalopoli (Peloponese) with natural gas supply and capacity 850 MW, the Thermal Power Station of Rhodes as non Interconnected Island with diesel and capacity of 115 MW, while at the same time the construction of Lignite Plant, Ptolemaida V, with the latest technology and capacity 660 MW has already been launched and budget of €1,4 billion.

Ladies and Gentlemen

Today, PPC is activating in an intense competitive market, according to the EU obligations, in Electricity Generation and in Trade. The monopoly status has been abolished for more than 15 years now. Since 2000 PPC has been a Societe Anonyme, controlled by the state which holds the 51,5% of its equity while 48,5% belong to private shareholders among which more than 30% foreign capitals. It is integrated into the Athens and London Stock Market.

Last year, following the agreement of our Government with the debtors of Greece, the Transmission Company, ADMIE was fully unbundled from the ownership of PPC. The 51% of the equity ADMIE belongs to the state and the rest to private investors among which the huge Chinese Company, State Grid, acquired the 24%. This procedure will be finished until the 20<sup>th</sup> of June.

Besides this full ownership unbundling of ADMIE the market operator called LAGIE, along with the Athens Stock Exchange Market are creating the Energy Stock Market.

Ladies and Gentlemen

The International developments and specifically in the EU are rapidly evolving in the field of electricity. Environmental requirements referring to climate change, technology and EU institutional interventions create a new environment that is totally different compared to the past.

I would like to point out that in the frame work of EU policy for energy unification the role of regional markets will be decisive. Such regional market is ours that is the Balkan Countries. For the creation and successful operation of our regional Market PPC is willing to contribute substantially providing any support necessary to the bodies of electricity supply in the countries of the region. Within this framework the development of the relations in the electricity sector between all the countries is necessary and certainly beneficial for all.

At the same time the appropriate and on time investments, in generation plants, among which hydroelectric and RES Plants, as well as natural gas plants have a leading position and will contribute not only in the safety of electricity supply, which as it was proved during the crisis of the last December and January, remains crucial, but also will create an exceptional competitive advantage in the framework of our regional market.

More ever it is very important to examining two other issues stemming from the EU energy policy.

The first concerns the energy saving which, among others, is crucial for the reduction of the dependence of Europe from energy imports. Specifically for the countries of our region energy saving is vital both for the economies and the prosperity of the people. It will contribute to the creation of new jobs and also to the improvement of the living conditions of the people. In PPC we say that energy saving is, in our days, the most important energy source. To this end PPC decided to change from electricity producer and supplier, to energy services supplier and to create some ESCO's in collaboration

with private companies. In my opinion this sector is very important and offers a great deal of opportunities for collaborations among companies in our region.

The second issue concerns the decarbonisation. EU Policy is unambiguous: decarbonisation concerns not only the electricity Production but also all the economic and social activities, such as heating and cooling of buildings and transportations. In other words decarbonisation drives to more electricity consumption (and of course production). Consequently we need more clean energy, that is RES, Hydro etc., and on the other hand the proper infrastructure for the bigger electricity penetration. To this end PPC has decided to collaborate with other companies in order to act in both directions: RES and other clean energy production and also in creating the appropriate infrastructure. It is obvious that there are a lot of opportunities for collaboration in this sector too.

Ladies and Gentlemen

I think that it has been obvious from the above, that PPC's strategy in the new environment refers, on the one hand, to the increase of its competitiveness and the development of its ability to manage its clientele against an intensive competition, and, on the other hand, to the expansion in new markets with business cooperation. We acknowledge fully that the adaptability in changes and flexibility are conditions for survival and further development. We work intensively towards this direction.

It is very important that all the countries in our region are friendly. We consider them of strategic importance in the field of business development and we provide at their disposal our capabilities, experience and know-how. We want to develop business cooperation with state and private companies for investment in RES of all technologies, hydroelectric, thermoelectric and consequently for their operation an exploitation. Besides to develop cooperation in energy services, energy saving, networks trading upgrading and any other issue concerning the electricity sector.

It is obvious, however I would like to point out, that these cooperations will be based on clear principles for mutual benefit and full respect to the institutions and traditions of several countries and of course aiming at the creation of new jobs in our manpower.

The character and the history of PPC, as a Corporation controlled by the state constitutes a guarantee for keeping these principles and for the equivalent reliability. With these thoughts I would like to welcome the conference proceedings and to express again the hope that it will contribute significantly to the development of the communication and mutual understanding among all the entities of electricity sector in our region.

Thank you.