15TH SE EUROPE ENERGY DIALOGUE

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Conference Overview and Conclusions -

Rapporteur's Report by John Roberts

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Rapporteur's Report for 15th SE Europe Energy Dialogue

The following is the Conference Rapporteur's report as prepared by Mr. John Robers

There were plenty of questions but few answers when IENE held the 15th SouthEast Europe Energy Dialogue in Thessaloniki on June 19 and 20, 2024. Connections and integration constituted major themes, but while progress was noted, particularly in the case of LNG import terminals, there were still plenty of obstacles to be overcome, not least in the area of energy security.

Opening the conference IENE's Chairman and Executive Director **Costis Stambolis** observed "that the region, especially the Balkans and Turkey, which is situated in between the big Eurasia land mass and Europe proper and the East Mediterranean, is finding itself in a sensitive geopolitical environment".

"And as we all know", noted IENE's chairman, "this is not just a figure of speech but has shaped into an ugly reality, with a fully fledged war in Ukraine and another one in Gaza. Even more unfortunate is that both conflicts are not showing signs of an early deescalation, with a negative impact already felt in the wider Middle East while energy markets are rattled with great uncertainty which impacts energy prices-rises in the price of gas and electricity and a very edgy oil market".

"At the same time we have noteworthy developments in the wider SE European area, especially in the Balkans, as efforts to decarbonise the energy system gather pace and as several countries in the West Balkans are making concerted efforts to fully apply the European Aquis in their bid for accession to the EU".

The scene was then set by **Dr John Desypris,** a former chairman of IENE and currently Senior Advisor for EVP Regulatory Affairs at Metlen Energy & Metals. "The regional market is in sight. We see it coming," Desypris declared. Everything from electricity to natural gas to methane was being traded commercially. "The big world of the past got smaller," he commented.

This laid the ground for the keynote address by **Artur Lorkowski, Director, Energy Community Secretariat, Vienna, Austria**. There was a need to promote both integration of the regional energy market in SouthEast Europe and integration with the main EU Market. Reflecting a common concern at the conference, the need to ensure the affordability of energy for both household and industrial consumers, Mr Lorkowski stressed the need for "a cost efficient energy transition - one that eliminated inefficiencies in energy markets."

"Electricity market integration goes far beyond harvesting the products gained from a bigger, more fluid market", he argued. That was incredibly important. But, he warned, operational readiness of markets constituted a key criterion for an exemption from the EU's carbon adjustment mechanism. In practice this meant that by the end of 2024, Energy Community members from outside the EU would have to commit to establishing within five years a carbon price mechanism equivalent to that of the EU's carbon border

adjustment mechanism. This was necessary for integration with EU market, but it could also serve as a catalyst for further investment.

Lorkowski also argued that closer connection with the EU energy market would promote use of renewables in the region "and eventually facilitate efficient cross-border trade with the EU in renewable energy."

The Ambassadors' Forum

The highlight of the first part of the dialogue was the Ambassadors' Forum, with **China's Ambassador to Greece, Mr Xiao Junzheng,** noting both that China ranks No 1 in terms of renewable capacity and that China will continue to seek cooperation on green energy development with partner countries in its Belt and Road Initiative. He also noted that "pipelines are increasingly replaced by power cables," and argued that "if Europe is to achieve energy autonomy it must be able to achieve large-scale, long distance energy transmission across the continent."

Azerbaijan's Ambassador, Arif Mammadov, focussed on the Southern Gas Corridor (SGC) and the development of a complex system that is now proving its worth in terms of European and regional energy security. Looking forward, his focus was firmly on what could be done using essentially existing capacity in the system, such as increased deliveries so that gas could reach Serbia, rather than on the complexities involved in doubling the SGC's overall throughput capacity (its ability to deliver gas all the way from Azerbaijan to Italy;) from 10 to 20 bcma, which will take sometime.

With Britain in the middle of a general election campaign, **UK Ambassador Matthew Lodge** could not talk about future British policies but stressed the importance and urgency of the green energy transition, exacerbated by Russia's invasion of Ukraine. Lodge noted the UK's legal commitment to reach net zero by 2050 but warned that the pace of the energy transition should concern us all, a comment intended to indicate that the transition was not proceeding fast enough. A key issue was how to manage tension between climate goals, the green transition, and, of fundamental importance, how to provide reliable energy supplies at an affordable cost while securing investor confidence. "This cannot be done by governments alone - unless you're China. This has to be a partnership between public and private." Lodge naturally urged the use of UK technical expertise, noting a recent demonstration in Greece of UK wind power technology. (The **Rapporteur** would like to add that the opposition Labour Party, which is expected to win the General Election on 4 July 2024, is at least as determined to meet the net zero target as the current Conservative Government while opposition to the Russian invasion of Ukraine is a fully bipartisan stance.)

ISSUES

The conference considered a host of issues, set against an energy security background shaped to a large extent by two key issues: Russia's continuing assault in Ukraine and tensions in the Eastern

Mediterranean. Europe observed **Slavtcho Neykov, the Chairman of Bulgaria's Energy Management Institute,** and an IENE partner, still depended on Russia for 15% of its gas supplies. But what really seemed to energise Neykov was that European institutions were increasingly out of touch on issues concerning the energy transition. He warned of "European bureaucratic thinking which appears completely beyond economic reality" and considered that the loss of Green seats in the latest European elections demonstrated that the European Union was suffering from both enlargement fatigue and expectation fatigue.

LNG and Infrastructure

LNG prompted some very different views**. Ambassador Xiao Junzheng**, noting that US LNG has been switched to Europe to compensate for the loss of Russian gas, described this as "a temporary settlement for European development," which was "far from sustainable" because it was too expensive and was dramatically weakening European products' competitiveness.

The **Rapporteur** said there was a paradox: Europe still needs US LNG to ensure a steady supply and possible increase in gas supplies, but there is uncertainty as a result of the Biden Administration's decision at the start of 2024 to ordering what it called a pause in the licensing of new KNG liquefaction projects. **Kostis Sifnaios, the CEO of Greece's GasTrade,** accepted that this was paradoxical, but noted that LNG deliveries via Greece were still important for supplies to such countries as Serbia and North Macedonia, and that the new LNG terminal at Alexandroupolis (which is an FSRU facility) was expected to start commercial operations within a couple of weeks.

Alexandroupolis is, of course, a key base for the EU-backed Vertical Corridor Initiative (VTI). Sifnaios described the VTI as a realistic and commercial strategy, extending initially to Bulgaria and Romania and then to north to Moldova and Ukraine and west to Hungary and Slovakia. If reversing of the existing Trans-Balkan pipeline was achieved, the system's capacity could reach 20-30 bcma. Greece would become a strategic gateway for gas to the region. Sifnaios said there is already the ability to increase the capacity of the Interconnector Greece-Bulgaria (ICGB) from 3.3 to 5.0 bcma and there were plans to increase the capacity of the interconnector between Bulgaria and Romania from 5 to 10 bcma and these should be completed within the next two years. Earlier, **Lorkowski** said that Ukraine is "working tirelessly" to use the Trans-Balkan line in reverse mode.

Gokhan Yardim, Managing Director of ADG Natural Gas Consultancy and Trade in Ankara, and IENE partner was clearly referring to the possibility of using the Trans-Balkan line in reverse mode when he spoke of harnessing gas imported via Türkiye's LNG terminals to prospective destinations as far afield as Moldova, Ukraine and Hungary. He also drew attention to the Trans Anatolian Pipeline (TANAP), which constitutes the central section of the Southern Gas Corridor (SGC), as a means of supplying such markets with Azerbaijani gas. However, he cautioned, **"**Azerbaijan is holding out for an SPA (sale-and-purchase agreement) for gas to flow through this line" and he was not sure when one would be signed.

Evgenia Gusilov, Director of the Romanian Energy Center, and an IENE partner said in her online presentation that with the development of its new Black Sea gas fields, Romanian gas policy was changing. There was a need to put exports first, and that included supplies to Austria. Plus, she added: "We will address the natural gas needs of Moldova." Romania has a role to play in integrating the energy networks of Moldova and Ukraine with those of the EU. Bucharest, she said, is committed "to take all steps necessary so Romania can provide all the energy Moldova needs by 2030."

Dr Yurdukal Yigitguden, the former Coordinator of the OSCE's Economic and Environment Activities and now an independent energy consultant in Türkiye, and Partner of IENE, asked whether the Black Sea was becoming a new gas bonanza with the start of production at Türkiye's Sakarya field in 2023 and Romania's Neptun field expected to start production in 2027. However, he said Sakarya's development was experiencing difficulties with current production running at around 5 mcm a day. However, he added, the goal was to produce 14 bcm a year (bcma) "hopefully by the end of this decade." Dr. Yigitguden also said that renewables development was accelerating in Türkiye but that the electricity infrastructure needed to be strengthened to handle this.

A full accounting of Türkiye's energy balance was given by **Dr. Muhsin Mazman, Director for the Energy Storage Division at T-Dynamik,** who noted that no less than 39.1 per cent of electricity in Türkiye now came from renewables. Dr Muhsin had some extremely useful tables showing the composition of wind, solar, geothermal, and hydro in Türkiye's energy balance, along with its energy storage capabilities.

Greece's Deputy Minister for Environment and Energy, Ms Alexandra Sdoukou, noted that the SGC had enabled Greece, Bulgaria and Italy to diversify gas imports since 2020. She stressed the importance of doubling capacity in the SGC's TAP component, the Trans Adriatic Pipeline from the Greek-Turkish border to Italy, from 10 to 20 bcma, saying that Russia's invasion of Ukraine meant an "exponential increase of its strategic significance." She noted that the ICGB was enabling Bulgaria to meet all of its gas needs, despite the complete cutoff of Russian gas supplies. She also stressed the ICGB's expansion to 5 bcma and said the new 1.4 bcma line to North Macedonia would open in the second half of 2025.

She described the Vertical Gas Corridor (VGC) as "the most important strategic corridor since TAP" saying it would enable as much as 9 bcma in supplies from Greece to reach its northern neighbours by mid-2025. She said it would cost around €450m, that it was supported by European and US funds, and that Azerbaijan has expressed interest in supplying this route. Noting that Hungary's state-owned MOL energy group had purchased a 5% stake in Azerbaijan's giant Shah Deniz gasfield, Ms Sdoukou argued that the VGC would help to provide the missing link to complete integration of networks in SouthEast Europe.

Ms. Theodora Georgieva , Executive Officer for ICGB (Bulgaria), in an online presentation described the pipeline as a game-changer for SouthEast Europe, contributing to the energy supply of Bulgaria, Hungary, Romania, Moldova and Ukraine.

Milan Zdravkovic, DSO Executive Director of Srbijagas, said Serbia had interconnectors with North Macedonia, Romania and Bosnia-Herzegovina, and that "we are trying to prove this concept of the

Vertical Corridor – but with the participation of Serbia." He noted there is an existing pipeline from Hungary to Serbia and that both the existing interconnectors Bulgaria-Serbia and North Macedonia-Serbia were in full compliance with European Energy Community regulations and objectives and asked whether there were any plans to connect the existing Greece-Skopje and Skopje-Serbia pipelines. He then asked: "Is the idea to build a new pipeline on the same route to carry all necessary volumes from south to north?" He said Serbia had 750 mcm in gas storage at Banatski Dvor with an ability to develop much more. He was also clearly concerned that the Energy Community was not developing projects that would assist Serbia.

Greece as Hub

The integration of regional networks naturally overlapped with references to the emergence of Greece as an energy hub. **Dr Efthimios Tartaras, of HEREMA,** speaking online, spoke not only of transforming Greece into a regional energy hub, but also of Greece becoming eventually a net energy exporter in its own right, "maybe by the end of the decade." **Ms Sdoukou** also argued that Greece is emerging as a major transit hub for both gas and electricity – and electricity was indeed a major focus of the conference.

Electricity

Professor Pandelis Biskas, from the University of Thessaloniki, outlined the potential, for renewables in power generation whilst noting problems in developing hydropower in Greece. **Ms. Sdoukou,** emphasising that "we need also to make sure we do not lose track of the imperative of the energy transition," particularly pointed to the gains that would be made from utilising the offshore wind potential of the Caspian Sea. This reflected **Ambassador Mammadov's** presentation, in which he stressed Azerbaijan's programme for both green energy production and transmission and its 2023 agreement with the EU on production of offshore Caspian wind power.

For his part, **Christos Dimas, the Deputy Chairman of IENE and Chairman of IENE's geopolitics committee**, commented: "We need renewables supported by a reliable basis for power production." However, he cautioned, the world would be relying on fossil fuels for decades to come, with the International Energy Agency estimating that oil and gas would still account for 54% of primary energy consumption in 2050.

From Bucharest, **Ms Gusilov** noted a change in Romanian electricity patterns. "We see Romanian electricity consumption decrease. No one expected this so soon, especially deliveries through the grid." She spoke of "a phenomenal increase in initiatives from consumers," a reference both to energy efficiency and to off-grid power from renewables.

However, discussions on electricity were primarily focussed on transmission and distribution, not production. With one major exception, nuclear, covered below. Thus **Ambassador Mammadov** drew attention to his country's 2022 agreement with Hungary to transit clean energy to EU countries via the Black Sea, connecting power grids so that Azerbaijan could export clean energy to Europe. Likewise, the Chinese ambassador, **Mr Xiao Junzheng,** drew attention to the Ariadne project, the twin 500 kV HDVC

subsea cables that already connect Crete to the Greek mainland. The system is currently being extended to Attica, with commercial operations expected to start in 2025, and is envisaged as a key element in the proposed East Mediterranean HDVC system to connect Israel and Cyprus to Greece – and then on to other European destinations.

Aleksandar Mijuskovic, **Chairman of Montenegro's TSO,** and an IENE partner, spoke of the HDVC MONITA cable linking Montenegro and Italy, saying that the integration of regional lines created the chance for a ten-fold increase in renewables use, But, he noted in a reminder of the need for community support, although his own country's development of its internal HDVC ring, connecting eight municipalities, was 97% compete, one village was preventing its completion. The internal transmission system and the Monita lines are part of a wider Trans Balkan Corridor which should improve links between Montenegro, Serbia and Bosnia-Herzegovina. There is a also a new line planned to link with Albania**.**

Mr. Shkelqim Bozgo, of SEA Consulting, Tirana, Albania, and an IENE Associate, in an online presentation, spoke of the development of market trading in electricity, noting that the 400 kv line from Albania to

Greece was under implementation; that there were three interconnector lines with Montenegro; one to Kosovo; and another to North Macedonia.

Such systems, however, require **backup**, particularly if they are increasingly reliant on renewables for power generation. Moreover, as **Professor Dr. Gazmend Pula, Consultant, Pristina, Kosovo,** stated in an intervention from the floor, there was a need to provide cover and protection for physical threats to infrastructure. Nordstream had been blown up, there was the possibility that there had been an attempt on Turk Stream as well, and there was the targetting of natural gas facilities in Ukraine.

Dr. Tartaras, drew attention in his online presentation to the ability of Greece to develop underground storage facilities at Kavalla. He also called for development of carbon sequestration and storage (CSS) for hard-to-abate industries **Ms. Effie Milioni, of Elpedison in Greece,** stressed the need for adequate battery capacity for backup. She also noted changes in energy consumption patterns, with electricity demand across Europe falling by between 3% and 10%. Electricity demand in Greece has been flat over the last few years she remarked.

Hydrogen

Discussion of **hydrogen** prompted both comments en passant as well as focussed presentations with notable elements of scepticism and caution. **Georgios Exarchou, Business development manager at Hydrogene de France (HDF Energy),** described HDF's "totally integrated project" for a hydrogen-based fuel cell. The basic cell would have a 1.5 MW capacity but the system would be modular so total capacity could expand. Exarchou said the system, which could also be linked to battery storage, would embrace everything "from power to electrolyser to storage to fuel cell to energy management system."

Ms. Sdoukou indicated that Greece was making progress and that "by 2030, we will have completed a hydrogen line," a reference to the planned €1bn, 540-km line planned to connect North to South that would form part of the EU's planned hydrogen backbone. Ms. Sdoukou further indicated that Greece was

contemplating a hydrogen pipeline alongside the entire SGC system. For his part, **Gerasimos Avlonitis, Senior Director for Market and System Development at Greece's DESFA,** called for the development of hydrogen infrastructure – and also for the development of methane based infrastructure, along with facilties for storage and transportation of CO2. **Prof Vassilios Vescoukis, of the National Technical University of Athens, Greece,** stressed the potential for hydrogen to be used as a form of energy storage in order to optimise use of renewables.

However, **Theodore Terzopoulos, the Chairman of IENE's Natural Committee,** was sceptical of prospects for renewables-based hydrogen production, not least on grounds of cost. "For now, there is no significant market for renewable hydrogen in SEE," he argued.

Nicolas Koukouzas, Director of Research at Greece's Centre for Research and Technology, said in his online presentation that hydrogen is not competitive to existing fuels and that "we have to adopt some system like the US, where hydrogen is not taxed like other fuels in order to create the market. Dr.

Koukouzas noted that in 2023 the EU set up the European Hydrogen Bank which had subsequently approved €720m in funds for seven projects in four countries to bridge the gap between the price of production and the price consumers are expected to pay. He also referred to the need to investigate suitable geological formations for both hydrogen and CO2 storage.

Likewise **William Gillett, Director of Energy Programme at the European Academies Science Advisory Council (EASAC),** said that "sustainable (green or blue) hydrogen will be costly and should therefore be prioritised for hard-to-electrify applications such as heavy-duty transport or steel production." He added that hydrogen blends with natural gas offer little GHG emission reductions.

Affordability

One of the most persistent issues was the question of affordability. **William Gillett** reminded us that that the International Energy Agency came up in the 2022 edition of its World Energy Outlook with a truly succinct definition of energy security that drew specific attention to this key criterion: "The uninterrupted availability of energy supplies at an affordable price." Gillett specifically argued that "the 'polluter pays principle', which increases energy prices, is not affordable for many vulnerable groups and households, which it can push into energy poverty." He added: "Such groups need support, for example through the EU's Social Climate Fund, so that they can invest in energy efficiency and renewable energies to reduce their use of costly fossil fuels, as well as support for paying their energy bills."

Costas Theofylaktos, the Secretary General and Chairman of the Institute's Energy Efficiency Committee, pitched a simple message: "energy efficiency first, with priority to energy poverty." He spoke of the need to reduce energy consumption in order to meet climate targets, adding that "energy audits contribute to improving energy efficiency and reducing consumption."

Likewise, UK Ambassador **Mathew Lodge** argued the need for drives toward carbon neutrality "in a way that does not lead to unaffordability."

And, in an equally relevant but somewhat different approach to the issue, **Profesor Vescoukis** asked: "Can we afford not to produce the energy we are capable of producing?"

Three Specific Issues

1. The Energy Transition and Energy Security

The balance between the energy transition and energy security was at the heart of **Dr. William Gillett's** presentation, reflecting the subject matter of a report that EASAC is currently preparing on the security of sustainable energy supplies, scheduled for publication in Spring 2025.

The core of the Gillett presentation was that it is important to recognise that the transition to sustainable energy supplies will bring some valuable energy security benefits, including:

1. Reduced dependence on imports of fossil fuels;
2. Less conflicts in international energy markets;
3. Reduced risks of major energy supply interruptions because distributed systems are less vulnerable than centralised supplies;
4. Reduced risks of extreme weather damage, due to lower GHG emissions;
5. Citizen empowerment by renewable energy, which can help with peace building;
6. New investment opportunities, green jobs, and lower energy costs.

Gillett had a particular focus on how the transition to sustainable energy should impact on ordinary citizens. There was a need to engage with citizens to build "support for the energy transition and minimise local resistance to the installation of new energy infrastructure." There should be an emphasis on decarbonisation of buildings, while transport could be decarbonised both by avoiding use - more walking and cycling - and making it more efficient.

As for governmental institutions, they should use "public funding to support strategic industries and vulnerable groups to reduce energy poverty" while "EU policy makers should prioritise proven, low-cost options including energy efficiency and renewable energies." Gillett concluded by saying: "The EU should maintain its global leadership role in delivering sustainable development goals, and work with others to phase out fossil fuels soon, because this will bring climate and competitiveness benefits for all."

Christos Dimas, IENE's Deputy Chairman and Chairman of IENE's Geopolitics Committee stressed the need for renewables backed by what he termed "a reliable basis for power production." **Dr. Amit Mor, CEO of Israel's ECO Energy, Financial and Strategy Consulting, and an IENE partner,** said the world had

reached the stage where there was a long-term trend in favour of renewables, which would overtake fossil fuels around 2044. In the meantime, he argued for a mix of natural gas, renewables and energy storage to improve energy security.

In a video message **Ms Liana Gouta, an IENE partner and Director General of the European Fuels Manufacturers Association,** which represents almost 100% of fuels production capacity in Europe, stressed the need for renewable fuels, notably biofuels, to be produced from sustainable sources. She emphasised that she included all forms of renewables, including fuels derived from municipal waste, recaptured CO2. In addition, energy security considerations required fuels to be produced inside the EU, and under EU conditions that were in line with requirements to meet Energy Transition targets. Her association, Miss Gouta said, was "fully signed up" to energy transition targets, but, she added, "this means a monumental change to our sector."

In this context, **Mr. George Drosos, Manager of ReGreen IT, Greece,** spoke online of the need for a platform to handle what he called 'second hand' energy – energy derived from recycled products and waste. And, in common with many other speakers, he stressed the need to cover intermittency.

For his part, **Dr. Nikolaos Liapis, Managing Partner with Greece's ActaNonVerba,** listed a host of issues that had to be addressed by the energy transition, from the scarcity of charging points for electric vehicles and supply chains for renewables development to the difficulties of transporting hydrogen and what he termed the "very dangerous" transport of ammonia by sea. "We are trying to substitute conventional fuel but we don't have the technologies for much of it." Therefore, he said, "we must move to electricity."

For Greece, **Theodore Terzopoulos** also argued that supply chains constitute a problem– and here take advantage of photovoltaics." For Greece, he argued, the energy transition had to be focussed on energy efficacy. "Energy efficiency must be exploited to the maximum and this was how we can save 30-50 per cent of fuel."

Nicolas Sofianos, an IENE Partner and Chairman of the Institute's RES Committee, who was chairing a session on alternative energy solutions, commented at the end of his session: "We want to see a real revolution."

Bulgarian concerns about management of the energy transition were stated by **an online contribution by Kristina Lazarova, General Manager of EGGS in Sofia,** who welcomed the sustainable growth of solar and urged the use of low emission technologies to help offset use of fossll fuels. However, she argued, "we should not use agricultural land for renewables."

For one country, of course, the energy transition poses immediate problems - at least in terms of policy – and conference – logistics. As **Ambassador Arif Mammadov** pointed out, Azerbaijan has had less than a year to prepare for hosting COP 29, whereas usually the host nation has two years' notice.

2. The Eastern Mediterranean

The Eastern Mediterranean was, of course, one of the main themes of the conference. And while there was a profound sense of pessimism there was also a glimmer of hope. **Kostis Oikonomopoulos, an IENE Research Fellow and lead author for the forthcoming IENE study on Energy Options for the East Mediterranean,** began by recalling that Egypt stopped exporting LNG in 2023 and that the MoU signed by Egypt, Israel and the EU in June 2022 - which called inter alia, "for the efficient utilization of infrastructure in order to accelerate the export and shipment of natural gas to the EU" - was unlikely to be implemented in the near future. There were, he said, more questions than answers.

Dr. Charles Ellinas, Senior Fellow with the US Atlantic Council, drew attention to the problems faced by Egypt in its gas development. Its relatively recent giant discovery, Zohr, was initially thought to have some 275 bcm in recoverable reserves. These were now down, however, and remaining reserves were currently estimated at only 140 bcm or so. Zohr, argued Ellinas "could be over by the mid-2030s, leaving Egypt with a huge problem." Egypt, he added, still needs a major new gas discovery to shore up production.

The Israeli connection was highlighted both by Ellinas and others on the East Med panel. Ellinas said that When Israel's Tamar field was briefly shut down in the wake of the Hamas atrocities on 7 October 2023, Egypt immediately experienced industrial shut downs. Moreover, Ellinas noted, Chevron, the principal producer of the Israeli gas sold to Egypt, is asking a higher price for its gas. The US energy major has six months to respond to Egypt over the price issue but, Ellinas asked, is Chevron in a hurry to reply? After all, he argued, Chevron's current focus is on North America.

As for Cyprus, after noting that Egypt was now importing LNG, Ellinas hoped that a friendship stretching back millennia would lead to gas from Cyprus finding its way to Egypt. Referring to long-standing Cypriot proposals for a liquefaction plant on Cyprus itself, Ellinas said the soonest this can happen would be the early 2030s. Meanwhile, Ellinas said, Turkiye has announced a return to more exploration in the region, piling more pressure on Cyprus. As for the long-proposed Eastern Mediterranean Gas Pipeline that would link the fields of Israel and Cyprus through Greece to markets in the European Union, **Amit Mor** considered there was not enough gas to enable sufficient export volumes to justify the line's construction.

In his own presentation, **the Rapporteur** noted that whereas Egypt had a net surplus in gas production over consumption of close to 4 bcm in 2022, in 2023 it had a net deficit approaching 3 bcm. With Egypt requiring gas imports to supply its own subsidised domestic market, there was no guarantee that Cyprus would be able to secure a price based on exports to European customers – and so it might be better for Cyprus to build a pipeline from its fields to Cyprus itself while waiting to see what might later become possible.

What good news there was concerned Crete. **Yiannis (John) Grigoriou VP, Continental Europe Energy Council, and an IENE partner,** said the results from Exxon's initial activities off Crete "are extremely positive." He added: "The seismic data are absolutely positive and encouraging" and that "to the best of my knowledge this could be a huge field for us."

Costis Stambolis, the IENE's Chairman and Executive Director, was, however, emphatic that there is a way forward for countries to cooperate, both in SouthEast Europe as a whole and in the Eastern Mediterranean. This approach was shared by Greece's Deputy Minister for Environment and Energy, **Ms Alexandra Sdoukou,** who spoke of the transformation of the East Mediterranean Gas Forum into an energy focussed forum, though still with gas to the fore. Its focus now embraced carbon capture and storage (CCS) as well as hydrogen, she said.

Antonis Kontoleon, Chairman of the Board at the Hellenic Union of Industrial Consumers of Energy (UNICEN) was one of a number of speakers who argued that the Greek Government has to change policy, saying "without that we cannot be competitive." Kontoleon was particularly concerned about the introduction of carbon taxes, arguing that if they were introduced the prices of such key products as aluminium, fertilisers, cement and iron would rise, and this "will reduce our competitiveness."

Yannis Grigoriou said the government was delivering contradictory messages. While "numerous companies" were interested in entering Greek licensing areas, "unfortunately, the Greek state is not proceeding to offer the market new entries." Grigoriou also argued that the threat of activism was prompting both delays in exploration and withdrawals from investment. Likewise, **Professor Biskas** considered that that "the main issue in Greece is to intensify exploration and production, but the problem is investment – and taxes."

In this context, **Mr Agis Papadopoulos, Chairman of EYATH,** (which provides water for 1.1 m people in the grater Thessaloniki area), observed that utilities in Greece have to cope with such factors as high capital costs, large differences between demand in summer and demand in winter, and uncertainties in the stock market.

Mr. Antonis Kompias, Senior Associate with the KG Law firm, recommended the introduction of letters of guarantee and spoke of the need to filter out speculative investments.

3. Nuclear

IENE's Chairman, **Costis Stambolis, noted that** "for the first time we have a panel on nuclear power." He affirmed: "Nuclear is definitely going to play a crucial role in our part of the world. Unless nuclear power is developed, there is very little chance we are going to see a substantial fail in CO2 levels."

The main presentation was by **Tim Yeo, a former UK Energy Secretary and now Chairman of the New Nuclear Watch Institute**. Mr Yeo argued that nuclear energy should be an essential part of the energy mix because it strengthens energy security and helps stabilise consumer prices - and because it reduces greenhouse gas emissions, "which otherwise become irreversible."

Concern about climate change is mounting, he said. The target of limiting the increase in average global temperature to just 1.5 degrees centigrade "cannot now be reached" while if the temperature increases more than two degrees, "large parts of the world become uninhabitable." This would lead to all sorts of

problems, notably large-scale migration. “So the time is ripe for a large investment in nuclear,” not least since solar and wind are intermittent and cannot supply base load 24/7 “on which all of us depend.”

Croatia, Slovenia and Romania – as well as Bulgaria and possibly some other countries in the region – “are all looking to develop or expand nuclear,” Yeo said. Türkiye, he noted, has three coming online in the next decade.

There was little or no discussion on the cost of nuclear reactors but Yeo argued that “once up and running, running costs are low, so reducing energy bills.” However, it may have been because of heavy cost overruns in developing various current nuclear power plants that Mr Yeo particularly stressed the need to develop small modular reactors (SMRs). “We hope that arrival of SMRs will be easier and cheaper to construct than conventional reactors, though this cannot be proved until we do that.”

Teodor Chirica, Chairman of the Board, Nuclearelectrica, Romania, in an online presentation, focussed, inter alia, on Romania’s interest in expanding its power supplies through installation of SMRs. However, he said, “There are issues with small modular reactors. They are new. So there is no national standards for regulations concerning licensing for construction. And while there are plenty of international regulations backed by the IAEA for conventional nuclear plants, there is no world level regulation for SMRs. So despite political support for SMRs, there are still questions that have to be faced. That’s why the process (for development and installation) is not so quick.”

Anton Ivanov, of Bulgaria’s National Revenue Agency, and well known nuclear expert argued that “nuclear is very competitive,” and that it is providing energy to the Bulgarian system comparable to energy from hydropower plants. Furthermore, nuclear power has allowed Bulgaria to be a next exporter of electricity for a long period of time.

The panel moderator, **Slavtcho Neykov, the Chairman of Bulgaria’s Energy Management Institute,** noted that while Bulgaria’s existing nuclear plants were of Russian design, the country was now looking to alternative suppliers. He agreed with Yeo that nuclear power was complementary to renewables but he worried about one particular question: What kind of training was available for a new generation of nuclear engineers? He stated that so many of Bulgaria’s own experts had left the country that Bulgaria was now left with little indigenous expertise for construction of new projects.

The **Rapporteur’s** brief summary at the end of the conference essentially noted the breadth and depth of the subjects discussed above, ending with the thought that at least in these uncertain times, the participants in the 15th SouthEast Europe Energy Dialogue had provided sturdy analysis of the problems faced and practical guides to core issues.