

Greece: EIB backs 826 MW Mytilineos power plant to support energy transition



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- EIB agrees EUR 125m financing for EUR 322m power plant
- Key security of energy supply in context of closure of all lignite power generation in Greece
- Investment provides flexible generation to support growing share of intermittent renewables in the Greek electricity network.
- Project backed by the European Union under EFSI guarantee.

The European Investment Bank has agreed to support construction of a new power plant in Greece by Mytilineos S.A.

The new 826 MW CCGT Agios Nikolaos power plant will allow greater use of renewable energy resources in the country and enable the phasing out of lignite power generation in Greece by 2023, as well as supply long-term energy demand.

“The importance and vision of the Agios Nikolaos power plant to contribute to a cleaner energy future for Greece has been recognised by EIB’s first ever loan to Mytilineos. The new long-term EIB loan, shows how the EU Bank supports transformational investment in this country.” said Evangelos

Mytilineos, Chairman and CEO of Mytilineos SA.

“The European Investment Bank has unique technical and financial expertise in the energy sector and is a valuable partner to enable Greece to deliver on climate goals and move away from lignite use by 2028. We welcome the EIB’s recognition of the importance of supporting the energy transition in Greece and the new support for the Agios Nikolaos facility.” said Christos Staikouras, Minister of Finance of the Hellenic Republic and Governor of the European Investment Bank.

“The European Investment Bank is supporting energy transition in Greece. As part of the EIB Energy Lending Policy agreed in 2019, we committed to supporting a pipeline of gas projects already under appraisal, before moving to renewables-only lending from 2021. That’s why EIB is pleased to provide EUR 125 million to Mytilineos S.A. to support Greece’s energy security. The EIB looks forward to working together with Mytilienos and other leading energy project partners to support future clean energy investment across Greece.” said Andrew McDowell, European Investment Bank Vice President responsible for lending operations in Greece.

European financial backing

The EIB will provide a EUR 125 million 8 year loan to finance construction and connection of the new EUR 322m plant at Agios Nikolaos Viotias in central Greece alongside an existing energy generation center and industrial site.

The EIB loan is guaranteed by the European Union under the Investment Plan for Europe.

Crucial investment in the context of lignite power plant closures and expansion of renewable energy in Greece

Once operational the new 826 MW natural gas CCGT plant will contribute to ensuring sufficient generation capacity to support the shut down of all - except one- lignite power plants in Greece by 2023. Lignite currently accounts for 4 GW of power generation in Greece, 22% of total capacity in the country.

The Agios Nikolaos plant will also provide flexibility to allow greater use of intermittent wind and solar power in the future and enable increased electricity network interconnection between mainland Greece and the islands.

The new plant will be the most efficient gas power plant in Greece and use state of the art CCGT technology. The new investment by Mytilineos S.A. will also help to diversify power generation in Greece and increase competition in the energy sector.

Environmental monitoring and public consultation

The project promoter will monitor environmental impact of the facility during construction and initial operation. This will include specialist monitoring of aquatic fauna in the Gulf of Corinth close to the site.

Prior to government consent being granted for the project a detailed public consultation exercise involved regional authorities, local community and stakeholders. No negative opinion was expressed in the scheme by stakeholders or interested parties.

EIB energy lending review

The new Agios Nikolaos power plant is expected to generate absolute carbon emissions of 320 gCO₂ / kWh.

This is within the European Investment Bank's emission performance standard of 550 gCO₂ / kWh in place when the project was approved.

Since the EIB board approved the project the EIB has introduced a new Energy Lending Policy that will end all financing for unabated fossil-fuel power generation by the end of 2021.