# EUSAIR Action Plan revision

# Thematic consultation questionnaire for Pillar 2 Energy Sub-Group- Gathered answers from: Albania, Croatia, Greece, Italy, North Macedonia, Serbia, Slovenia.

Thematic consultation questionnaire was developed by the EUSAIR Facility Point Lead Partner in cooperation with external experts as a starting point for thematic consultation on EUSAIR Action Plan revision in TSGs and with relevant policy owners in the EUSAIR countries. It was intended to be used with the Initial policy paper for thematic consultation and to collect feedback from country policy owners.

The overall process and context in which these documents are used is described in the Background document with Roadmap on the EUSAIR Action Plan revision v5, approved through Governing Board Written Procedure in December 2022.

The questionnaire was addressed to energy governance structures. TSG members gathered all relevant inputs from their country in the period from November 2022 till 30 January 2023 so that only one questionnaire was submitted from one country. As described in the Background document each country has had the national consultation organised differently, involving different sectors and governance levels.

Pillar Coordinators have forwarded all received questionnaires to the Facility Point Lead Partner that merged information from all countries in one document. No consolidation was made at this point yet. In cooperation with Pillar thematic experts proposals for Pillar/Topic reformulations/additions were gathered by the Facility Point Lead Partner and will be presented to the Revision Working Group.

The Pillar Coordinators, Pillar thematic experts supported by Facility point LP with external experts will organise the gathered information and prepare proposals to be discussed at the next TSG meeting planned for March/April. At the TSG meeting agreements on contents of most Action Plan chapters (e.g. objectives, challenges, policies, key stakeholders, actions, indicators, targets) will be sought, using the received inputs as the basis. This will be a moderated discussion. After the meeting results will be written down, sent first to Pillar Coordinators and then to TSG members. After fine-tuning they will be included in the first draft of the Action Plan for further commenting from the strategic level (National Coordinators, EC...) and for another round of public consultation. The consolidation process will therefore happen entirely in the TSG.

## Topic 1: Energy networks

### Challenges

* + 1. **Please prioritise the challenges provided in the initial policy paper to reflect how relevant they are as regards the added value of being tackled by EUSAIR. *(1 being the most important, other follow in the numerical order).***

I*n the Adriatic Ionian Region it is noted:*

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Question/ Given answers: how many times the answer was marked*** | ***1***  ***(most important)*** | ***2*** | ***3*** | ***4*** | ***5*** | ***6*** | ***7*** | ***8*** | ***9*** | ***10 (least important)*** |
| *Integrated natural gas corridors, infrastructure and market supporting the energy transition of the Adriatic-Ionian Region.* | *3x (HR,IT,NM)* | *2x (AL,SER)* | *1x (SLO)* |  | *1x (GR)* |  |  |  |  |  |
| *Even though energy transmission systems are strongly interconnected in the Energy Community Partner Countries, the electricity market activities in the AIR are restricted due to inefficient use and low exploitation of interconnections as well as subsidies causing electricity market distortions in WB* |  |  |  | *1x (IT)* | *1x (AL)* | *4x (SER,HR,NM, SLO)* |  |  | *1x (GR)* |  |
| *Exclusion of natural gas infrastructure from the new TEN-E Regulation and the need to repurpose LNG infrastructure to renewables in the future* |  |  |  | *1x (SLO)* | *1x (IT)* |  | *5x (SER,HR,NM,GR,AL)* |  |  |  |
| *Challenges related to readiness of the regional gas infrastructure for biomethane and hydrogen and the need to identify priorities for corresponding future investments in infrastructure.* |  | *1x (SLO)* |  | *3x (SER,HR,NM)* |  | *1x (AL)* | *2x (IT,GR)* |  |  |  |
| *Pending Treaty reform in the Energy Community Parties envisaging reciprocity with Member States and credible enforcement of Energy Community rules, which are relevant to facilitate market integration* |  | *2x (IT,GR)* | *3x (HR,NM, AL)* |  | *1x*  *(SER)* |  | *1x (SLO)* |  |  |  |
| *Regulatory barriers that hinder market integration and the functioning of power exchanges in the region.* | *1x (GR)* |  | *2x (IT,SER)* | *1x (AL)* | *3x (HR,NM, SLO)* |  |  |  |  |  |
| *The existing electricity grid cannot accommodate generation of large amounts of electricity from intermittent renewables and distributed energy sources.* | *3x (AL,SER, SLO)* | *2x (HR,NM)* |  | *1x (GR)* |  | *1x (IT)* |  |  |  |  |
| *A prosperous business environment is required to attract investments for the development of networks and international interconnections. Political instability, which is a frequent phenomenon in the Adriatic Ionian Region, is often regarded by investors as a serious treat and as a major deterrent to making long-term investment commitments in energy networks.* |  |  | *1x (GR)* |  |  |  |  |  |  |  |
| *Whenever possible, a “cross-systems-approach” should be followed. There are multiple examples where networks, such as energy, telecommunications, transport, waste and water, due to their shared architecture, allow for reducing the unitary costs for each service in comparison with a single sector dedicated solution.* |  |  |  |  |  |  |  | *1X (GR)* |  |  |
| *Promote cybersecurity capabilities, mitigate threats to network and information systems used to provide essential services in the energy sector and ensure the continuity of such services when facing incidents.* |  |  |  |  |  |  |  |  |  | *1X (GR)* |

* + 1. **Are there any suggestions for reformulation/specification of the challenges provided in the initial policy paper to better reflect the situation in the Adriatic Ionian Region?**

ALBANIA: The cooperation between Regional countries to ensure sustainability and credibility in the energy market.

ITALY:

* Instead of “Integrated natural gas corridors, infrastructure and market supporting” it should be said “Integrated power grids and natural gas corridors, power and natural gas infrastructure and market supporting”
* In the challenge “Even though energy transmission systems”, please delete the final word “in WB”
* In the challenge “Exclusion of natural gas infrastructure” say “repurpose LNG infrastructure to renewable fuels and hydrogen in the future”
* Instead of “Regulatory barriers that hinder market integration” it should be said “Regulatory barriers that hinder energy market integration as well as the functioning of power exchange and natural gas trading through the Adriatic-Ionian Region”.

NORTH MACEDONIA: Promote Cyber Security capabilities

CROATIA: Promote Cyber Security capabilities

SERBIA: It is not clear why it is necessary to exclude natural gas infrastructure from the new TEN E Regulation. We find natural gas green fuel with low emission of GHG.

SLOVENIA: The initial policy paper sufficiently represents the current situation in the region. The emphasis has to be in modernization, expansion and further integration of both, electricity and gas grids/markets.

* + 1. **Is there another challenge concerning the thematic field of *Topic 1:* *Energy networks*, for which you see an added value of being addressed at EUSAIR level? The challenge should be specific to the EUSAIR territory and scope.**

ALBANIA: Building storage capacities for natural gas which would consist on having a better security of supply with natural gas.

ITALY:

* Barriers that hinder natural gas counterflows and sharing of gas storage through the Adriatic-Ionian Region.
* The challenges of security of energy (power and natural gas) supply and resilience of the energy systems are forgotten and missing amongst the challenges though their utmost importance.

SERBIA: Proposal to include in consideration energy storage: The existing electricity grid and energy storage cannot accommodate generation of large amounts of electricity from intermittent renewables and distributed energy sources.

### Objectives

The **objective** of the 2014 Action Plan was updated in the initial policy paper:

*To achieve a well-interconnected and well-functioning internal energy market in the Adriatic-Ionian Region. Priorities are: enacting the energy goals of The EU Green Deal and the Green Agenda for Western Balkans while promoting security of energy supply, resilience of energy infrastructure, energy affordability and access.*

* + 1. **Are there any suggestions for its reformulation/specification? Please, consider also the different trends in energy policy relevant for the main objective.**

ALBANIA: Add energy efficiency

ITALY: It should be said “The European Green Deal” instead of “The EU Green Deal”.

SERBIA: Extension of natural gas network and increase of natural gas consumers in order to replace usage of coal, wood and oil for natural gas, thus reducing GHG emission.

SLOVENIA: Maybe it is enough to state just “energy security” or “security of energy supply”, the term “access” may not be needed.

Any additional objectives will be derived from the challenges provided under point 1.1.3.

### Key stakeholders

* + 1. **Which are the most relevant national/regional (e.g. national/regional institutions, agencies, others) and international (e.g. networks, associations, organisations, partnerships) stakeholders to be involved in order to reach most efficiently the objectives of the Topic 1. (objectives provided in point 1.2.1 and additional ones derived from challenges added under point 1.1.3, if relevant)? Indicative international key stakeholders are already listed in the initial policy paper.**

|  |  |  |  |
| --- | --- | --- | --- |
| ***Most relevant*** | ***Ranking*** | | ***Some countries ranked stakeholders by importance, some only marked the ones deemed most relevant*** |
| ***GR*** | ***IT*** |
|  | *10* | *10* | *European Climate, Infrastructure and Environment Executive Agency – CINEA* |
| *4X (SER,HR,NM,SLO)* | *4* | *7* | *Agency for the Cooperation of Energy Regulators (ACER)* |
| *5X (AL,SER,HR, NM, SLO)* | *1* | *1* | *Energy Community (EnC)* |
| *4X (SER,HR,NM, SLO)* | *5* | *2* | *Central and South Eastern Europe energy connectivity (CESEC) high-level working group* |
| *5X (AL,HR,NM, SER, SLO)* | *3* | *3* | *Western Balkans Investment Framework (WBIF)* |
| *2X (HR,NM)* | *2* | *6* | *Connecting Europe Facility (CEF)* |
| *1X (SER)* | *5* | *4* | *European Network of Transmission System Operators for Electricity (ENTSO-E)* |
| *4X (AL,HR,NM, SER)* | *5* | *5* | *European Network of Transmission System Operators for Gas (ENTSO-G)* |
| *1X (SER)* | *5* | *6* | *Energy Community Distribution System Operators in Electricity (ECDSO-E)* |
| *2X (HR,NM)* | *11* | *8* | *Technical Assistance to Connectivity in the Western Balkans (CONNECTA)* |
| *2X (SER, SLO)* | *6* | *12* | *Adriatic Ionian Euroregion* |
| *1X (SLO)* | *6* | *11* | *Adriatic and Ionian Interregional Group at the Committee of the Regions* |
| *2X (SER, SLO)* | *6* | *11* | *Adriatic & Ionian Initiative (AII)* |
| *1X (SLO)* | *13* | *15* | *Regional Cooperation Council (RCC)* |
| *1X (AL)* | *12* | *14* | *UNECE* |
| *2X (SER, SLO)* | *9* | *13* | *International Energy Agency (IEA)* |
| *1X (SLO)* | *8* | *16* | *International Renewable Energy Agency (IRENA)* |
|  | *7* |  | *Eastern Mediterranean Gas Forum (EMGF)* |

### Relevant policies

* + 1. **The following policies, regulations, directives, initiatives were identified as relevant for the** ***Topic 1:* *Energy networks*. Please also think about the funding opportunities related to these policies. Which are the most relevant?**

|  |  |  |  |
| --- | --- | --- | --- |
| ***Most relevant*** | ***Ranking*** | | ***Some countries ranked policies, regulations, directives, initiatives* *by importance,***  ***some only marked the ones deemed most relevant*** |
| *GR* | *IT* |
| *4X (HR,AL, NM, SER)* | *1* | *2* | *Energy Community Treaty* |
| *4X (HR,AL, NM, SER)* | *1* | *1* | *The European Green Deal (COM 2019/640 final)* |
| *3X (HR,NM, SER)* | *1* | *8* | *the Paris Agreement on climate change* |
| *3X (HR,NM,SER)* | *1* | *5* | *Fit for 55 Package, Clean energy for all Europeans package* |
| *3X (HR,NM, SER)* | *2* | *9* | *Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action* |
| *3X (HR,NM, SER)* | *2* | *10* | *Regulation on the internal market for electricity (EU) 2019/943 and Internal Electricity Market Directive 2019/944* |
| *4X (HR,NM,AL, SER)* | *1* | *3* | *An Economic and Investment Plan for the Western Balkans (COM(2020) 641 final) and Action Plan for the Implementation of the Green Agenda for the Western Balkans 2021-2030* |
| *2X (HR,NM)* | *2* | *4* | *Regulation on guidelines for trans-European energy infrastructure (EU) 2022/869* |
| *3X (HR,NM, SER)* | *3* | *11* | *CESEC Electricity Action Plan* |
| *3X (HR,NM, SER)* | *3* | *12* | *CESEC Gas Action Plan* |
| *3X (HR,NM, SER)* | *2* | *6* | *Delegated Regulations amending Regulation (EU) No 347/2013 as regards the Union list of projects of common interest (PCI)* |
| *3X (HR,NM, SER)* | *3* | *7* | *Trans-European Network for Energy (TEN-E)* |
| *3X (HR,NM, SER)* | *4* | *13* | *RCC South East Europe 2030 Strategy* |
| *2X (HR,NM)* | *4* |  | *EMGF Long-Term Strategy* |

* + 1. **Is there another policy, or initiative, to be mentioned?**

GREECE:

* EMGF Long-Term Strategy
* ‘REPowerEU plan’
* Strategy for an EU external energy engagement
* Regulation 2017/1938 on gas security of supply, as amended by Regulation (EU) 2022/1032
* Council Regulation (EU) 2022/2576 of 19 December 2022 enhancing solidarity through better coordination of gas purchases, reliable price benchmarks and exchanges of gas across borders
* Directive (EU) 2022/2555 on measures for a high common level of cybersecurity across the Union (NIS 2 Directive)

ITALY:

* REPower EU: Joint European Action for more affordable, secure and sustainable energy
* EIB (European Investment Bank) Guidelines for (energy) project financing and risk assessment

NORTH MACEDONIA:

* Regulation (EU) 2017/1938 concerning measures to safeguard the security of gas supply
* Regulation (EU) 2019/941 on risk-preparedness in the electricity sector

CROATIA:

* Regulation (EU) 2017/1938 concerning measures to safeguard the security of gas supply
* Regulation (EU) 2019/941 on risk-preparedness in the electricity sector.

### Actions

There are three **Actions** foreseen in the initial policy paper:

***Action 1.1: Integrated power networks and market supporting the green transition of Adriatic Ionian Region:***

* *Projects supporting the Trans-balkan Electricity Corridor: new power transmission lines, their reinforcements to allow electricity trade, improve grid stability and the large-scale deployment of source, future-proofing - market integration of the planned RES investments.*
* *Power market coupling and integration. Creation of a wholesale power market for the Adriatic-Ionian Region according to a number of steps including harmonisation of electricity transmission tariffs, addressing regulatory barriers and pending Treaty reform in the Energy Community Parties, progressive market coupling, power purchase agreements and use of blockchain to facilitate electricity trading.*
* *In-depth analysis of the differences of regional and national electricity markets, with respect to regulatory frameworks and market maturity. Development of customised approaches to address these barriers paying close attention to these systemic market differences.*
* *Digitalisation of the power system, smart electricity grids deployment: adopting smart grid technologies across the Region to efficiently integrate the behaviour and actions of all users connected to the electricity network, in particular the generation of large amounts of electricity from renewable or distributed energy sources and demand response by consumers, energy storage, electric vehicles and other flexibility sources and, in addition, as regards islands and island systems, decreasing energy isolation. According to the Clean Energy for All Europeans package and the several National Energy and Climate Plans priority should be given to the clean energy transition. In this context new collaborative projects are envisioned.*

***Action 1.2: Integrated natural gas corridors, infrastructure and market supporting the energy transition of Adriatic Ionian Region:***

* *Projects supporting Transbalkan Gas Ring: new gas pipelines, gas storage facilities and counter flows.*
* *Projects supporting Ionian-Adriatic Gas Pipeline (IAP). The IAP is a strategic gas supply infrastructure linking. Albania, Montenegro, Bosnia and Herzegovina and Croatia to take advantage from and synergise with the Transbalkan Gas Ring and the Transadriatic Gas Pipeline. The implementation of the entire Ionian Adriatic Pipeline project enables opening of the new energy corridor for the SEE region within the Southern Gas Corridor, with the aim to establish a new natural gas supply direction from the Middle East and Caspian region.*
* *Eastern Mediterranean Gas Pipeline (East Med). Gas pipeline from the South East Mediterranean through Crete and continental Greece to exploit discoveries of off-shore gas resources. The pipeline which should connect Greece with Italy. EastMed Pipeline is a project of an offshore/onshore natural gas pipeline that will link the recently discovered off-shore gas reserves in the Levantine Basin with the Greek National gas system and with the IGI-Poseidon Pipeline to Italy. The project enables the supply of South East European markets, thereby strengthening security of supply through the diversification of sources and routes. The beginning of construction is expected in 2022. The project is estimated to be completed in 2025.*
* *North Macedonia gas interconnectors. Three gas interconnectors are envisioned by this project: interconnection of North Macedonia natural gas system with Albania, Greece and Serbia toward a fully integrated gas network.*
* *Natural gas trading hub for the Balkan Region. The trading hub would allow to exchange contracts, enhance competition when feasible, while promoting security of gas supply.*
* *Future-proofing planned gas infrastructure and checking the readiness and needed investments into existing infrastructure for future repurposing.*
* *Natural gas storage and natural gas counterflows as essentials for a well-functioning, reliable and integrated gas systems).*

***Action 1.3: LNG infrastructure, logistics and direct use of LNG for marine and road transport, as well as other use (notably in process industry).*** *Also LNG can be large-scale and small-scale while allowing for the transmission of bio-LNG and synthetic methane****.***

* *Projects related to harbor LNG infrastructure: design, construction and management of an LNG infrastructure in key harbours of the Adriatic-Ionian Sea including co-ordination of main port authorities.*
* *Projects related to design, construction and management of a network of LNG refueling stations for road transport*
* *Projects to promote marine and road truck engine conversion to the LNG use as a fuel.*
  + 1. Please **prioritise the actions** provided in the initial policy paper to reflect how important you find them for your country's cooperation in EUSAIR. *(1 being the most important, 3 the least important)*.

|  |  |  |
| --- | --- | --- |
| **Ranking** | | ***Countries ranked actions by importance*** |
| **AL,GR,IT,SER,SLO** | **NM,HR** |
| *1* | *2* | *Action 1.1: Integrated power networks and market supporting the green transition of Adriatic Ionian Region* |
| *2* | *1* | *Action 1.2: Integrated natural gas corridors, infrastructure and market supporting the energy transition of Adriatic Ionian Region* |
| *3* | *3* | *Action 1.3: LNG infrastructure, logistics and direct use of LNG for marine and road transport, as well as other use (notably in process industry)* |

* + 1. **Are there any suggestions for reformulation/specification of the Actions provided in the initial policy paper?**

ALBANIA: No we do not have any suggestions regarding the Actions listed above.

ITALY:

* Most of the three Actions are in need of reformulation to avoid repetitions and include new concepts. A few examples is in the following.
* Action 1.1 should read “Integrated power networks and market supporting the green transition and security of energy supply of the Adriatic-Ionian Region”.
* Sub-Action “Digitalisation of the power system [omissis]” here the concept of power access and affordability should receive separate attention into a Sub-Action saying “Power supply for islands and islands systems where renewables can play a role”. The Sub-Action should go under the Topic Green Energy.
* Action 1.2 should read “Integrated natural gas corridors, infrastructure and market supporting the energy transition and security of energy supply of the Adriatic-Ionian Region”.
* Sub-Action “Projects supporting Ionian-Adriatic-Gas Pipeline [omissis]” is ill-formulated. The Transbalkan Gas Ring is not quoted amongst the Sub-Actions. Also the Transadriatic Gas Pipeline (TAP) should become a Sub-Action.
* Sub-Action “Eastern Mediterranean Gas Pipeline [omissis]”. Please, delete “the beginning of construction is expected in 2022. The project is estimated to be completed in 2025”. This is all incorrect.
* Action 1.3 should begin with the Sub-Action “Large-scale and small-scale LNG and its developments to eventually allow transmission of and transition to bio-LNG, synthetic methane and hydrogen”.
* Missing Sub-Action under Action 1.3 is also “Direct LNG use in process and gas-intensive industries and applications”

SERBIA: Serbia gas interconectors with Romania, Croatia, North Macedonia, BiH and Montenegro

* + 1. **Are there any additional ideas for Actions to address the listed challenges by the EUSAIR concerning the thematic field of Topic 1? Please remain within the parameters of macro-regional relevance, EU policies compliance and EUSAIR territory and scope.**

ALBANIA: Natural gas storage capacities for security of supply

ITALY: Power and natural gas transport financing should be mentioned. How to finance projects while relying upon large private, public investments or concessions or other means is a big issue

## Topic 2: Green Energy

### Challenges

* + 1. **Please prioritise the challenges provided in the initial policy paper to reflect how relevant they are as regards the added value of being tackled by EUSAIR.**

*In the Adriatic-Ionian Region there is:*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| ***Ranking*** | | | | | | ***Countries ranked challenges by importance*** |
| ***AL*** | ***GR*** | ***IT*** | ***NM,HR*** | ***SER*** | ***SLO*** |
| *2* | *1* | *1* | *5* | *5* | *2* | *Overwhelming challenges of confronting climate change and reducing greenhouse gas emissions toward a net-zero carbon economy (or energy system). The must is how to decarbonise the energy system.* |
| *4* | *2* | *4* | *6* | *3* | *7* | *The region is promising in terms of potential electricity generation from RES technologies. More specifically, centralized and decentralized solar PV, as well as onshore wind are expected to make up the lion’s share in the future electricity mix across the region.* |
| *9* | *3* | *6* | *8* | *6* | *6* | *Furthermore, the economies of the region – in several cases with significantly lower GDP per capita than the EU average – could be a very attractive target for international investors in the green energy sector, provided that transparent and reliable regulatory frameworks are in place.* |
| *3* | *2* | *2* | *7* | *4* | *3* | *Making the transition to a renewables-based energy supply driven by domestic resources can enable countries to capture increasing shares of the energy value added chain within the region, progressively build domestic technological capacity and turn the energy system into a driver of clean economic growth, rather than a burden on public budgets.* |
| *7* | *2* | *3* | *1* | *1* | *5* | *Furthermore, accelerating the deployment of renewables in the region is a cost-effective strategy to reduce dependency on energy imports and improve the security of supply. At the same time, a shift to electrification of heat with renewables can avoid further investments in redundant gas infrastructure, which would be at high risk of becoming stranded if the region is to meet the goals of the Paris Agreement.* |
| *8* | *3* | *5* | *2* | *2* | *1* | *Regulatory (complex, lengthy administrative procedures, integration in spatial plans, inefficient coordination of RES regulations between countries), political (political instability), financial (fossil fuel subsidies, investment security), technical (grid integration restrictions, lack of functional power exchanges), socio-economic and environmental barriers to RES deployment* |
| *1* | *4* | *7* | *2* | *7* | *8* | *High share of CO2 emissions from power and heat sector per GDP unit in WB.* |
| *6* | *4* | *9* | *4* | *8* | *4* | *High dependency of energy sectors on fossil fuels (i.e. lignite) and hydropower (climate change effects, potential conflicts with Water Framework and Habitats Directives* |
| *5* | *3* | *8* | *9* | *9* | *9* | *Missing macro-regional data on energy efficiency.* |
|  | *1* |  |  |  |  | *The decarbonisation and the energy transition result in various technological developments. New market structures that are developed that alter our understanding of the energy systems. In the past energy systems were only based on long-distance energy networks. However, during the past few years, active consumers such as prosumers, energy communities and demand-side response participants have emerged that contribute to more efficient markets and network management. In order for these market participants to become an integrated part of the energy system, any new development of energy infrastructure should take them into account.* |

* + 1. **Are there any suggestions for reformulation/specification of the challenges provided in the initial policy paper to better reflect the situation in Adriatic-Ionian Region?**

ALBANIA: Currently no fuel station in Albania. We propose to introduce natural gas for public transport to being with. Transport sector is currently dependent on fossil fuel mostly.

ITALY:

* In general challenges require substantial reformulation. Energy efficiency is a fundamental challenge with renewable energy source as well with other low-carbon or zero-carbon options which are all missing amongst the challenges.
* Energy technology advancement is also missing.
* The challenges of energy (supply and delivery) security is not mentioned as well as how to Increase resilience of the energy system. A new set of challenges is a must for the Topic Green Energy.
* In addition, some challenges as quoted are unclear or badly formulated. For example “High share of CO2 emissions from power and sector [omissis]”. It should be said instead “High share of greenhouse gas emissions from the energy sector per GDP unit in Countries from the Adriatic-Ionian Region”.
* Entirely missing is the challenge of reducing energy intensity defined as the ratio between total energy demand and the national GDP. Data show that some Countries from the Adriatic-Ionian Region have an unbelievably high energy intensity. Reducing energy intensity is the real challenge.
* In conclusion, the challenges as presently formulated require substantial work to be reformulated, made more complete, coherent and up to real challenges of the Topic Green Energy. The Topic should respond to the need of the transition towards decarbonised energy systems and energy security.

NORTH MACEDONIA: Decarbonisation and energy transition

CROATIA: Decarbonisation and energy transition

SERBIA:

* It is not clear why the strategy is to make natural gas infrastructure redundant. We find natural gas green fuel with low emission of GHG in accordance with EU Taxonomy regulation.
* In some period, the energy transition will lead to an increase in production costs and energy prices and an increase in the number of vulnerable energy customers.
* It should be added as challenge: The transition to low-carbon technologies will open up problems in regions where coal is now produced and impose the need to implement and finance just transition measures.
  + 1. **Is there another challenge concerning the thematic field of *Topic 2: Green Energy* for which you see an added value of being addressed at EUSAIR level? The challenge should be specific to the EUSAIR territory and scope.**

GREECE: Establish strategic partnerships on critical raw materials with the EU's geographical neighbors, and to integrate the Western Balkans into EU supply chains.

ITALY:

* Challenges as formulated focus mainly on renewable energy sources. As said above there are challenges on the text which are incomplete or make no-sense.
* An energy expert or professional should do the reformulation. For instance, it is said “The region is promising in terms of potential electricity generation from RES technologies. More specifically, centralised and decentralised solar PV [omissis]”. It should be said instead “The Adriatic-Ionian Region is promising in terms of potential of renewable energy sources. Specifically, solar energy, use of biomass, onshore and offshore wind power are expected to make a substantial share in future electricity mix”. Furthermore biofuels would have a role for transport usages”.
* Challenges entirely missing refer to “Increasing energy efficiency in the buildings, housing, industry, transport and service sectors”.
* Another challenge is “Accelerating the transition towards a net-zero carbon economy to decarbonise and the energy system while promoting security of energy supply and delivery and energy affordability and access”.
* Please, review the entire chapter to make it acceptable

SERBIA:

The challenge of workforce redundancy, needs for reskilling an upskilling to better address the employment opportunities in the new technology industries. Uptake of energy efficiency could significantly contribute to emission reductions and better environment in the region bearing in mind high dependence of energy production sectors on fossil fuels. In order to do that there is a need to secure financing of energy efficiency and develop effective support mechanisms for energy efficiency investments.

### Objectives

The **objective** of the 2014 Action Plan was updated in the initial policy paper:

*To promote the transition towards decarbonised energy systems in the Adriatic-Ionian Region, confront the challenge of climate change and maintain energy security and access. Priorities are: enacting the energy goals of The EU Green Deal and the Green Agenda for Western Balkans while promoting deployment of renewable energy sources, energy efficiency, low-carbon energy options and hydrogen economy.*

* + 1. **Are there any suggestions for its reformulation/specification? Please, consider also the different trends in energy policy relevant for the main objective.**

ITALY: It should be said “The European Green Deal” instead of “The EU Green Deal”.

SERBIA: It should be added to promote JUST transition.

SLOVENIA: Energy security and access (Maybe it is enough to state just “energy security” as it also encompasses the security of supply).

**Any additional objectives will be derived from the challenges provided under point 2.1.3.**

### Key stakeholders

* + 1. **Which are the most relevant national/regional (e.g. national/regional institutions, agencies, others) and international (e.g. networks, associations, organisations, partnerships) stakeholders to be involved in order to reach most efficiently the objectives of the Topic 2. (objectives provided in point 2.2.1 and additional ones derived from challenges added under point 2.1.3, if relevant)? Indicative international key stakeholders are already listed in the initial policy paper.**

|  |  |  |  |
| --- | --- | --- | --- |
| ***Most relevant*** | ***Ranking*** | | ***Some countries ranked stakeholders by importance,***  ***some only marked the ones deemed most relevant, some didn’t mark (Slovenia)*** |
| ***GR*** | ***IT*** |
| 3x (HR,NM,AL) | *3* | *4* | *European Climate, Infrastructure and Environment Executive Agency – CINEA* |
| 4X (AL,NM,HR,SER) | *1* | *3* | *Western Balkans Investment Framework (WBIF)* |
| 3X (NM,HR, SER) | *2* | *9* | *Adriatic Ionian Euroregion* |
| 2X (NM,HR) | *2* | *6* | *Adriatic and Ionian Interregional Group at the Committee of the Regions* |
| 3X (NM,HR, SER) | *2* | *7* | *Adriatic & Ionian Initiative (AII)* |
| 3X (NM,HR, SER) | *2* | *8* | *Regional Cooperation Council (RCC)* |
| 2x (AL, SER) | *4* | *5* | *UNECE* |
|  | *4* | *1* | *International Energy Agency (IEA)* |
| 1X (SER) | *4* | *2* | *International Renewable Energy Agency (IRENA)* |
|  | *4* | *11* | *Covenant of Mayors* |
| 1X (SER) | *4* | *10* | *Local Energy Agencies Networks* |

**ITALY:**

It is noted that quite a few of the proposed stakeholders are side-lined or requiring ad hoc mobilisation. It is difficult to understand which role in the Topic Green Energy might have AII or Covenant of Mayors

* Rather, key stakeholders which are missing are: The Energy Community, Clean Energy Ministerial, ACER, National Regulatory Agencies, National Energy R&D Agencies, National Associations for Renewable Energy Sources and Energy Efficiency, EIB, EBRD

### Relevant policies

## **The following policies, regulations, directives, initiatives… were identified as relevant for *Topic 2: Green Energy*. Please also think about the funding opportunities related to these policies. Which are the most relevant?**

|  |  |  |  |
| --- | --- | --- | --- |
| ***Most relevant*** | ***Ranking*** | | ***Some countries ranked policies, directives, initiatives… by importance,***  ***some only marked the ones deemed most relevant, some didn’t mark (Slovenia)*** |
| ***GR*** | ***IT*** |
| 4x (HR,NM,AL, SER) | *3* | *2* | *Energy Community Treaty* |
| 4x (HR,NM,AL, SER) | *4* | *1* | *The European Green Deal (COM 2019/640 final)* |
| 3x (HR,NM, SER) | *4* | *11* | *the Paris Agreement on climate change of December 2015* |
| 3x (HR,NM, SER) | *4* | *5* | *Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action* |
| 4x (NM,HR,AL, SER) | *4* | *3* | *Fit for 55 Package, Clean energy for all Europeans package* |
| 1x SER | *4* | *7* | *A Renovation Wave for Europe strategy – greening our buildings, creating jobs, improving lives (COM/2020/662 final)* |
| 4x (HR,NM,AL, SER) | *4* | *10* | *Energy Performance of Buildings Directive ((EU 2018/844)* |
| 4x (HR,NM,AL, SER) | *4* | *9* | *Directive on Energy Efficiency ((EU) 2018/2002)* |
| 4x (HR,NM,AL, SER) | *1* | *8* | *An Economic and Investment Plan for the Western Balkans (COM(2020) 641 final)* |
| 3x (HR,NM,AL, SER) | 2 | 4 | Action Plan for the Implementation of the Green Agenda for the Western Balkans 2021-2030 |
| 1x (AL) | 4 | 6 | European Climate Pact |

## **Is there another policy, or initiative, to be mentioned?**

ALBANIA: Does not apply

GREECE:

* Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (‘European Climate Law’)
* 2020 Action Plan on Critical Raw Materials and the 2020 List of Critical Raw Materials

ITALY:

* RE Power EU: Joint European Action for more affordable, secure and sustainable energy
* EIB (European Investment Bank) Guidelines for (energy) project financing and risk assessment

NORTH MACEDONIA:

* REpowerEU
* Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources

CROATIA:

* REpowerEU
* Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources

SERBIA:

* Directive 2018/2001 of 11 December 2018 on the Promotion of the use energy from renewable source

### Actions

There are two **Actions** foreseen in the initial policy paper:

***Action 2.1: Cooperation in deployment of renewable energy sources in the Adriatic-Ionian Region***

* *Cooperation in the development and implementation of National Energy and Climate Plans.*
* *Cooperation in the improvement of the investment environment for clean energy investments in terms of a comprehensive regulatory framework.*
* *Preparation of renewable energy roadmap for the Adriatic-Ionian Region, mapping the renewable energy potentials, identifying implementation challenges and barriers for RES deployment, assessing the socio-economic impact of decarbonisation, and agreeing on macro-regional actions to address them.*
* *Promotion of the use of renewable energy in the electricity sector, the heating and cooling sector and the transport sector. Support macro-regional networking and best practice sharing in renewable energy communities, decarbonized district heating solutions, self-consumption.*
* *Explore opportunities of European initiatives such as Coal regions in transition and the Western Balkan initiative or the European Climate Pact to encourage best practice sharing, cooperation and capacity building.*
* *Support in alignment of the Western Balkan countries with the acquis related to decarbonisation of the energy sector in the framework of the Energy Community.*

***Action 2.2: Improve energy efficiency through macro-regional cooperation***

* *Macro-regional cooperation in all efficient energy uses, energy efficient housing and industrial processes, domotics, energy efficient public buildings and services, energy efficient mobility, new devices such as heat pumps, telemetering, digitalisation of energy delivery and end-use. District heating should also be an area of concern as well as sustainable mobility. Increased electrification of the societies towards a decarbonised economy is a must.*
* *Cooperation in macro-regional energy efficiency research and monitoring as well as recommendations on possible macro-regional actions.*
* *Cooperation in the development and implementation of National Energy and Climate Plans (energy efficiency part).*
* *Cooperation in development and implementation of National long-term renovation strategies.*
* *Cooperate in implementing programmes addressing energy poverty in the region.*
* *Cooperate in development/implementation of more efficient (digitalisation, monitoring) and impact-oriented integration of EU energy performance certification system /standard into national legislation.*
* *Address administrative, legal and financial barriers to speed up a ‘renovation wave’ of public and private buildings, incl. cooperation/best practice sharing in designing innovative financing schemes or combining energy efficiency measures with renewable energy application.*
* *Assist non-EU EUSAIR members in developing private and public building renovation schemes and securing appropriate financing, by extending the “EU renovation wave” to the Western Balkans.*
* *Support macro-regional networking, community building, best practice sharing, capacity building and project development in energy efficiency.*

***Action 2.3 Cooperation on energy technology innovation and hydrogen economy***

* *Energy and electricity storage, fuel cells, carbon removal and storage*
* *Hydrogen production technology, hydrogen storage and delivery (hydrogen logistics), zero-carbon fuels, electric and hydrogen vehicles*
* *Cooperation on energy R&D*
* *Cooperation on advanced nuclear fission power and nuclear fusion*
  + 1. **Please prioritise the actions provided in the initial policy paper to reflect how important you find them for your country's cooperation in EUSAIR. *(1 being the most important, 3 the least important)*.**

|  |  |  |  |
| --- | --- | --- | --- |
| ***Ranking*** | | | ***Countries ranked actions by importance*** |
| **AL** | **GR,IT,SER, SLO** | **NM,HR** |
| * *2* | *1* | *3* | *Action 2.1: Cooperation in deployment of renewable energy sources in the Adriatic-Ionian Region* |
| * *1* | *2* | *2* | *Action 2.2: Improve energy efficiency through macro-regional cooperation* |
| * *3* | *3* | *1* | *Action 2.3: Cooperation on energy technology innovation and hydrogen economy* |

## **Are there any suggestions for reformulation/specification of the Actions provided in the initial policy paper.**

GREECE: Increasing interconnectivity between network and non-network solutions to transport hydrogen

ITALY:

* In the first sentence it should be said “There are three Actions foreseen in the initial policy paper”. Two Actions is misquoted.
* In Action 2.1 the order of Sub-Actions should be different to make sense. For instance Sub-Action “Promotion of the use of renewable energy in the electricity sector [omissis]” should come first while Sub-Action “Preparation of renewable energy roadmap [omissis]” should come second and so forth
* The Sub-Action “Explore opportunities of European initiatives such as Coal regions [omissis]” is unclear and in need of reformulation.
* The concepts of energy security and sustainability of the energy system are missing
* The Sub-Action “Support in the alignment of the Western Balkan countries [omissis]” should read “Support in the alignment of Countries from the Adriatic-Ionian Region [omissis]”
* Promotion of energy production from solar, wind, hydro and biomass resources is never quoted
* In Action 2.2 the tile should be “Improving energy efficiency in the Adriatic-Ionian Region through action and cooperation”
* The first Sub-Action “Macro-regional cooperation in all efficient energy uses [omissis]” should be entirely re-formulated and splitted into three Sub-Actions. These three SubActions should be something like “Action and cooperation on efficient energy use in the building and housing sector, and so forth”; “Action and cooperation on efficient energy use in the transport sector and sustainable mobility, and so forth”; “Action and cooperation on efficient energy use in the industry and service sectors, and so forth”. District heating should be a separate Sub-Action.
* The Sub-Action “Cooperate in implementing programmes addressing energy poverty in the region” is in need of reformulation to make some sense. A text might be “Cooperation for energy affordability and access in the Adriatic-Ionian Region while addressing customer needs and energy poverty”.
* Action 2.3 should be “Promoting advancements on energy technologies and hydrogen economy”
* Sub-Actions under Action 2.3 should be entirely re-formulated. A few suggestions are in the following paragraph 2.5.5.

SERBIA:

* For Action 2.1: Cooperation in fund-raising and joint regional RES project proposals
* Action 2.2 “District heating should also be an area of concern as well as sustainable mobility. Increased electrification of the societies towards a decarbonised economy is a must.” From a first bullet point should be separated in separate bullets”
* Action 2.3. Energy and electricity storage fuel cells, carbon removal and storage

## **Are there any additional ideas for Actions to address the listed challenges on the EUSAIR level concerning the thematic field of Topic 2? Please remain within the parameters of macro-regional relevance, EU policies compliance and EUSAIR territory and scope.**

## 

ITALY: A few suggestions on how to re-formulate. Action 2.3 are as follows.

* Cooperation on advanced energy technologies, energy technology innovation and R&D
* Advancing electricity storage, fuel cells, alternative low-carbon and zero-carbon fuels for transport.
* Carbon capture and sequestrations (CCS) and reuse (CCUS) to complement existing generation technologies through the EUSAIR.
* Research development of new advanced technologies for secure exploitation of nuclear energy also with view at existing and new power plants and prospects for nuclear fusion
* Hydrogen production through different technologies while promoting green hydrogen
* Hydrogen transport and storage, hydrogen use in the main energy consuming sectors.
* Development of integrated hydrogen systems while including biofuels and ammonis fuels.

SERBIA: We propose to revise Action 2.3 as Energy and electricity storage, heat pumps, fuel cells, carbon removal and storage.

## Other challenges and Actions

## **Do you have any additional ideas for Challenges or Actions to be addressed by EUSAIR concerning the Pillar 2 Energy networks, not already included under the above mentioned Topics? Please remain within the parameters of macro-regional relevance, EU policies compliance and EUSAIR territory and scope.**

ITALY:

* Both Topics i.e. the Topic Enertgy Networks and the Topic Green Energy should go under EUSAIR Pillar 2 – Connecting the Region. It should be noted that some Actions and SubActions as foreseen might have a shared interest and involvement of Transport Topics.
* There are ideas for Challenges and Actions (or Sub-Actions) which have been not included under the two Topics as above. Some of these ideas appear to bear a great potential interest. Three ideas need to be mentioned as in the following.
* First idea, “Promoting consensus and acceptance on energy projects due to their environmental and social impact”.
* Second idea, “Granting energy affordability and access to the poor and communities under disadvantage”.
* Third idea, “Reinforcing resilience of the energy system with a view at consequences of global climate change and extreme events”