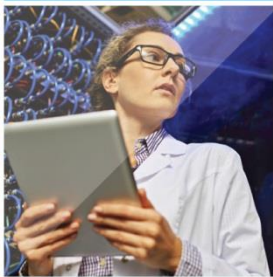




European
Commission



CLEAN ENERGY PACKAGE & MARKET INTEGRATION IN SOUTH-EAST EUROPE

Catharina SIKOW-MAGNY
Head of Unit "Networks & Regional Initiatives"
DG ENER, European Commission

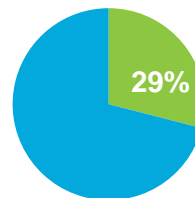
09/03/2018



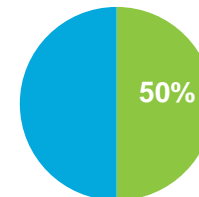
MORE POWER COMING FROM RENEWABLES



2014



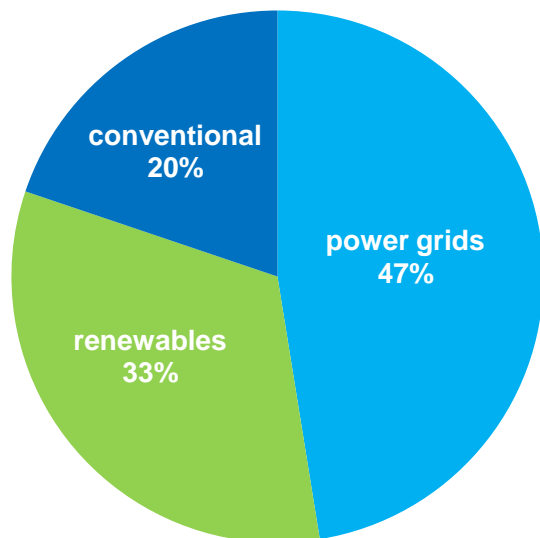
2030



Today up to **90%** of variable renewable electricity is connected to distribution grids

**INVESTMENT NEEDS FOR POWER:
€75 bn PER YEAR FOR 2021-2030**

THE ENERGY SYSTEM OF TOMORROW WILL LOOK DIFFERENTLY



2030

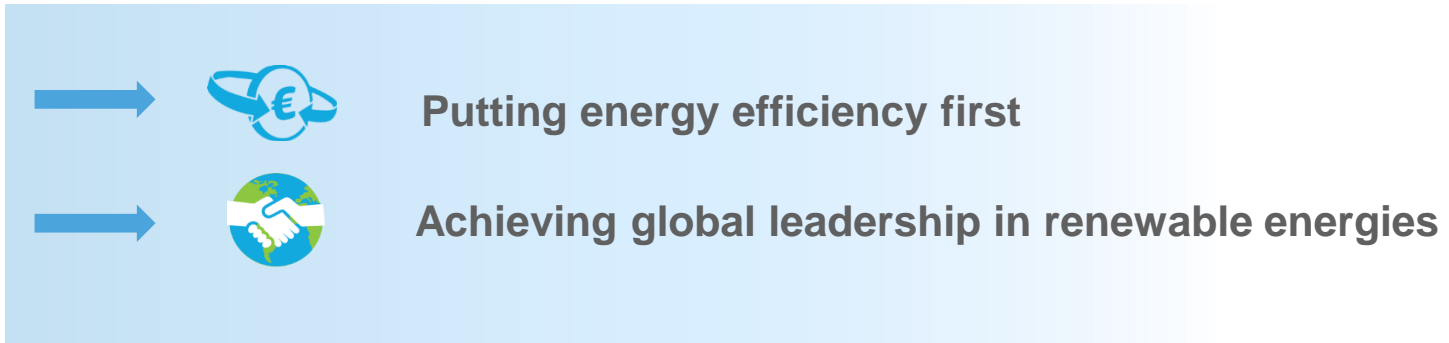
50% of electricity to come from renewables



2050

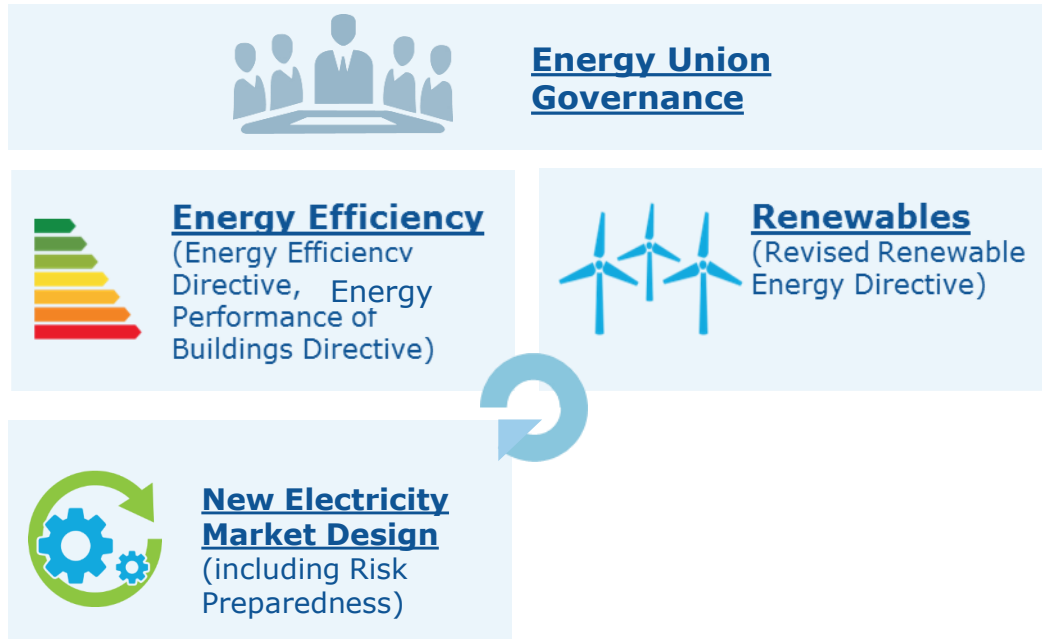
Electricity completely carbon free





HOW DO WE GET THERE?

THE RIGHT REGULATORY FRAMEWORK FOR POST – 2020



" In essence the new package is about tapping our green growth potential across the board"

Commissioner Miguel Arias Cañete (2016)



- Boost wholesale market **flexibility**
- Provide **clear price signals** to ensure penetration of renewable energies

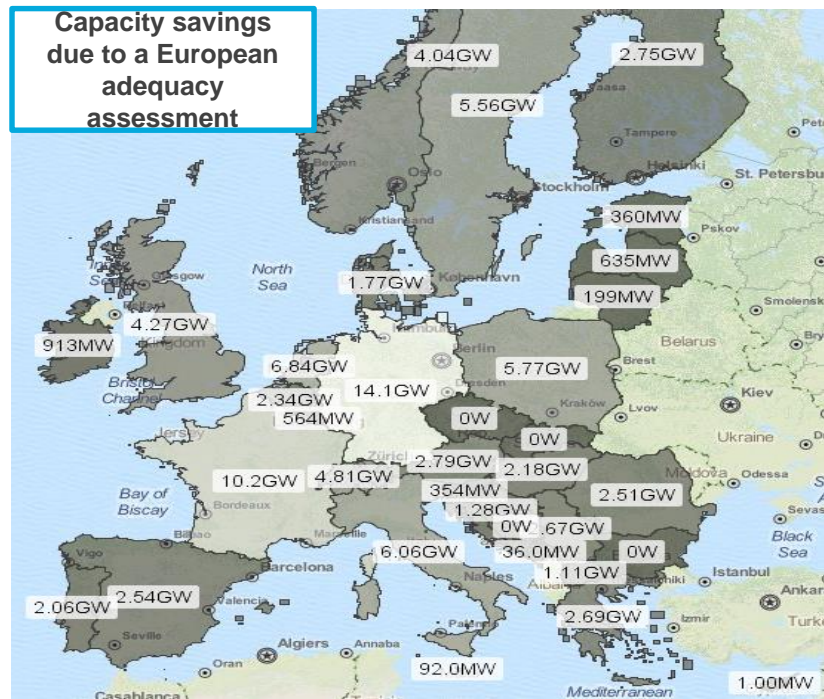


- Enable **active consumer participation**
- Ensure **consumer protection**



- Promote **regional cooperation**
- **European adequacy assessment**
- **Regional Operation Centres**

Capacity savings due to a European adequacy assessment



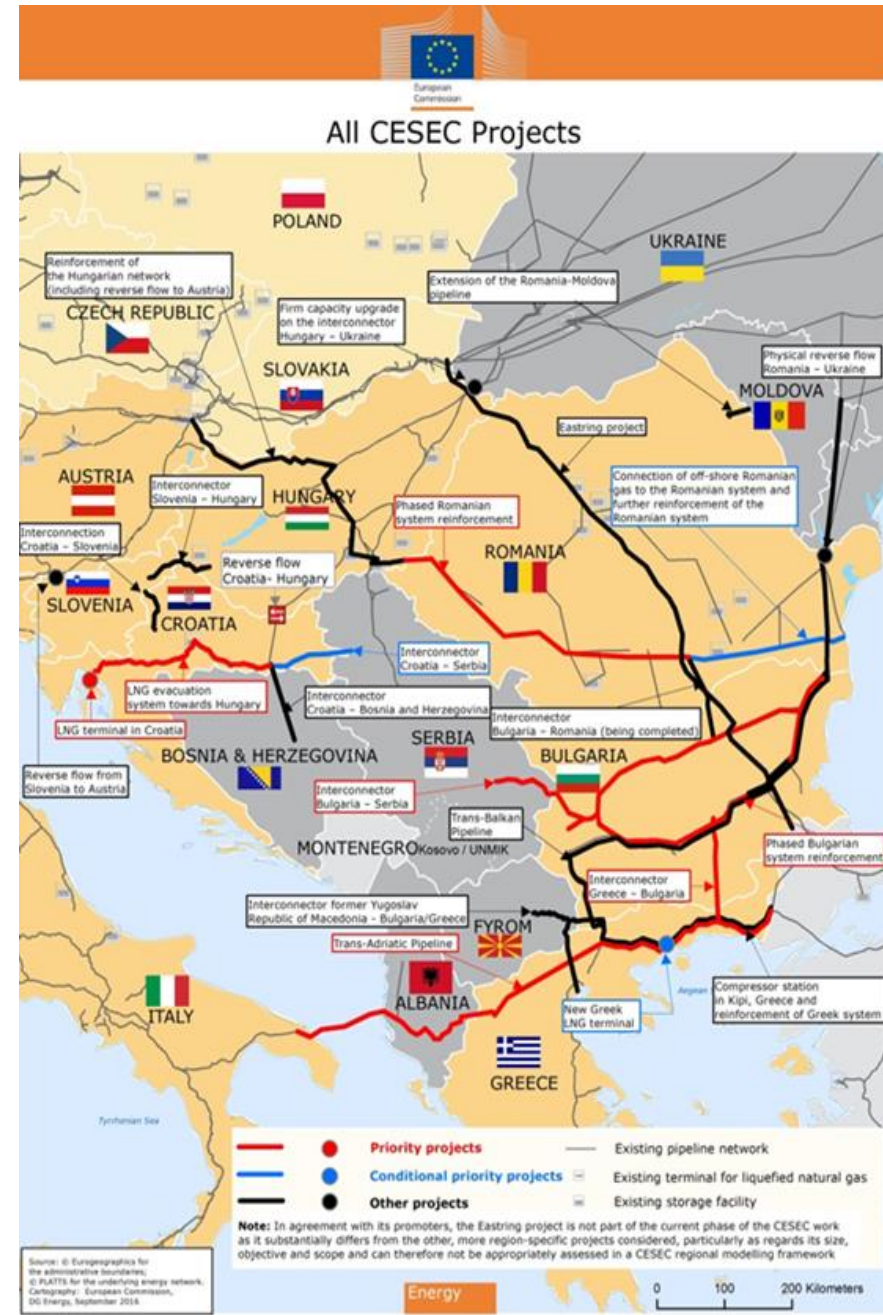
STEPPING UP REGIONAL COOPERATION

2015 CESEC Memorandum of Understanding: gathering EU, 9 EU Member States and 8 Energy Community Contracting Parties in joint energy gas market integration:

- Austria, Bulgaria, Croatia, Greece, Hungary, Italy, Romania, Slovakia, Slovenia and the EU.
- Ukraine, the Republic of Moldova, Serbia, FYROM, Albania, Bosnia and Herzegovina, Kosovo and Montenegro.

CENTRAL AND SOUTH EASTERN EUROPE COOPERATION BASED ON GAS:

- Prioritisation of key projects in the region
- High level political commitment
- Concrete regulatory deliverables with agreed timeline
- Mobilisation of EU financial support



Gas Energy cooperation in South-East Europe bears fruits

CEF to ease investment challenges

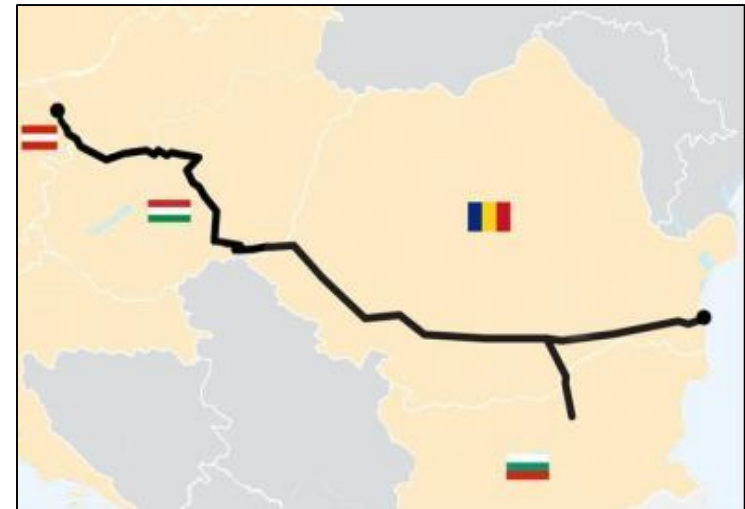
- Assist project preparation and minimising risk factors (**grants for studies**)
- Help overcome the funding gap for commercially non-viable PCIs (**grants for works**)



First LNG terminal Krk (Croatia)

CEF 2016: **€102.147 million** (studies+works)

Goal: enhanced diversification, security of gas supply and competitiveness in SEE



Bulgaria-Romania-Hungary-Austria pipeline (BRUA)

CEF 2015: **€179.320 million** (works)

Goal: enhanced diversification, security of gas supply and competitiveness in SEE

CESEC extension steers energy transition in SEE

Ministerial Agreement to extend CESEC regional cooperation beyond gas taken by the High Level Group in September 2016.

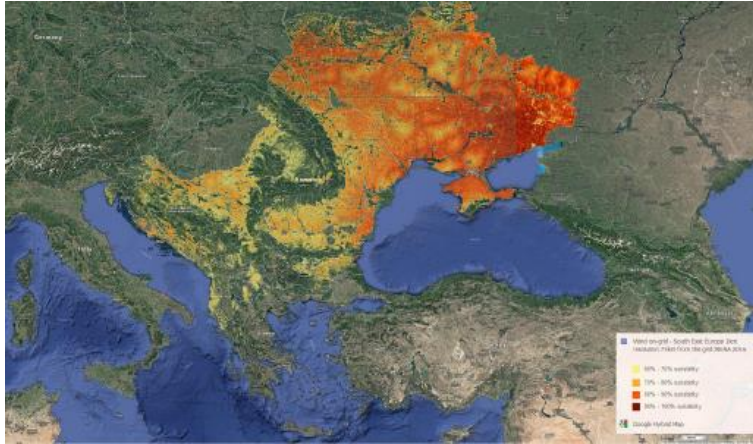
- Out of 40 PCIs to be implemented in CESEC countries, 6 priority projects to create the basis of a regional electricity market
- 5 pilot market trading and coupling projects to link EU & Energy Community initiatives and develop a larger, more liquid and competitive regional energy market



- Electricity Trading and Market Coupling
- Power Grid Infrastructures
- Renewable Energy and Energy Efficiency



Huge potential for renewable energy in SEE



Suitable locations for wind in Southern-Eastern Europe
Source: IRENA

IRENA study (2017) analysed potential in the power sector:

- **36 GW in the region** (mostly hydro)
- Estimated technical potential of 740 GW
- Today, already about 130 GW cost-effective
- By 2030, almost the full potential of solar PV and wind energy could be cost-competitively deployed

Specific Actions on Renewable Energy in the CESEC framework

- Assessment of technical regional renewable energy potential plus benefits of regional potential: **RESULTS BY JUNE**
- Best practice exchange on:
 - ✓ stable financing conditions
 - ✓ support instruments for renewable energies (e.g. auctions)
 - ✓ means to reduce non-financial barriers
- Promotion of financial instruments for renewable energy projects (in particular to lower capital costs)

Boosting energy efficiency



Tackling renewable energy and energy efficiency together, especially at decentralised level.

Promotion of financial instruments
for building renovation and small-scale renewable deployment.



Most SEE countries have a tremendous potential to increase energy efficiency.

- in the residential sector, where the biggest part of region's energy consumption takes place.

Investing into EE can boost local business opportunities and jobs:

- especially in the construction sector where, for every €1 million invested in EE => up to 19 jobs can be supported.

Energy efficiency is the cheapest, cleanest and most secure source of energy.

**The greenest watt
is the one that
doesn't have to
be produced**



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THANK YOU!

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