



**DESFA ANNUAL REPORT ON THE STATEMENT OF THE
SECURITY OF SUPPLY ACCOUNT
for the period 01.12.2014-31.03.2021**

21 April 2021

1. Introduction

The present report was drafted in accordance with the provisions of the Decision 1211/2018 of Regulatory Authority for Energy (RAE) amending RAE's Decision 344/2014 "Establishment of the maximum limit of the security of supply account, a unitary security of supply charge per category of natural gas customers and per standard power generation unit, in accordance with the provisions of article 73 of L. 4001/2011".

2. Statement of the Security of Supply Account

The records of the Security of Supply Account from the date of its entry into force until 31th March 2021 are the following:

TRANSACTIONS AND BALANCE OF SUPPLY SECURITY ACCOUNT			
	Invoicing Period		Data up to 31/03/2021
	From	To	
Inflows	02.12.2014	31.12.2014	1.119.470,64 €
	01.01.2015	31.03.2015	1.601.094,76 €
	01.04.2015	31.12.2015	3.503.951,22 €
	01.01.2016	31.03.2016	1.796.009,10 €
	01.04.2016	31.03.2017	2.298.515,97 €
	01.04.2017	31.03.2018	1.897.623,03 €
	01.04.2018	31.03.2019	1.531,73 €
	01.04.2019	31.03.2021	14.651.365,75 €
	Total Inflows until 31.03.2021 (net value excluding VAT)		26.869.562,20 €
Outflows	Payments of DESFA's to power production units that have concluded an agreement in accordance with the provisions of Article 73 (4) of Law 4001/2011 until 31.03.2019 (Decision of RAE No 344/2014)		2.368.591,66 €
	Payments of DESFA's to power production units that have concluded an agreement in accordance with the provisions of Article 73 (4) of Law 4001/2011 from 01.04.2019 to 31.03.2021 (Decision of RAE No 1211/2018)		8.831.387,43 €
	Cost of using Revythousa's Terminal facility for the storage of LNG security stock (Action Δ5)		2.423.120,26 €
	Payments of DESFA to power production units for maintaining LNG security stock (Action Δ3)		5.150.272,03 €
	Due payments (invoiced)		347.257,99 €

	Total outflows until 31.03.2021 (net value excluding VAT)	19.120.629,37 €
	Bank Statement of Security of Supply Account (net value, excluding VAT and interest) until 31.03.2021	7.748.932,83 €
Other Transactions	Interest as of account opening	349.353,98 €
	Bank account expenses as of its opening	909,00 €
	Current balancing of Security of supply account	8.097.377,81 €
	Current balancing of Security of supply account (TYA) in million €	8,10 mil. €

3. Recalculation of the unit amount of the Security Supply Fee

In addition, according to the aforementioned RAE Decision, an annual fee adjustment algorithm is set “ensuring a balanced security of supply account, through a revaluation coefficient C , calculated according to the following formula (1):

$$C = 1 - \frac{TYA}{EK}$$

where TYA is the current amount of the security of supply account in mil. € and EK are the yearly cost required to finance the relevant approved actions. The C -factor shall take values from 0-1 and shall be adjusted annually by the NNGS Operator, so that the amount of the Security of Supply Account does not exceed the ceiling set in Section G. In the case of a negative value in equation (1) the factor C is set to zero”.

In section Z of Decision 1211/20218 of RAE determines the maximum allowed limit of the Security of Supply Account.

According to this section “the TSO’s regular / fixed cost are resulted from:

A. the need to cover the annual consideration to the Power production units that hold license of alternative fuel, with whom it has been contracted through the contracts of paragraph 4 of article 73 of law 4001/2011. These liabilities, on an annual basis, are budgeted in the amount of **4.95 million €** and

B. the obligation to provide compensation to suppliers under the contracts provided in paragraph 5 of article 73 of Law 4001/2011. The maximum amount of compensation due to demand management, on an annual basis, according to section Δ of this decision, is set equal to **0.72 million €**.

For the Year 2021, the above mentioned have been considered for the calculation of the EK (annual cost required to finance the actions approved), therefore formula (1) is calculated as follows:

$$C = 1 - \frac{TYA}{EK} = 1 - \left(\frac{8,10}{4,95 + 0,72} \right) = 1 - \frac{8,10}{5,67}$$

The C -factor is calculated as a negative value; hence the C -factor is set to zero.

The unit amount of the security supply fee to be paid by Users for each category of natural gas consumption shall be adjusted from the 1st of May 2021 as follows:

- i. 0 €/MWh for the consumption of natural gas from interruptible consumers of natural gas as defined in RAE Decision 1211/2018**
- ii. 0 X 0,16 = 0 €/MWh for the consumption of natural gas exclusively for electricity production**
- iii. 0 X 0,18 = 0 €/MWh for all other natural gas consumption**
- iv. 0 X 0,48 = 0 €/MWh for the consumption of Natural Gas from Protected Consumers**