



Speech by Mr. Ath. Misdanitis, HEDNO CEO, in the Conference: "Greece facing energy transition challenges" (Ministry of Environment & Energy – 83rd Thessaloniki International Fair)

Dear Minister,
Ladies and gentlemen,

Good morning,

I am honored to be invited and attend the Ministry's of Environment and Energy conference on "the energy transition challenges of our country".

The Greek electricity market has been under a transitional phase in the past decade, in particular following the voting of Law 4001/2011 that practically opened up the path for its full deregulation.

The same law stipulated the ownership unbundling of the generation/supply and network management activities and led to the formation of HEDNO after the spin-off of the Distribution Segment of PPC SA.

On 1 May 2012, the new independent company, HEDNO, that is the Hellenic Electricity Distribution Network Operator, was launched.

HEDNO, with approximately 7,000 employees, started operating the Electricity Distribution Network of the entire country, about 237,000 km long, and it also is the competent body for the operation, management and safety of the electricity systems of Non-Interconnected Islands.

The following period has been especially demanding for the Operator, due the constantly changing environment. HEDNO, however, assumed and exercised its role, successfully responding to its institutional and operational duties despite the various difficulties it has faced.

I am talking mainly about staff shortages, especially specialized technical staff, the limitations imposed on the salaries, but also the inflexible, in many cases, internal rules of its operation.



To sufficiently respond to its role and upgrade the quality of services for the customer with a parallel cost decrease, HEDNO must have all necessary tools at its disposal.

The new market conditions are especially demanding, let alone the new rapidly-approaching challenges, i.e. the big penetration of decentralized production, the energy communities, the establishment of local-scale markets, the active consumer communication platforms, electromobility, energy storage devices, smart islands, and many more.

HEDNO must immediately start implementing these crucial, strategic infrastructure projects as soon as possible. If it does not do so, the energy sector, the key for economic recovery and growth, will permanently (or, at the very least, for many years) remain backward.

Allow me to stress once again that HEDNO is the Company at the forefront, directly in contact with all the citizens, having as a main role to interconnect them with the electricity grid, restore faults, properly measure consumption etc.

HEDNO is now a major player in the electricity market, with expanded responsibilities and duties.

Its vision is the best possible combination of service quality and low operational cost, substantially contributing to the protection of the environment.

Our strategy is based on **two key pillars, the modernization of the Networks and at the same time the modernization of the Company** through the automation of many internal functions, always seeking the new trends in the electricity sector.

At the heart of this plan we have positioned 12 + 1 strategic projects, with 1.25 billion euro of total investment, with which we focus on the corporate transformation and modernization of HEDNO with emphasis on network automation, and projects such as up-to-date Network Control Centers, the installation of a geographic information system, the extension of telemetering, better customer support with new information service and remote-service systems, Smart Islands, and also projects aiming at the improvement of the internal functions of the company, such as the Unified Information



Management System, which shall give us the opportunity to optimize the corporate and decision-making procedures through a single information management platform.

The great progress on the implementation of these projects is explained by strict schedule adherence, which has been the top priority for all the competent departments in our Company.

These strategic projects are necessary so that HEDNO can support the new electricity supply market, the big penetration of decentralized generation, the promotion of energy saving, active consumers, who shall also be producers, energy cooperatives, electromobility, storage, smart islands etc.

A characteristic example of these strategic projects is Xanthi, which is being transformed into the first "Smart" energy city. Xanthi is the pilot for the new technologies, innovative ideas and implementation procedures of HEDNO strategic projects.

It is the city where we proceed and implement at fast paces critical strategic projects, such as the digital network and consumers mapping, which includes the geographic-digital mapping of all network users, the digital mapping of the network in the Geographic Information System and the network interconnection with the supply cable of the end user.

These two projects along with the customers' connection to the network, ensure the improvement and reliability of the energy quality indices, the improvement of the quality of work and performance of the staff, the possibility of timely informing the consumers in cases of scheduled or unscheduled faults in the network, through the customers' announcements at the Call Center.

Furthermore, we proceed with the automation of the city's Medium Voltage Network, which was redesigned and the optimum interferences were examined taking into account the decrease in energy losses, its modernization, by installing 24 modern remote-controlled switches (switches at $\frac{1}{4}$ of the substations of the city) and 106 devices with communication signals to promptly detect faults, while at the same time 80 extra respective devices are to be promptly installed at the overhead Network of the Prefecture.



The first results are really impressive, as we have already achieved (based on two separate measurements - HEDNO and Xanthi University) a decrease in energy losses by 41% or by 489 Mwh. This means that with minimum investment cost, we saved energy consumed by a small community of about 400 people.

Our targets, upon the conclusion of the automation project, is to find the fault site in less than 5 minutes, the re-supply of 80% of the customers in less than 12 minutes and the re-supply of the remaining 20% of the customers in less than 30 minutes.

Ladies and Gentlemen, Xanthi is the first HEDNO smart city; it is the city that, upon the conclusion of the works, will reflect the smart grids of the future all over the country.

In parallel with the modernization of our critical infrastructures, we proceed with an analysis of the needs for personnel and the change in our human resources distribution, focusing on specialized technical personnel rather than the administrative personnel, in order to achieve an immediate and more effective internal transformation of HEDNO. We carefully examine the retirement/hiring plan to ensure personnel sufficiency in all critical divisions of the Company.

Ladies and Gentlemen,

HEDNO has turned a page and is being transformed into a modern Company with technology and innovation as its main allies and will implement infrastructure projects that will upgrade the Greek energy market and will guarantee its smooth transition in to the new operation model.

Thank you very much.