



# The Energy Priority Area of the Danube Region Strategy

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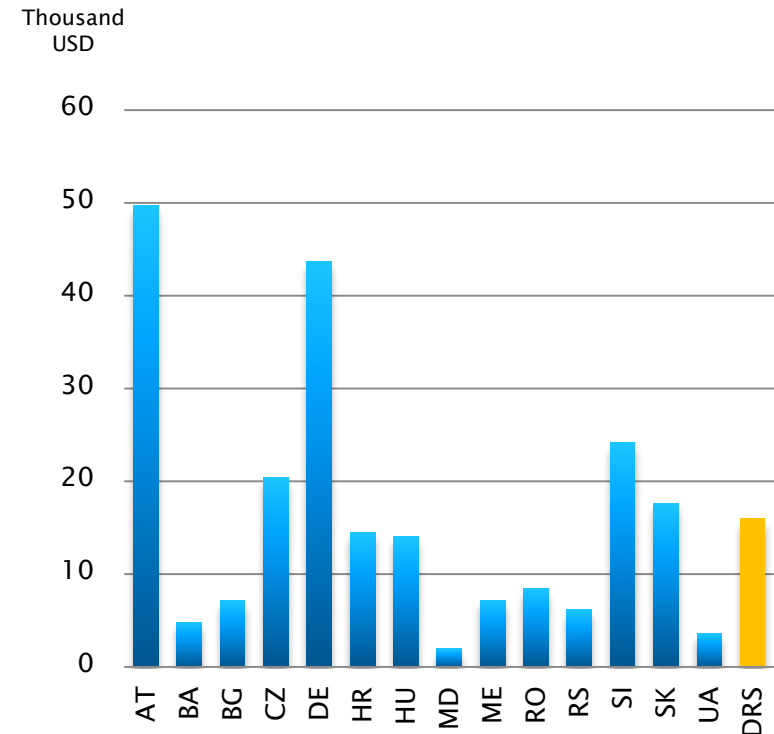
# Outline of the Danube Region

## Key features:

- ▶ Functional area defined by its river basin
- ▶ 8 EU + 6 non-EU countries
- ▶ More than 100 million inhabitants
- ▶ One-fifth of the EU's total area
- ▶ Significant regional disparities



## GDP per head in PPP (2011)



Source: World Bank

# Major objectives of the macro–regional concept

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- ▶ PA2 is coordinating regional energy policies to exploit the potential of an integrated energy market;
- ▶ PA2 is instrumental in the integration of the energy markets of the non–EU countries and supporting the implementation of the EU energy acquis– the Strategy created a new platform for cooperation;
- ▶ PA2 is committed to launch cutting edge technology developments which will increase the energy efficiency of the region and enhance the use of renewable energy sources;

# Steering Groups are the brain of the PAs

- ▶ 6th SG meeting is scheduled for 13 June, 2013;
- ▶ Growing commitment from the countries
- ▶ Strategic partnership with the Energy Community,
- ▶ Observer status in the North–South regional gas WG;

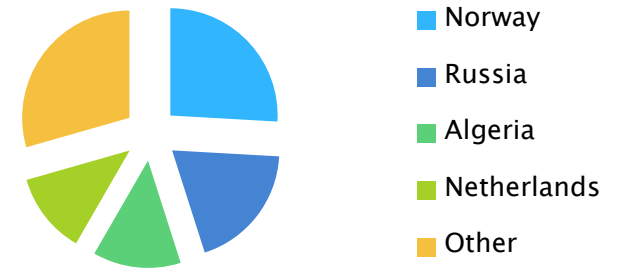


# Demanding challenges for the entire region

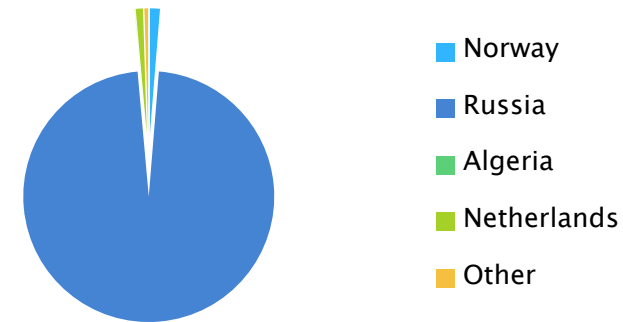
## Common characteristics of the Danube Region:

- ▶ High energy prices;
- ▶ Fragmented markets;
- ▶ Lack of interconnectivity;
- ▶ Vulnerability regarding security of supply;
- ▶ Non-efficient energy consumption;
- ▶ Homogeneous region regarding natural gas;

Gas imports (2010) for EU-15

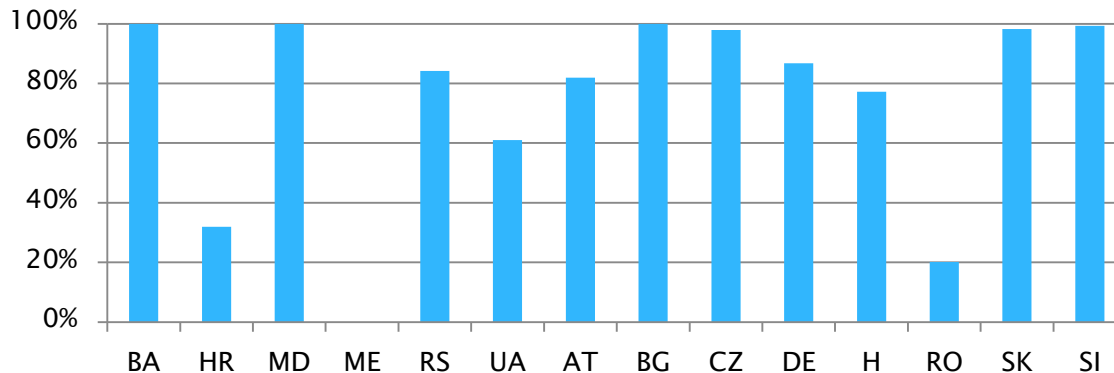


Gas imports (2010) for DRS-14



Source: EUROSTAT

## Gas Dependence\*



\*consumption not covered by domestic production

Source: EUROSTAT, Energy Community

# Objectives supporting EU2020 goals

General objective – to promote the EU2020 goals with all possible means

- ▶ Well functioning energy networks;
- ▶ Better interconnectivity (interconnectors and gas storages);
- ▶ To improve energy efficiency and the share of renewables;



# Various tools to achieve the targets

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- I. Coordinating common position of the EUSDR countries regarding policy issues
- II. Implementation of the Strategy's Action Plan (17 actions in 3 groups for the PA2)

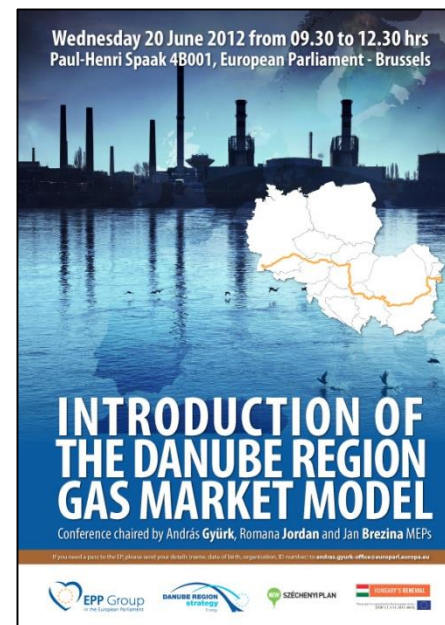


- III. Projects

# Successful policy coordination – Gas Market Model

## The Danube Region Gas Market Model

- ▶ First and tangible result of the PA2
- ▶ Comes from the Action Plan: development of a joint position of the region regarding natural gas projects of common interest (PCI);
- ▶ Tool for modelling the regional effect of gas infrastructure projects and project packages on gas prices;

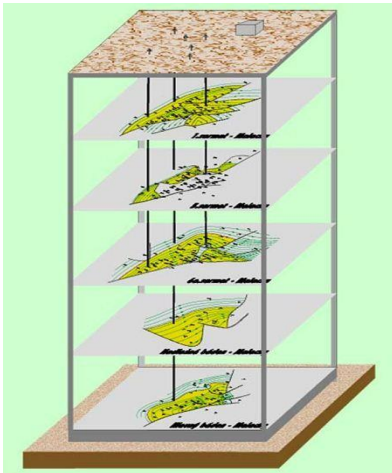




# Successful policy coordination – Storage Analysis

Regional gas storage market analysis and transmission price benchmarking for the Danube Region:

- ▶ Based on the conclusions of the Danube Region Gas Market Model;
- ▶ The PA2 was invited to present the preliminary results in the North-South Gas Working Group in January, 2013 – PCI selection
- ▶ The analysis is completed – Final results will be presented first at the 6th SG Meeting



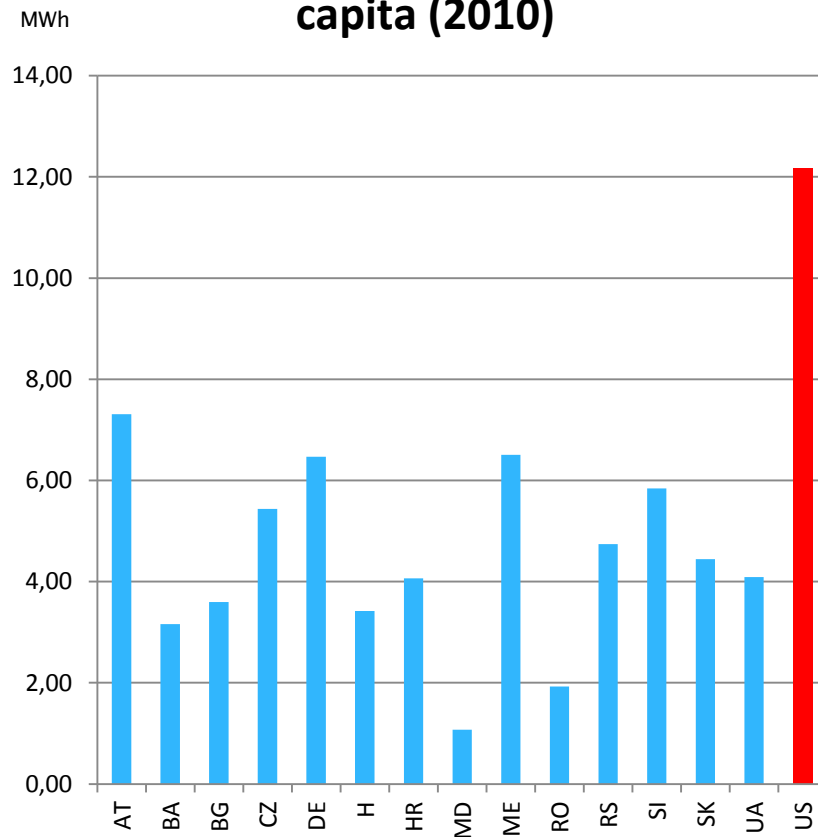
Outline of Láb gas storage, Slovakia  
([www.pozagas.sk](http://www.pozagas.sk))



7 Fields gas storage, Austria  
([www.rag-austria.at](http://www.rag-austria.at))

# Energy efficiency is low in the region with significant growth potential

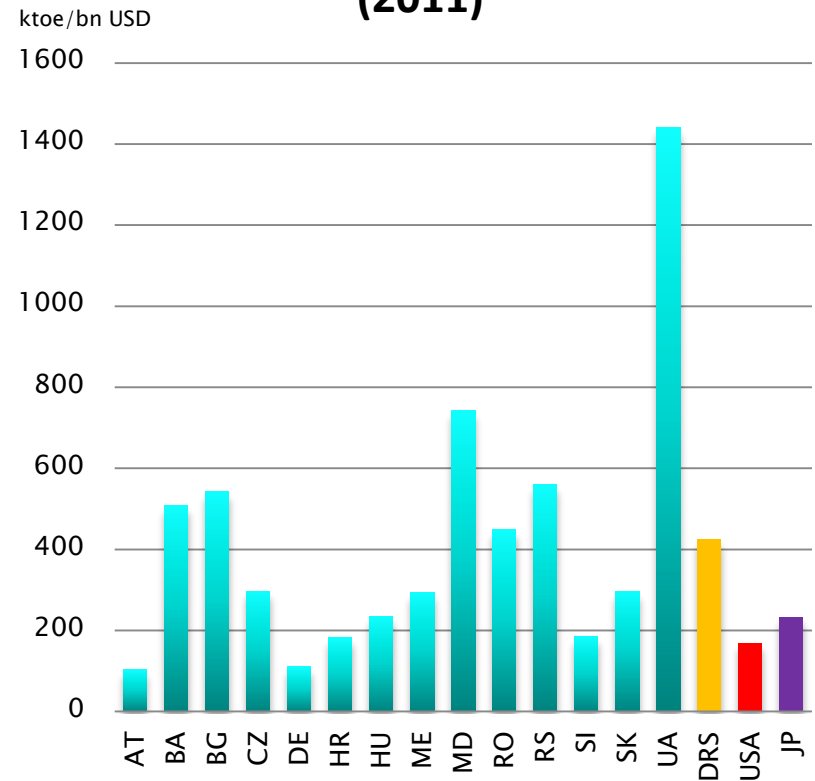
## Electricity consumption per capita (2010)



Source: EUROSTAT, Energy Community

## Energy intensity (2011)

(Total Primary Energy Supply/GDP)



Source: IEA

# Successful policy coordination – Smart grids

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Study on the Smart Grid deployment in the Danube Region:

- ▶ to assess the differences in the country specific demand for smart grid solutions in the Danube Region;
- ▶ to have a better understanding on the current/future role of smart grids, the potential demand for smart grid solutions and the points of policy intervention/regulatory changes.

First step: Regional TSO/DSO Workshop in Vienna on 26 June, 2013

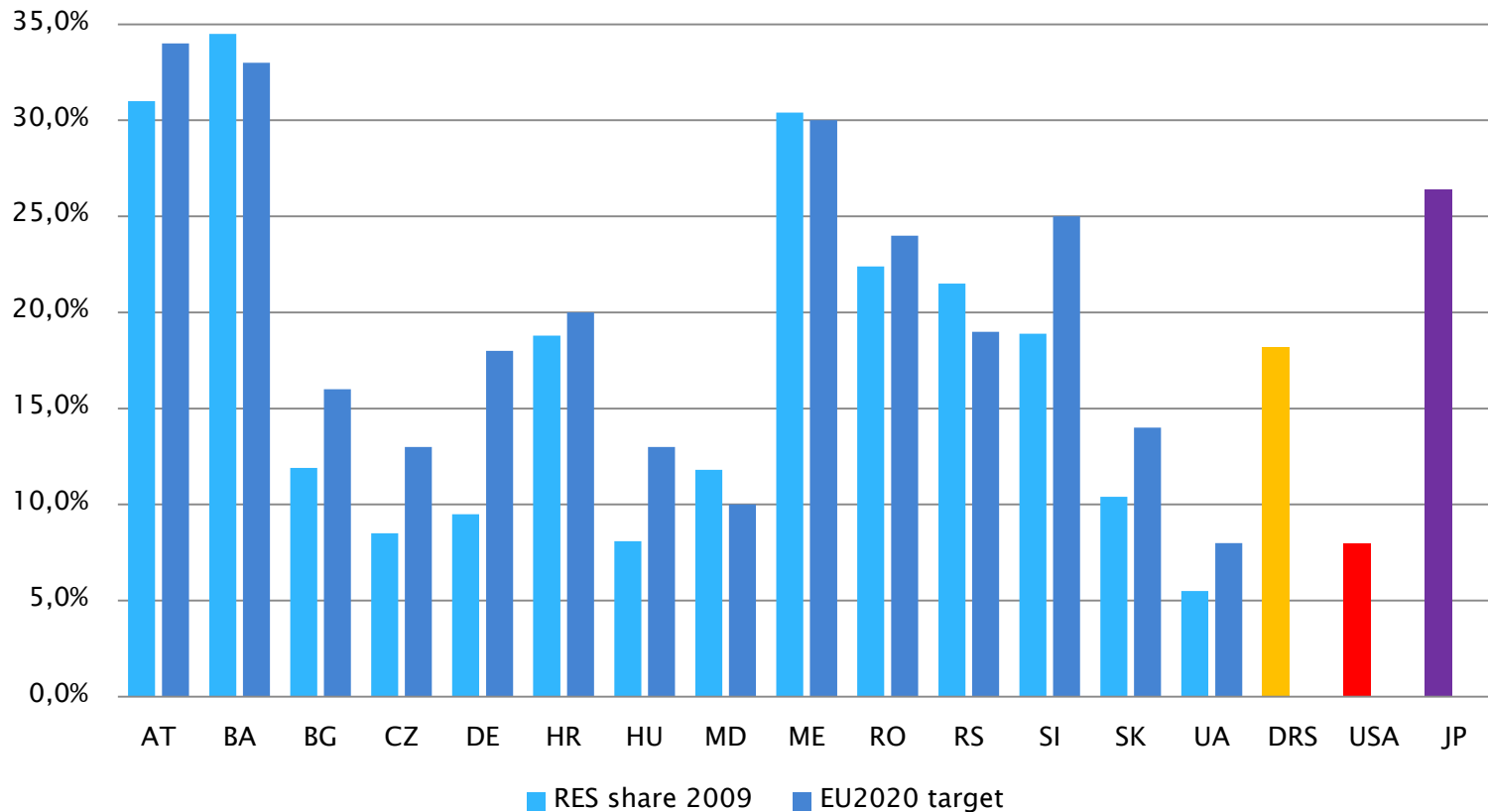
- ▶ to assess the demand for smart grid solutions in the Danube region countries;
- ▶ to share the experience of countries that are more advanced in the power grid transformation
- ▶ to initiate the joint thinking of the most relevant players in the topic.



Illustration of Europe by night  
(naturalearth.springercarto.com)

# Still area for improvement at renewables in a heterogeneous region

## Share of renewables and EU2020 targets




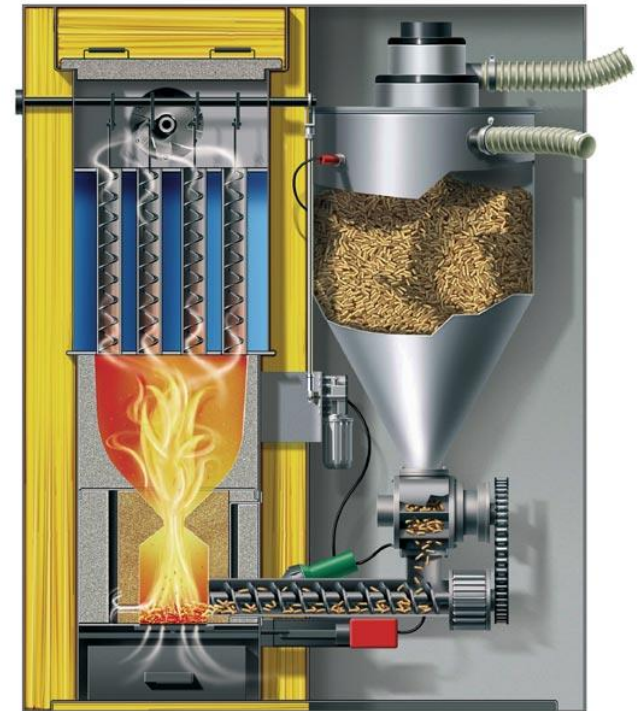
Source: EUROSTAT, Energy Community, IEA

# Implementation of the Action Plan has started

**Action:** *“To extend the use of biomass (e.g. wood, waste), solar energy, geothermal, hydropower and wind power”*

**Answer:** *Danube Region Biomass Action Plan:*

- ▶ Building on the results of the  concept in order to develop a Danube Region-wide Biomass Action Plan
- ▶ Main objectives of the Study:
  - to summarize and present the current status of the Danube Region on the use of biomass;
  - to create a demo project database for best practice projects;
  - to build synergy among the existing policies and initiatives of the DRS countries by determining the development priorities;
  - to promote the elaboration of a common position and formulate specific recommendations on the use of biomass at EU, regional and national level;
- ▶ Preliminary results will be presented at the 6th SG Meeting



Automatic pellet burner  
([www.biomasseverband.at](http://www.biomasseverband.at))

# Main steps of elaborating the Biomass Action Plan

1. Biomass roadmap approved on the 4th SG meeting of 30.05.2012	✓
2. Final project concept approved on the 5th SG meeting of 05.12.2012	✓
3. Consultant was chosen	✓
4. Preparation of questionnaires	✓
5. Receiving the first set of info (recommendations) from the DRS countries	✓
6. Receiving the second set of info (biomass data, project examples) from the DRS countries	
7. Preliminary study to be presented at the SG meeting of 13.06.2013	
8. Final study to be prepared by mid September 2013	
9. Dissemination of the results, policy recommendations	

# Concept of the Priority Area 2 for the implementation of the EU energy acquis by the non-EU countries of the EUSDR

# Concept of the Energy Priority Area

- ▶ Assisting the non-EU countries in the adaptation and implementation of the EU energy acquis
- ▶ Knowledge transfer from the EU to the non-EU countries
- ▶ Implementation of the concept has started with Moldova in January, 2013
- ▶ Specific, tailor-made training program on the implementation of the Third Energy Package of the European Union
- ▶ The training concept is coordinated with the EC and EnC as well as the ongoing initiatives of other institutions/countries in Moldova



# Concept of the Energy Priority Area tailored to Moldova

- ▶ General objective: to have well-trained expert level in Moldova with deep knowledge on the Third Package
- ▶ Target group: strategic and working-level officials of the relevant public bodies, companies in Moldova (to be decided by the Moldovan side)
- ▶ Venue: Chisinau
- ▶ Financial needs of the first phase is provided by the PA2;
- ▶ Different experts (instructors) are invited to the different sessions subject to their field of experience

# ROADMAP

- ▶ Fact finding mission took place in 16–18 January, 2013
  - High level political meetings/consultations
  - Content of the workshops was decided
- ▶ 1st Workshop: 26–28 February, 2013
- ▶ 2nd Workshop: 26–28 March, 2013
- ▶ 3rd Workshop: 27–29 May, 2013
- ▶ 4th Workshop, TBD
  
- ▶ The 1st and 2nd WSs were attended by 12 highly-qualified experts from different MSs and they held more than 20 presentations on various topics
- ▶ The training session considered to be the first initiative aiming to assist Moldova in the practical implementation of the 3rd Energy Package
- ▶ The concept is highly appreciated by the Government of Moldova as well as the DG ENER of the European Commission
- ▶ PA2 is committed to launch the 2nd phase of the concept

# Conclusions

- ▶ The countries have recognized the real added value of the macro-regional thinking but their more active participation in the practical implementation of the Strategy is of key importance
- ▶ The cooperation has started in many policy areas regarding the Priority Area 2
- ▶ The future Danube Program will offer more possibilities to Danube-relevant projects, initiatives



For more information please visit:  
<http://danube-region.eu/>

**Thank you for your attention!**

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