

RECENT DEVELOPMENTS IN GREECE'S E-MOBILITY MARKET

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During the past couple of months there have been significant developments in the e-mobility market in Greece, with the entry into force of Law 4710/2020 *"On the promotion of e-mobility"* (the "Law") and the issue of Ministerial Decision No. ΥΠΕΝ/ΕΣΠΑΕΝ/77472/520/2020 on the *"E-moving"* initiative (the "MD").

The Law introduces a unified and thorough regulatory framework for the e-mobility market, previously regulated in a partial and fragmented way, whilst the MD creates subsidies for the acquisition or lease of electric vehicles.

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The objective of the Law is to increase the use of low emission vehicles, to develop Greece's charging infrastructure and to formulate the regulatory framework of the e-mobility market, by introducing financial and tax incentives as well as provisions on the organisation and operation of the market, the relations between market players and their obligations, spatial and urban planning for the development of charging infrastructure and other technical issues.

In brief, the Law provides for the following:

Tax incentives for the acquisition and use of e-vehicles and the development of charging points

The Law includes a range of tax benefits for the acquisition or leasing of electric vehicles or plug-in hybrid vehicles. These are further increased for islands, including higher tax deductions for vehicles used for business or provided to employees as well as increased depreciation rates and tax allowances for the installation of public or employee-only charging points.

Incentives for e-mobility product manufacturing

The Law includes incentives for the installation and operation of products related to the e-mobility market. Firstly, the Law accelerates the procedure for the installation and operation of such units by granting absolute priority in the licensing procedure before public authorities. Further, units located in the regions of West Macedonia and Arcadia, where lignite facilities are currently concentrated, enjoy additional incentives; indicatively, along with social security incentives, the income tax rate applicable to such units is reduced by 5% for the first five profitable years and the depreciation rate of fixed assets is increased.

Build-out of charging infrastructure

The Law includes provisions to promote the rapid development of a charging network across Greece. In particular, all municipal authorities must produce EV charging plans providing for sufficient charging points in publicly accessible areas; these may be implemented through open tenders. Further, special ranks and charging points must be created for exclusive use by taxi drivers driving purely electric or hybrid electric vehicles. All new or renovated buildings should install suitable cabling to allow for the creation of charging points, and in purely commercial buildings there must be at least one charging point per 20 parking spaces. Provisions simplifying the procedure for the installation of domestic chargers are introduced and obligations to create a minimum number of charging points are imposed for state-owned and governmental buildings.

Organisation and operation of the market

The Law aims to promote a contemporary, complete and transparent market model for the healthy development of the market to assist Greece in meeting its goals for rapid growth of clean transportation and decarbonisation of the energy mix. In brief:

- the basic terms of operation and the roles are determined for Electric Vehicle Charging Infrastructure Providers (“EVCIP” and in Greek “ΦΕΥΦΗΟ”), E-mobility Services Provider (“ESP” and in Greek “ΠΥΗ”), processor of e-mobility transactions (“PEMT” and in Greek “ΦΔΣ”) and aggregators of electricity for electric vehicles (“Aggregator” and in Greek “ΦΟΣΕΦΗΟ”);
- HEDNO (the electricity distribution network operator) is required to enable the connection of charging points with the distribution network without discrimination amongst the businesses that develop and operate charging points;
- the Registry of E-Mobility Infrastructure and Market Participants is created, containing information on market participants and publicly-accessible charging points. The Registry is intended to ensure market transparency and online access to real-time information in respect of charging networks, costs, navigation and booking of charging points;
- charging prices are unregulated but should be determined on a transparent basis; and
- the Ministry of Environment & Energy in cooperation with the Regulatory Authority for Energy will supervise the organisation and operation of the e-mobility market.

Ministerial decision

The MD establishes and regulates the “*E-moving*” initiative, which provides significant incentives to consumers and professionals for the acquisition of EVs or plug-in hybrid vehicles, as well as for the purchase and installation of EV charging infrastructure.

The purpose of *E-moving* is to promote e-mobility and facilitate the penetration of EVs in the Greek market in order to reduce gas emissions and fulfil the targets of the national energy and climate plan. As anticipated¹, the initiative provides subsidies (of a total public expenditure of €45.8m) in the form of an environmental bonus for the purchase or lease of EVs.

The three following categories may participate in the initiative: individuals, taxi owners and legal entities. The subsidies vary per category.

(a) Individuals (not in the context of their business activity):

- for the purchase or lease of an EV with retail price before tax ("RPBT") up to €30,000, the environmental bonus is 20%, with a maximum of €6,000;
- for the purchase or lease of an EV with RPBT between €30,000 and €50,000 the environmental bonus is 15%, with a maximum of €6,000;
- for the purchase of a two-wheel/three-wheel vehicle, the environmental bonus is 20% of the purchase price before VAT, with a maximum of €800; and
- for the purchase of an electric bicycle, the environmental bonus is 40% of the purchase price before VAT, with a maximum of €800.

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Moreover, if an individual voluntarily replaces an old vehicle (manufacture date 2013 or older) with an EV, there is an additional subsidy of €1,000 for cars and €400 for two-wheel/three-wheeled vehicles (excluding e-bikes). Individuals can also apply for a subsidy of €500 for the acquisition of a home EV charger.

"The initiative runs until 31 December 2021, unless all the available funds are consumed prior to this date."

(b) Taxi owners:

The subsidies are higher in this category:

- for the purchase or lease of an EV with RPBT up to €50,000, the environmental bonus is 25%, with a maximum of €8,000; and
- for the purchase or lease of a hybrid plug-in vehicle with emissions up to 50grCO₂/km and RPBT up to €50,000, the environmental bonus reaches 15%, with a maximum of €5,500.

In each case, if the owner has an old taxi (built before 2013) this must be withdrawn, for which the owner will receive an additional subsidy of €2,500.

(c) Legal entities:

Environmental bonuses are available to companies to buy or lease up to three vehicles (or up to six vehicles if the legal entity has business activity on an island) as follows:

- EVs with RPBT up to €50,000, for which the environmental bonus reaches 15% of the RBPT, with a maximum of €5,500;
- Hybrid commercial EVs (with low emissions up to 50 gr CO₂ /km) up to 3.5 tons, with RPBT up to €50,000, obtain an environmental bonus of 15% of the RPBT with a maximum of €4,000; and
- E-two wheels/three-wheels earn an environmental bonus of 20% of their purchase price before VAT with a maximum of €800.

Replacement of the old vehicle is not obligatory. The additional bonus offered for such replacement amounts to €1,000 (for cars) or €400 (for two/three-wheels, excluding bicycles).

Moreover, the MD refers to the technical requirements of the charging infrastructure for home use.

Applications to participate in the initiative are submitted to the e-platform kinoumeilektrika.yper.gr. Each application should be accompanied by the required documentation, as indicated in the relevant annexes of the MD.

Applicants must include a formal offer from the vendor of the specific vehicle they wish to purchase in their applications. Except for legal entities, each applicant may apply only for one vehicle.

The MD provides an explicit description of the application process, of the objection process if an application is rejected, of the payment process and the obligations of the participants.

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Market data

It appears that the entry into force of the Law and the issue of the ministerial decision have had a positive effect on the market.

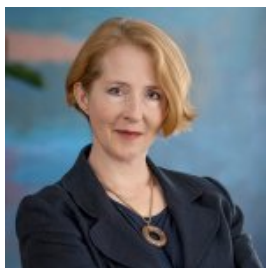
According to the press, approximately €5m of the funds for the “E-moving” campaign have already been utilised, which has created a turnover of €35m in the market. 400 e-vehicles have been sold since August, representing 75% of all e-vehicle sales over the last four years in Greece. Notably, 80% of the applications were for electric scooters or bicycles².

[1] Please refer to WFW article dated April 2020 entitled *The Future of E-charging infrastructure in the EU: Greece*.

[2] <https://energypress.gr/news/400-ilektrika-aytokinita-polithikan-os-tora-sta-plaisia-toy-kinoymai-ilektrika>

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