



**HELLENIC REPUBLIC
MINISTRY FOR THE ENVIRONMENT, ENERGY AND CLIMATE CHANGE
SECRETARIAT GENERAL FOR ENERGY AND CLIMATE CHANGE
DIRECTORATE GENERAL FOR ENERGY
DIRECTORATE FOR OIL POLICY**

5th NATIONAL REPORT

(YEAR 2008)

**REGARDING THE PROMOTION OF THE USE OF BIOFUELS OR
OTHER RENEWABLE FUELS FOR TRANSPORT IN GREECE IN THE
PERIOD 2005-2010**

(ARTICLE 4 OF DIRECTIVE 2003/30/EC)

INTRODUCTION

Directive 2003/30/EC of the European Parliament and of the Council of 8 May 2003 aims at promoting the use of biofuels or other renewable fuels to replace diesel or petrol for transport in each Member State, with a view to contributing to compliance with the Kyoto Protocol climate change commitments, ensuring environmental-friendly and safe supply and promoting renewable energy sources. Within that framework, Member States should ensure that a minimum proportion of biofuels and other renewable fuels is placed on their markets, and, to that effect, they shall set national indicative targets.

Under the Directive a reference value was 2% by 31.12.2005, calculated on the basis of energy content, of all petrol and diesel for transport purposes placed on the market. The above ratio shall be increased to 5.75% by 31.12.2010.

In addition, under Article 4 of the Directive, Member States shall submit an annual Report to the European Commission on the measures taken to promote the use of biofuels or other renewable fuels to replace diesel or petrol for transport purposes, the national resources allocated to the production of biomass for energy uses other than transport, and the total sales of transport fuel and the share of biofuels, pure or blended, and other renewable fuels placed on the market for the preceding year, also reporting on any exceptional conditions that have affected the marketing of biofuels in the country. In their first Report, Member States shall indicate the level of their national indicative targets for the first phase, and in the report covering the year 2006, Member States shall indicate their national indicative targets for the second phase.

To transpose the above Directive into national law and ensure the smooth and unhindered placement of biofuels and other renewable fuels on the domestic market, the Ministry of Development initiated a number of meetings with stakeholders in early 2004, which is still in progress.

The initial results of the above ongoing consultation were presented in the 1st National Report submitted to the European Commission in July 2004.

The 2nd, 3rd and 4th National Reports submitted to the European Commission in July 2006, December 2006 and May 2008, respectively, presented detailed updated information as available at the time of submittal, along with the framework used for planning necessary actions in the fuel and biofuel sectors, and included conclusions from studies prepared by the Centre for Renewable Energy Sources on biofuels and energy crops and the legislative and regulatory framework established at the time.

This 5th National Report, which was prepared in January 2009, presents relevant updated information based on 2007 statistics.

GENERAL

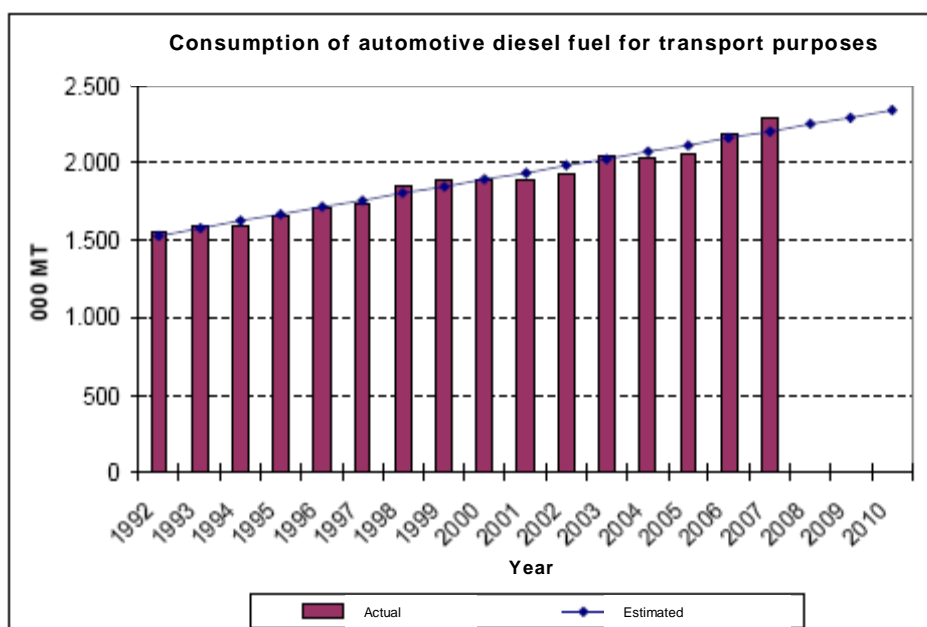
Among possible biofuels listed in directive 2003/30/EC, the most appropriate ones for Greece are biodiesel and bioethanol, whereas interest has been expressed for pure vegetable oils too.

The consumption of fuels used for transport purposes in Greece in 2007 were as follows: 2 288 000 MT of automotive diesel fuel and 4 128 000 MT of petrol (unleaded and LRP).

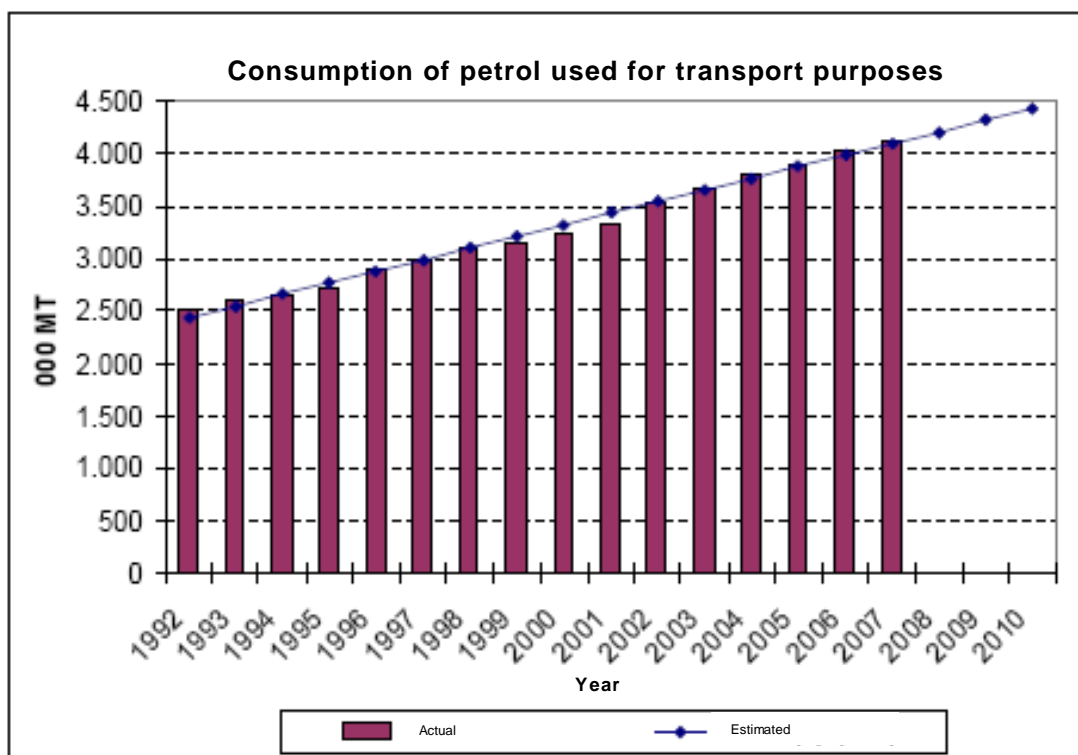
In the same period, 94 470 MT of biodiesel was marketed by 12 companies (10 Greek producers and 2 importers) in the country.

Following is a detailed presentation of the consumption rates, along with estimates of consumption rates until 2010, for automotive diesel fuel and petrol used for transport purposes.

Year	Consumption of automotive diesel fuel used for transport purposes (000 MT)		
	Actual	Estimated	Difference
1992	1 557	1 532	25
1993	1 588	1 577	11
1994	1 601	1 622	-21
1995	1 660	1 667	-7
1996	1 711	1 712	-1
1997	1 732	1 757	-25
1998	1 851	1 802	49
1999	1 888	1 847	41
2000	1 890	1 892	-2
2001	1 896	1 937	-41
2002	1 925	1 981	-56
2003	2 044	2 026	18
2004	2 036	2 071	-35
2005	2 055	2 116	-61
2006	2 185	2 161	24
2007	2 288	2 206	82
2008		2 251	Correlation coefficient = 0.9834
2009		2 296	
2010		2 341	



Year	Consumption of petrol used for transport purposes (000 MT)		
	Actual	Estimated	Difference
1992	2 532	2 439	93
1993	2 594	2 550	44
1994	2 645	2 660	-15
1995	2 724	2 770	-46
1996	2 890	2 881	9
1997	2 985	2 991	-6
1998	3 106	3 101	5
1999	3 165	3 212	-47
2000	3 230	3 322	-92
2001	3 336	3 433	-97
2002	3 532	3 543	-11
2003	3 677	3 653	24
2004	3 814	3 764	50
2005	3 888	3 874	14
2006	4 026	3 984	42
2007	4 128	4 095	33
2008		4 205	Correlation coefficient = 0.9953
2009		4 315	
2010		4 426	



BIODIESEL

Biodiesel is produced through esterification using vegetable oils (and animal fats) and methanol as raw materials. This process also produces glycerin as a byproduct.

Biodiesel management does not pose any special technical obstacles, and thus it can be marketed without any problems using the existing infrastructure of the automotive diesel fuel market. In the first phase, since late December 2006, biodiesel has been blended by refineries or oil product trading companies with automotive diesel fuel at a ratio that is now approximately 4.5% by volume, but can be increased to 5% by volume (according to the standard EN 590:2004), which is expected to happen in early 2009, and it is placed on the domestic market through the existing automotive diesel fuel distribution network. Later on, after certain technical and institutional issues are resolved, there are plans for placing on the market biodiesel blended with automotive diesel fuel at a blending ratio of over 5% by volume, as well as pure biodiesel.

The following companies engage in the domestic production of biodiesel:

S/N	Company	Location of the production plant	Nominal annual capacity (MT of biodiesel)	Production started in
1	EL.VI. – HELLINIKΑ VIOPETRELAIA S.A.	Stavrochori, Prefecture of Kilkis	90,000 <i>(initially 45 000)</i>	Dec 2005
2	PAVLOS N. PETTAS S.A.	Industrial Area of Patras	100,000 (initially 50 000)	Jul 2006
3	VERT OIL S.A.	Agios Athanasios, Prefecture of Thessaloniki	35 000 (initially 10 000)	Jul 2006
4	AGROINVEST S.A.	Achladi, Prefecture of Fthiotida	250 000	Nov 2006
5	STAFF COLOUR - ENERGY S.A.	Industrial Area, Prefecture of Larisa	15 000 <i>(initially 10 000)</i>	Dec 2006
6	EKKOKISTIRIA – KLOSTIRIA VOREIOU ELLADOS S.A.	Vistonida, Prefecture of Xanthi	10 000	Feb 2007
7	VIODIZEL LTD.	Assiros, Prefecture of Thessaloniki	20 000	Feb 2007
8	ELIN VIOKAFSIMA S.A.	Industrial Area of Volos	40 000	May 2007
9	VIOENERGEIA PAPANTONIOU S.A.	Industrial Area of Lakkoma, Prefecture of Chalkidiki	10 000	Jul 2007
10	MIL OIL HELLAS S.A.	Industrial Area of Serres	5 000	Oct 2007
11	PHYTOENERGEIA S.A.	Paralimnio, Prefecture of Serres	20 000	Nov 2008
12	GF ENERGY S.A.	Agioi Theodoroi, Prefecture of Corinthia	100 000	Dec 2008
TOTAL CAPACITY			695 000	

The construction of production plants no. 1, 5, 6, 7, 9, 10 and 12 was financed by the Operational Programme "Competitiveness", which draws funds from the 3rd Community Support Framework, whereas the construction of production plants no. 2 and 8 was financed on the basis of Development Law 3299/2004.

In addition, there are 2 biodiesel trading companies in our country, i.e. "BIODIESEL S.A." (imports from Italy) and "MOTOR OIL HELLAS CORINTH REFINERIES S.A." (imports from Italy), and 2 companies operating production plants in the EU, i.e. "DP LUBRIFICANTI SRL" (imports from its plant in Italy) and "CAFFARRO CHIMICA SRL" (imports from its plant in Italy).

The raw materials used by the above biodiesel production plants are both imported oils (soybean oil, rapeseed oil, etc.) and oils from other EU Member States and third countries, representing approximately 7%, and domestic oils (cotton oil, sunflower oil, rapeseed oil, used cooking oils and frying oils, etc.), representing approximately 30%. Increased efforts are also made to increase domestic sunflower and rapeseed crops so that the ratio of domestic raw materials exceeds that of imported raw materials, without, however, disrupting the food sector.

It should be noted that pure biodiesel sold in Greece must comply with the specifications laid down in the standard ELOT •• 14214:2004.

According to plan, initially, during the first implementation stage, biodiesel is intended only for blending with automotive diesel fuel at a ratio of 5% by volume. A second stage will follow, where pure biodiesel will be placed on the retail market, and it will also be blended with automotive diesel fuel at a higher ratio, intended for vehicle fleets (such as public transport vehicles, etc.). Moreover, the possibility of using biodiesel for heating, industrial or other purposes, even for the generation of electricity or the cogeneration of electricity and heat, according to Law 3468/2006 «*Production of Electricity from Renewable Energy Sources and High-Efficiency Cogeneration of Electricity and Heat and other provisions*» (HGG Issue No. •' 129), is being examined.

The marketing of biodiesel in Greece started in December 2005, when the first quantities were sold by EL.VI. – HELLINIKΑ VIOPETRELAIA S.A. to domestic refineries for blending with automotive diesel fuel. A biodiesel and automotive diesel fuel blend, with a 2% biodiesel content, has been sold to end consumers since February 2006 and is still being sold regularly to this day. After that, the blending ratio was increased approximately to 4.5% by volume and is expected to reach 5% in the near future.

Moreover, quantities of biodiesel are distributed every year, following a relevant invitation for submittal of applications and an evaluation and distribution process on the basis of certain criteria, to producers or traders-importers who are interested in taking part in the distribution.

It should be noted that the biodiesel and automotive diesel fuel blend that was marketed was exempted from excise tax, in accordance with its biodiesel content by volume, until 31 December 2007. Since January 2008, the excise tax on biodiesel was made equal to that imposed on automotive diesel fuel, for those quantities of biodiesel that are intended for blending with automotive diesel fuel at a ratio of up to 5% by volume.

Finally, the possibility and extent of applying a detaxation scheme for the quantities of pure biodiesel that may be placed on the retail market for transport or other purposes in the future is being examined.

BIOETHANOL

Bioethanol is produced through fermentation using hydrocarbon-rich plants as raw materials.

As opposed to biodiesel, bioethanol, when blended with petrol, poses technical obstacles in Greece, the most important being separation in the presence of water under cold conditions and Reid vapor pressure (RVP) mainly in summer-specification petrol. For this reason, it is planned to convert bioethanol into ETBE (Ethyl Tertiary Butyl Ether) and use this as a blending component in petrol, replacing MTBE (Methyl Tertiary Butyl Ether), which is currently used. The blending ratio used for blending •••• (and ••••) with petrol may increase up to 15% by volume, whereas in the case of bioethanol, the respective ratio is only up to 5% by volume, as per standard EL0T •• 228:2004.

It should be noted that the conversion of bioethanol into ETBE can also be realized in the existing MTBE production facilities of refineries, after making certain modifications. This technique is widely used in Spain, Italy, France and other European countries. Greek refineries have stated that they need at least 18 months to prepare for the processing of bioethanol.

Of course, to be able to absorb all the quantities of bioethanol required for the achievement of the national biofuel target, the conversion of ethanol into ETBE alone will not suffice, but direct blending with petrol will also be needed. That is why consultation has been initiated with stakeholders to come up with ways to overcome the above technical obstacles.

So far no bioethanol is produced or imported to be used as transport fuel; it is only used for the production of alcoholic beverages and medicines.

In late 2006, "HELLENIC SUGAR INDUSTRY S.A." announced a resolution adopted by its Board of Directors to convert two of its five sugar producing plants in Larisa and Xanthi into bioethanol production plants (used also for the production of highly nutritious fodder and the simultaneous cogeneration of electricity and heat) of a capacity of 150 000 m³ of bioethanol each, using already cultivated sugar beets, corn and grain as raw materials. According to plan, the project will be completed within 18-24 months of commencement of works, i.e. in late 2009 or early 2010, and it will be funded from the EU subsidy paid for withdrawal of the sugar production quota, in accordance with the new CMO for sugar. The international tender held for finding a Strategic Investor for the project was terminated in November 2008, without being completed, and the company will reevaluate the entire project on the basis of new facts regarding the international energy and food markets.

The raw materials used for the production of bioethanol include sugar beets and corn or grain, which are already cultivated in the country, as well as sweet sorghum, which has a higher yield per area unit as compared to sugar beet, but needs extensive restructuring of crops, mainly in areas that are close to candidate plants to help reduce raw material transport costs.

Finally, it should be pointed out that the standard ELOT EN 15376:2008, laying down the final specifications on bioethanol, was issued on 27 March 2008. A process is still pending for transposing it into national law in the form of a Supreme Chemical Council Decision.

In view of the above, the import and placement of bioethanol on the Greek fuel market is not expected to begin before early 2010.

NATIONAL CAPACITY FOR RAW MATERIALS USED FOR BIOFUEL PRODUCTION

• . *National Capacity for Raw Materials*

It should be pointed out that a significant amount of crops cultivated in Greece can be used for biofuel production.

Sunflower oil, rapeseed oil and cotton oil are important for biodiesel production. Among the above crops, cotton is systematically cultivated in many parts of the country, whereas systematic cultivation of sunflower and rapeseed started in a number of parts of the country in 2007, mainly in Thrace and Macedonia, and soybeans are imported. Used cooking oil, frying oil and animal fat can also be used, to a certain degree, as alternative raw materials for biodiesel production, which also helps reduce the environmental impact of such waste.

Sugar beets, sweet sorghum, as well as corn and grain are expected to play a major role in bioethanol production. Among the above crops, sugar beets, corn and grain are systematically cultivated in many parts of the country, whereas sweet sorghum is not currently cultivated, despite the fact that, based on test crops, it offers a higher bioethanol yield per surface area unit as compared to sugar beets and can be successfully grown in all parts of the country.

B. Cost-benefit analysis

The cost incurred for the placement of biofuels on the Greek market relates mainly to the loss of State revenues due to the detaxation of such fuels, i.e. due to the fact that they are entirely or partially exempted from excise tax.

On the contrary, the benefits from the placement of biofuels on the Greek market are higher and include the following:

Saving significant amounts of foreign exchange due to reduced oil imports.

Benefit from reduced CO₂ emissions, which also results in financial benefits, taking into account the commitments undertaken by our country in accordance with the Kyoto Protocol.

Benefits from the new jobs created and the subsidies offered for energy crops.

In addition to the above benefits of biofuels, we should also mention the benefits for the Greek agricultural sector through restructuring of crops, which results not only in increased agricultural revenues, but also in helping people stay in rural areas, boosting regional development and, finally, increasing GNP. Also important are benefits for the environment and public health.

NATIONAL INDICATIVE BIOFUEL TARGET FOR 2009

The National Indicative Biofuel Target for 2009, as per Directive 2003/30/EC, is estimated, in this phase and according to current data, at **1.59%** on the basis of energy content, of all petrol and diesel for transport purposes placed on the market during that period. The above ratio is expected to rise in the following period, as the quantities of biodiesel placed on the domestic market are being increased and the marketing of bioethanol is about to begin.

Following is a detailed calculation of the National Indicative Biofuel Target for 2009:

- Estimated Biodiesel Consumed in 2009 = 120 000 MT (or 136 500 kilolitres, with biodiesel specific gravity = 0.88 kg/lt)
- Estimated Bioethanol Consumed in 2009 = 0 • •
- Estimated Automotive Diesel Fuel Consumed in 2009 = 2 296 000 • •
- Estimated Petrol Consumed in 2009 = 4 315 000 • •

- Biodiesel energy content = 9 050 kcal/kg
- Bioethanol energy content = 6 429 kcal/kg
- Automotive diesel fuel energy content = 10 200 kcal/kg
- Petrol energy content = 10 444 kcal/kg

Thus:

$$\begin{aligned}
 & \left(120\,000\,000\,\text{kg} \times 9\,050\,\text{kcal/kg} \right)_{\text{biodiesel}} + \left(0\,\text{kg} \times 6\,429\,\text{kcal/kg} \right)_{\text{bioethanol}} \\
 & \text{-----} = \\
 & \left(2\,296\,000\,000\,\text{kg} \times 10\,200\,\text{kcal/kg} \right)_{\text{diesel}} + \left(4\,315\,000\,000\,\text{kg} \times 10\,444\,\text{kcal/kg} \right)_{\text{petrol}} \\
 & = \text{-----} = \\
 & \left(23\,419\,200\,000\,000\,\text{kcal} \right)_{\text{diesel}} + \left(45\,065\,860\,000\,000\,\text{kcal} \right)_{\text{petrol}} \\
 & \left(1\,086\,000\,000\,000\,\text{kcal} \right)_{\text{biodiesel}} \\
 & = \text{-----} = \mathbf{1.59\%} \\
 & \left(68\,485\,060\,000\,000\,\text{kcal} \right)_{\text{diesel \& petrol}}
 \end{aligned}$$

ACHIEVED NATIONAL BIOFUEL TARGET IN 2007

The achieved National Biofuel Target in 2007, as per the above data, is calculated at **1.29%** on the basis of energy content, of the total petrol and diesel for transport purposes placed on the market during that period, as compared to the initial indicative target of 1.40%, as communicated to the European Commission in the 3^{re} National Report on Biofuels in December 2006.

This deviation is due to the fact that only 94 470 MT (107 350 kilolitres) of biodiesel was finally marketed by 12 companies in 2007, out of the initial quantity of 100 000 MT (114 000 kilolitres) of biodiesel distributed to 13 companies. This is due to the fact that 1 company did not place on the market any of the 3 520 MT (4 000 kilolitres) of biodiesel distributed thereto, and the remaining quantity was not placed on the market due to other typical, technical and practical obstacles that arose and had to be resolved, often resulting in the suspension of the marketing of biodiesel for few or more days, depending on how serious the problem was.

NATIONAL RESOURCES ALLOCATED TO THE PRODUCTION OF BIOMASS FOR ENERGY PURPOSES OTHER THAN TRANSPORT

Renewable Energy Sources (RES) contributed to the Total Primary Energy Production in 2007, as compared to 2005 and 2006, in accordance with the following table:

Primary Energy Production using RES (MWh)			
Energy product	Year		
	2005	2006	2007
Solar	1 266 452	1 699 353	1 420
Wind	0	0	1 818 000
Geothermal	93 807	85 125	0
Biogas from landfills	27 713	29 000	160 000
Biogas from sewage treatment plants	99 716	25 000	24 000
Industrial waste	5 610 497	6 474 849	0
Total Hydroelectric plants broken down as follows:	105 876	89 229	3 376 422
<i>a. Small hydroelectric plants (<1 MW)</i>	218 432	299 288	117 672
<i>b. Medium hydroelectric plants (1-10 MW)</i>	4 692 963	5 476 564	177 219
<i>c. Large hydroelectric plants (>10 MW)</i>	593 226	609 768	2 296 531
<i>d. Pumped storage</i>	7 099 138	8 314 713	785 000
TOTAL	1 266 452	1 699 353	5 379 842

Furthermore, biomass production in 2007, as compared to 2005, 2006 and 2007, is shown in the following table:

Biomass Production (TJ_{net})			
Energy product	Year		
	2005	2006	2007
Wood	29 393	29 393	31 696
Plant residues	10 671	9 597	10 379
<i>of which:</i>			
<i>Timber-cutting residues</i>	1 194	1 146	1 744
TOTAL	40 064	38 990	42 075

INSTITUTIONAL FRAMEWORK

A. Harmonization of Legislation

To transpose Directive 2003/30/EC into national legislation, Law 3423/2005 “*Placement of biofuels and other renewable fuels on the Greek market*” (HGG Issue No. • ' 304) was passed, which was put in effect on 13 December 2005. Among other things, the above law:

a) properly complemented and amended Law 3054/2002 “*Organization of the oil product market and other provisions*” (HGG Issue No. • ' 230) to include biofuels, along with other oil products, in the operation and control of the Greek fuel market;

b) established a “Biofuel Quantity Distribution Plan” until 31st December 2010 to regulate the processes and methodology used for distributing the quantities of detaxed pure biofuels on an annual basis;

c) established that refineries are required to receive the detaxed quantities of pure biofuels included in each year's distribution and intended for blending with corresponding conventional mineral fuels;

d) introduced the institution of the Biofuel Marketing License;

e) set the national goal at 5.75%, calculated on the basis of energy content, of all petrol and diesel for transport purposes placed on the market by 31st December 2010.

B. Technical Regulations

As regards biodiesel, the specifications laid down in the standard ELOT •• 14214 on automotive biodiesel fuel were adopted by decision no. 334/2004 “*Automotive fuels – biodiesel for diesel engines – Testing requirements and methods*” (HGG Issue No. • ' 713/2005; complemented in HGG Issue No. • ' 1149/2005) taken by the Supreme Chemical Council (SCC).

The standard ELOT EN 15376:2008, laying down the final specifications on bioethanol, was issued on 27th March 2008. Following that, it will take at least six months to transpose it into national law in the form of a Supreme Chemical Council Decision.

Moreover, SCC decision no. 513/2004 “*Adapting to the technical progress of SCC decision no. 291/2003 “Transposing into Greek law Directive 98/70/EC of the European Parliament and of the Council of 13.10.1998, relating to the quality of petrol and diesel fuels, as amended and currently in force”*” (HGG Issue No. • ' 1149/2005) also transposed into national law the standards ELOT •• 590:2004 on automotive diesel fuel and ELOT •• 228:2004 on petrol. Then followed SCC decision no. 514/2004 “*Automotive fuels – automotive diesel fuel – Testing requirements and methods*” (HGG Issue No. 1490/2006). According to the above standards, biodiesel can be blended with automotive diesel fuel and bioethanol can be blended with petrol at ratios of up to 5% by volume.

C. Tax incentives

To promote the use of biofuels, it is necessary to “detax” them in the beginning, that is, to exempt them, entirely or partially, from excise tax so that they become competitive as compared to mineral fuels, also taking into account that they have a higher corresponding ex-factory price (exclusive of taxes). Thus, various full or partial detaxation scenarios for biofuels are being examined in cooperation with the Ministry of Economy and Finance, as per the guidelines of Directive 2003/96/EC, taking into account the price offered to end consumers.

Within that framework, to ensure a favorable tax regime for biofuels, a relevant provision has already been included in Article 34 of Law 3340/2005 *“Protection of the capital market against actions taken by holders of privileged information and actions aiming at manipulating the market”* (HGG Issue No. •' 112), which provides for exemption from excise tax for specific quantities of biodiesel for the years 2005 (51 000 kilolitres or 45 000 tons), 2006 (91 000 kilolitres) and 2007 (114 000 kilolitres), in the first phase.

To implement the above provision, Joint Ministerial Decision (JMD) •.1643/820/23.12.2005 *“Conditions and formalities that govern the production, marketing, blending and offering for consumption of pure biodiesel, as referred to in par. 6 of Article 78 of Law 2960/2001, as currently in force”* (HGG Issue No. •' 4/2006) was issued. Then followed JMD •.1731/978/01.12.2006 *“Conditions and formalities that govern the production, marketing, blending and offering for consumption of pure biodiesel, as referred to in par. 6 of Article 78 of Law 2960/2001, as currently in force”* (HGG Issue No. •' 1757), which has replaced the above JMD since 1st January 2007.

It should also be noted that Article 10 of Law 3483/2006 *“Amending and complementing the finance leasing provisions, provisions on public revenues and other regulations”* (HGG Issue No. •' 169) amended the excise tax rates applicable to different types of fuels, including automotive diesel fuel, petrol and biodiesel, without compromising the provisions on the detaxation of quantities of biodiesel for the period 2005-2007, as follows:

Excise Tax Rate (Euro/kiloliter)	01/07/2006 31/12/2006	01/01/2007 31/12/2007	01/01/2008 31/12/2008	01/01/2009 31/12/2009
Unleaded petrol up to 96.5 RON	313	331	350	359
Unleaded petrol over 96.5 RON	327	338	349	359
LRP petrol	342	347	352	359
Automotive diesel fuel	260	276	293	302
Biodiesel (no detaxation)	260	276	293	302

It should be noted that the biodiesel and automotive diesel fuel blend that was marketed was exempted from excise tax, in accordance with its biodiesel content by volume, until 31 December 2007. Since 1 January 2008, the excise tax on biodiesel was made equal to that imposed on automotive diesel fuel, for those quantities of biodiesel that are intended for blending with automotive diesel fuel at a ratio of up to 5% by volume.

Finally, the possibility and extent of applying a detaxation scheme for the quantities of pure biodiesel that may be placed on the retail market in the future is being examined.

D. Distribution of pure detaxed biodiesel

Parallel to the implementation of Law 3423/2005, Invitation No •1/•,•6/•.18/•••.23331/06.12.2005 was issued for the expression of interest for placement on the market of a quantity of 51 000 kilolitres of detaxed biodiesel for 2005, used as a basis for issuing JMD •6/•.18/•••.24709/22.12.2005 *“Approval of the distribution, for 2005, of quantities of pure biodiesel that are subject to the special taxation regime of Article 78, par. 6 of Law 2960/2001, according to the provisions of Article 15a, par. 5 of Law 3054/2002”*, which provided for the distribution for 2005 of a quantity of 2 500 kilolitres of pure biodiesel to EL.VI. – HELLINIKA VIOPETRELAIA S.A.

Then followed Invitation No •6/•.18/•••.892/17.01.2006 for the expression of interest for the placement on the market of a quantity of 91 000 kilolitres of pure detaxed biodiesel for 2006. Out of the sixteen applications filed by different companies, relating both to domestic production and import from EU Member States, following a relevant evaluation process, fourteen companies were accepted, to which the relevant quantities were distributed, and JMD •1/•/•••.8392/20.04.2006 *“Approval of the distribution, for 2006, of a quantity of 91 000 kilolitres of pure biodiesel that are subject to the special taxation regime of Article 78, par. 6 of Law 2960/2001, according to the provisions of Article 15a, par. 5 of Law 3054/2002, as currently in force”* (HGG Issue No. •' 512) was issued in April 2006, which provided that the above quantity was distributed to fourteen companies, i.e. twelve producers and two traders- importers of biodiesel.

Then followed Decision no. •1/•/25683/22.12.2006 of the Deputy Minister of Development regarding the invitation for the expression of interest for the placement on the market of a quantity of 114 000 kilolitres of pure detaxed biodiesel for 2007. Out of the 23 applications filed by different companies, relating both to domestic production and import from EU Member States, following a relevant evaluation process, 13 companies (10 producers and 3 traders-importers) were accepted, to which the relevant quantities were distributed, and JMD •1/•/3495/14.02.2007 *“Approval of the distribution, for 2007, of a quantity of 114 000 kilolitres of pure biodiesel that are subject to the special taxation regime of article 78, par. 6 of Law 2960/2001, as currently in force, according to the provisions of Article 15a, par. 5 of Law 3054/2002, as currently in force”* (HGG Issue No. •' 258) was issued. One of the above 13 companies failed to submit the required letter of guarantee and two of them failed to submit the required energy crop contracts, and thus a quantity of 4 405 kilolitres of biodiesel was redistributed to the remaining 10 companies on the basis of JMD •1/•/879/11.01.2008 *“Redistribution, for 2007, of a quantity of 4 405 kilolitres of pure biodiesel, according to JMD •1/•/3495/14.2.2007”* (HGG Issue No. •' 33).

To implement the above law in the current year 2008, JMD • 1/• /8090/04.04.2008 “Distribution for the months of March, April and May 2008 of a quantity of 30 400 kilolitres of pure biodiesel, according to the provisions of article 15a, par. 5 of Law 3054/2002, as currently in force” (HGG Issue No. • ' 638) was issued, which was amended by JMD • 1/• /14512/12.06.2008 “Extension of the effective period of JMD • 1/• /8090/04.04.2008 (HGG Issue No. • ' 638)” (HGG Issue No. • ' 1170). Then followed JMD • 1/• /14639/12.06.2008 “Invitation for participation in the distribution, for 2008, of a quantity of 123 000 kilolitres of pure biodiesel, according to the provisions of article 15a, par. 5 of Law 3054/2002, as currently in force” (HGG Issue No. • ' 1143). Out of the 18 applications filed by different companies, relating both to domestic production and import from EU Member States, following a relevant evaluation process, 17 companies (13 producers and 4 traders-importers) were accepted, to which the relevant quantities were distributed, and JMD • 1/• /19792/08.08.2008 “*Distribution for the year 2008 of a quantity of 123 000 kilolitres of pure biodiesel, according to the provisions of Article 15a, par. 5 of Law 3054/2002, as currently in force*” (HGG Issue No. • ' 1626) was issued. One of the above 17 companies failed to submit the required letter of guarantee, and thus a quantity of 183 kilolitres of biodiesel is being redistributed to the remaining 16 companies.

E. Promotion of energy crops

To promote energy crops and implement European Commission Regulation 1973/2004, as currently in force, JMD 36781/23.03.2007 “*Measures for the implementation of a special aid regime for energy crops within the framework of the new CAP*” was issued. (HGG Issue No. • ' 444).

F. Revision of the institutional framework on biofuels

A Working Group was set up in April 2008 to study and review the existing institutional framework on biofuels in our country, which is expected to take effect in 2009, also taking into account the changes recommended by the new Directive on RES and biofuels. The Working Group has not completed its work yet.