



*The energy market in Europe-«The role of the Greek DSO-  
HEDNO»*

*Nikolaos Chatziargyriou, President and CEO of HEDNO*

*19<sup>th</sup> Roundtable with the Government of Greece-The Economist*

Ladies and Gentlemen,

Before beginning my speech, I would like to thank the organizers of the Economist for the opportunity given to HEDNO to participate in such a significant conference within an important period for the Greek economy.

The energy sector in Greece and in whole Europe is undergoing a crucial period of significant challenges and changes.

The transition into an energy market that combines the achievement of high environmental standards with high level low cost services constitutes a challenge that all corporations of the sector share.

The challenges for Electricity Distribution Operators (DSOs) today are enormous, since they constitute the main pillar of European strategy for RES potential exploitation aiming at the reduction of carbon dioxide and the improvement of energy safety and performance.

**DSOs constitute the “core” of this strategy.**

The energy policy applied by EU encourages the development of renewable energy sources and dispersed generation, the consumers’ active participation in energy management, thus, contributing to the achievement of goals for power saving and greater system performance.

Due to this evolution, DSOs are managers of a complex energy distribution system that comprises, apart from the typical networks, energy sources and flexible loads. *(They no longer constitute managers of passive networks but operators of active systems).*



They have the main role in the integration of dispersed renewable energy sources, the provision of information to consumers for the management of the energy consumed, as well as the operation safety and quality of networks in distribution level.

Additionally, they play an extremely important role in the operation of the market, the electricity supply to final consumers and they are the ones that have direct communication with the citizens.

They are responsible for consumption metering, while at the same time, they manage a huge volume of data deriving not only from electronic meters but also from many metering network points assuring information confidentiality and reliability.

Distribution Operators constitute today the main factors for the transition to zero-carbon economy in advanced systems of the future.

In order to respond sufficiently to their upgraded new role, DSOs should have all the necessary technological “tools”, including contemporary achievements in telecommunications and IT sectors, as well as the appropriate regulatory framework which will allow them to contribute decisively to EU goals set for 2030.

**The development of Smart Grids constitute one-way direction for the exploitation of dispersed generation potential, effective operation of the market, power saving and the achievement of goals for pollutants reduction.**

This is pointed out in the recent open letter addressed to the Commissioner competent for Energy and Climate Change issues by four associations representing DSOs in whole Europe.

As underlined, in order to achieve the goals by 2030 through Smart Grids, EU should cooperate closely with DSOs and enhance the necessity for bigger investments in innovative projects that will implement the transition to Smart Grids.

**There is an imperative need to create a steady investment framework that will allow the implementation of more innovative projects through performance incentives including financing of risk due to the application of**



**innovation. DSOs' support towards this direction should be institutional, regulatory and financial.**

Within this fluctuating environment, HEDNO, as the main DSO in Greece with the responsibility of Distribution Networks not only in the mainland but also in the islands, has to enter into the new era of development adopting client-oriented strategy giving emphasis to the improvement of quality, the reduction of cost, the protection of the environment and the modernization of the Network through technology application.

HEDNO began its operation in May 2012, after the separation of the distribution sector from PPC S.A. of which HEDNO is a 100% subsidiary.

Today, HEDNO is the **fifth larger distribution Corporation in EU based on the number of consumers**, since it distributes electricity to 7.4 million consumers and one of the major employers of the country occupying 7,000 people directly and 5,000 indirectly.

Until today, 3.8 GW from dispersed generation units (RES and CHP) have been connected to the distribution networks (Medium and Low Voltage), **representing 75% approximately of the installed capacity from renewable energy sources in our country.**

It is pointed out that recent research of the European Commission concluded that Greece has the lowest price of distributed kWh in absolute terms.

**The continuous improvement of electricity quality with the lowest possible cost is HEDNO's main pillar of strategy.**

Within the general framework of the effort for improvement of energy quality and upgrade of services, HEDNO realizes total investments that surpass 250 million euros annually, aiming at the enhancement and modernization of the distribution network and the provision of services to consumers in the whole country.

The integration of automation and remote operations in the network, modern distribution centers in the main land and energy management in the islands, the geographic information system, the installation of smart grids for consumption telemetering etc. are



projects that lead to the transformation of distribution networks into smart grids.

The scheduled development of modern call centers are of decisive importance in direct and interactive communication with the consumers.

The investments in smart grids realized by the Corporation will allow wider and more efficient RES integration into the energy balance aiming at the reduction of gas emissions. Additionally, the active involvement of the citizen as consumer, or/and the producer who will form his own energy behaviour with the application of appropriate tariffs will lead to the reduction of the cost and more efficient use of energy.

The integration into the concept of network management, dispersed energy sources as well as future sources, such as electric cars, dispersed storage, smart houses and smart cities will lead to the optimization of their operation, increase of safety, reduction of losses and better use of investments in the exploitation and development of the network.

The Corporation's vision is to achieve the best possible combination of quality services and low cost, **with priority to the citizens and the protection of the environment, promoting decisively wider goals that will serve this purpose.**

Research and innovation constitute an indispensable part of HEDNO's mentality, participating in many research activities through European and national cooperation with university technology research and development centers in our country. This cooperation has been proved mutually beneficial and we believe that its further enhancement with the country's scientific and technological potential can contribute significantly to the development and application of the innovation in our country.

Ladies and Gentlemen,

HEDNO, having entered into a new era of development and through its medium-term strategic planning, aims at the support for reigniting Greek economy (*Reigniting Greece's potential*) which, however, constitutes the main topic of our today's discussion.



HEDNO constitutes an excellent platform for developing initiatives that will lead to a new Development Model, because it fulfills series of criteria (contact with consumers, elements of dispersed generation, technological innovation in network management, system management in the islands, etc.). As new administration, we have already set the first elements of this strategy and we are ready to try new cooperation models along with the other bodies in the society and the market.

**With the goal to constitute one of the pillars for the development of the economy and to support the effort of exiting from the economic crisis, HEDNO needs - as all modern DSOs in Europe- the institutional and regulatory support by all competent bodies in order to implement its vision.**

**The realization of this vision will bring many benefits to the Greek citizen, the Greek economy and the environment.**

I thank you very much.