HELLENiQ ENERGY
Center for Sustainability and Energy
@ Alba Graduate Business School

Press Release

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Working Lunch at Bank of Greece on "Sustainable Finance"

Introduction

Financing the energy transition in Greece requires not only substantial capital investments but also the establishment of new, innovative regulatory and financial instruments. Banks play a pivotal role in achieving energy transition targets, as they will act as the primary financing engine. A defining characteristic of this new generation of project financing is the elevated risk profile it entails—one that the financial system is now called upon to absorb.

The HELLENiQ ENERGY Center for Sustainability and Energy @ Alba Graduate Business School organized the 1st Working Lunch at the Bank of Greece, attracting a broad participation from senior banking executives and representatives from the business and industrial sectors. The discussion highlighted the challenges associated with financing next-generation energy transition projects and underscored the critical role of the financial system.

The Role of Banks and the Importance of Public–Private Partnerships

Achieving Greece's transition to a net-zero emissions economy by 2050 will require massive investments across multiple technologies and infrastructure. These costs cannot be covered solely by national or European funds. A significant portion of the capital required for decarbonizing the Greek economy will need to be sourced through bank lending. At the same time, strong public–private partnerships (PPPs) are essential to bridge the substantial financing gap.

Required Measures to Accelerate the Energy Transition

Greece is actively addressing the challenge of financing its National Energy and Climate Plan (NECP), which requires approximately €100 billion for the period 2025–2030 and an additional €400 billion through 2050. Investment prioritization, efficient allocation of subsidies, and recognition of the inherent

complexity of the transition are critical success factors. There are no simple or one-dimensional solutions; achieving the targets will require a combination of strategies and financing mechanisms.

Higher Risk Profile of New Energy Investments

Energy transition projects—particularly those involving emerging technologies such as battery storage and green hydrogen—carry higher risks compared to traditional energy investments. These projects require long-term financial support due to uncertainties around technological maturity and the absence of robust regulatory frameworks.

The production of Sustainable Aviation Fuels (SAF):

Producing 40,000 tonnes of SAF (equivalent to 3% of national demand) requires investments of approximately €1 billion and electricity consumption of around 1.5 TWh. Currently, the cost of SAF is roughly eight times higher than that of conventional aviation fuels.

Complexity and the Need for Innovative Financial Instruments

Financing new technologies such as energy storage and green hydrogen requires new strategies and innovative financial instruments. Stronger partnerships and the utilization of alternative funding sources—including investment funds and equity capital—are essential to advancing the energy transition.

Energy Storage: Critical but Geopolitically Sensitive

In a country like Greece, where renewable energy sources (RES) account for a significant share of the energy mix, energy storage technologies are indispensable. However, China's dominance in battery manufacturing and the EU's limited investment in storage R&D introduce significant geopolitical risks. Europe must accelerate investments in domestic storage technologies to reduce dependency on third-party suppliers.

Bankability as a Key Condition

The banking sector has sufficient liquidity and is willing to support the energy transition, provided that submitted business plans are viable and compliant with European regulatory frameworks. Equally important is the presence of financially sound investors capable of servicing their obligations. Future investments must avoid excessive reliance on state subsidies and instead be grounded in sustainable business models.

Industrial Electrification Must Accelerate

The growing penetration of RES in Greece, combined with declining energy demand, is increasingly leading to market distortions such as zero or negative electricity prices and curtailments. These dynamics undermine the viability of RES projects and increase investment risk for financing institutions. Industrial electrification is therefore critical to ensuring market stability and supporting the green transition.

International Policy Developments and the Role of the United States

The discussion also addressed policy shifts in the United States, which signal a relative deprioritization of the green transition in favor of increased fossil fuel production and a focus on sectors such as defense and trade tariffs. This shift creates uncertainty for the global energy transition, with implications for financing strategies and international cooperation.

Consumers and the Cost of Transition

While consumers broadly support clean energy, there is growing fatigue and concern over the rising costs of the energy transition. There is a clear need for strategies that prevent the financial burden from falling disproportionately on consumers, through the use of blended finance tools and targeted subsidies.

The Need for Enhanced Dialogue and Collaboration

The meeting underscored the importance of strengthening dialogue and collaboration among market stakeholders to ensure a sustainable and efficient transition to a climate-neutral economy.

In conclusion, the adaptation of the financial sector to evolving market challenges is essential to accelerating the energy transition. Sustainable finance is emerging as a key enabler of Greece's new energy model—one that requires flexibility, collaboration, and a strategic approach to risk management.

The HELLENiQ ENERGY Center for Sustainability and Energy @ Alba Graduate Business School will continue to promote dialogue in the fields of energy and sustainability, contributing to knowledge dissemination and the advancement of best practices.

About HELLENiQ ENERGY

HELLENiQ ENERGY is a leading integrated energy group in Southeast Europe. Founded as Hellenic Petroleum in 1998, the company operates in six countries with a portfolio spanning the entire energy value chain.

The Group is actively driving energy transformation across its markets by embracing innovation and developing new initiatives. Its strategic objective is to become a leading provider of low-carbon energy solutions, targeting climate neutrality by 2050.

HELLENiQ ENERGY operates across energy production, supply, and trading, with an increasing focus on cleaner energy forms and renewable energy sources. Its diversified portfolio includes refining, supply and trading of fuels and petrochemicals, hydrocarbon exploration and production, and power generation, while rapidly expanding its RES footprint.

The company places people at the core of its strategy, prioritizing long-term access to sustainable energy for all. As a key investor, employer, and active member of society, it maintains a strong socio-economic footprint in the countries where it operates and aspires to remain a reliable and responsible partner.

About Alba Graduate Business School

Alba Graduate Business School, The American College of Greece, is the business school of The American College of Greece. Since its establishment in 1992, it has operated as a non-profit institution under the auspices of the business community, maintaining a strong tradition of academic excellence.

Its mission is to educate visionary leaders and actively promote research, knowledge creation, and dissemination. Alba offers 12 graduate programs and is accredited by the New England Commission of Higher Education (NECHE). Its MBA programs are certified by the Association of MBAs (AMBA), while its MSc in Finance and MSc in Strategic Human Resource Management are accredited by EFMD.