# EUSAIR Action Plan revision

# Thematic consultation questionnaire for Pillar 2 Energy Sub-Group

This document 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 is to be used with the Initial policy paper for thematic consultation and is intended to collect feedback from country policy owners.

The overall process and context in which these documents will be used is described in the Background document with Roadmap on the EUSAIR Action Plan revision v3, presented to the National Coordinators at the 18th Governing Board in Sarajevo.

This questionnaire shall be addressed to energy governance structures. We propose for the TSG members to gather all relevant inputs from their country so that **only one questionnaire** is submitted from one country. The best way would be to organise a meeting or a workshop with relevant representatives of the sector to discuss and agree on the country’s input. Facility Point project partners shall technically support the process upon request from TSG members or National Coordinators.

As described in the Background document each country has the national consultation organised differently and involving different sectors and governance levels.

**The completed questionnaire shall be returned to Pillar 2 Coordinators, Pillar 2 thematic expert(s), EC representative and Facility Point Lead Partner with external experts by 16 December.**

The Pillar Coordinators, Pillar thematic experts, EC representative supported by Facility point LP with external experts will organise the gathered information and prepare proposals to be discussed by the National coordinators presumably in January 2023 and at the next TSG meeting planned for February or March. At this next meeting agreements on the content shall be made by the TSG members.

The purpose of this questionnaire is to structure and organise the gathering of country inputs using the same methodology for all 4 Pillars, however the respondents should not feel limited by the questionnaire. Any other information deemed important and not encompassed in the given questions is welcome as well.

Suggestion on how to use the questionnaire: the questionnaire is not meant to be circulated to the possible participants of the workshop or meeting organised to collect the country inputs. We propose to share the Initial policy paper with participants, while the questionnaire is to be used by the organiser to lead the discussion at the workshop/meeting using the prepared questions or their simplification. The questionnaire should be completed by the organiser at the end of the workshop/meeting to summarise the information provided and agreed by the participants.

Disclaimer: The gathered information will be used for further consultation on the level of TSGs and National Coordinators. The gathered elements from this questionnaire will be reflected in the final Action Plan. However, the decision regarding the inclusion of thematic elements in the revised Action Plan lies in the hands of the EUSAIR Governing Board.

## 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:*

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|  | *Integrated natural gas corridors, infrastructure and market supporting the energy transition of the Adriatic-Ionian Region.* |
|  | *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* |
|  | *Exclusion of natural gas infrastructure from the new TEN-E Regulation and the need to repurpose LNG infrastructure to renewables in the future* |
|  | *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.* |
|  | *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* |
|  | *Regulatory barriers that hinder market integration and the functioning of power exchanges in the region.* |
|  | *The existing electricity grid cannot accommodate generation of large amounts of electricity from intermittent renewables and distributed energy sources.* |

* + 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?

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* + 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.

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### 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.

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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.

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|  | *European Climate, Infrastructure and Environment Executive Agency – CINEA* |
|  | *Agency for the Cooperation of Energy Regulators (ACER)* |
|  | *Energy Community (EnC)* |
|  | *Central and South Eastern Europe energy connectivity (CESEC) high-level working group* |
|  | *Western Balkans Investment Framework (WBIF)* |
|  | *Connecting Europe Facility (CEF)* |
|  | *European Network of Transmission System Operators for Electricity (ENTSO-E)* |
|  | *European Network of Transmission System Operators for Gas (ENTSO-G)* |
|  | *Energy Community Distribution System Operators in Electricity (ECDSO-E)* |
|  | *Technical Assistance to Connectivity in the Western Balkans (CONNECTA)* |
|  | *Adriatic Ionian Euroregion* |
|  | *Adriatic and Ionian Interregional Group at the Committee of the Regions* |
|  | *Adriatic & Ionian Initiative (AII)* |
|  | *Regional Cooperation Council (RCC)* |
|  | *UNECE* |
|  | *International Energy Agency (IEA)* |
|  | *International Renewable Energy Agency (IRENA)* |

### 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?

*(Please tick the boxes before the selected policies)*

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|  | *Energy Community Treaty* |
|  | *The European Green Deal (COM 2019/640 final)* |
|  | *the Paris Agreement on climate change* |
|  | *Fit for 55 Package, Clean energy for all Europeans package* |
|  | *Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action* |
|  | *Regulation on the internal market for electricity (EU) 2019/943 and Internal Electricity Market Directive 2019/944* |
|  | *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* |
|  | *Regulation on guidelines for trans-European energy infrastructure (EU) 2022/869* |
|  | *CESEC Electricity Action Plan* |
|  | *CESEC Gas Action Plan* |
|  | *Delegated Regulations amending Regulation (EU) No 347/2013 as regards the Union list of projects of common interest (PCI)* |
|  | *Trans-European Network for Energy (TEN-E)* |
|  | *RCC South East Europe 2030 Strategy* |

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

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### 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)*.

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|  | **Action title** |
|  | *Action 1.1: Integrated power networks and market supporting the green transition of Adriatic Ionian Region* |
|  | *Action 1.2: Integrated natural gas corridors, infrastructure and market supporting the energy transition of Adriatic Ionian Region* |
|  | *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?

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* + 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.

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## 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. *(1 being the most important, other follow in the numerical order)*

*In the Adriatic-Ionian Region there is:*

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|  | *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.* |
|  | *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.* |
|  | *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.* |
|  | *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.* |
|  | *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.* |
|  | *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* |
|  | *High share of CO2 emissions from power and heat sector per GDP unit in WB.* |
|  | *High dependency of energy sectors on fossil fuels (i.e. lignite) and hydropower (climate change effects, potential conflicts with Water Framework and Habitats Directives* |
|  | *Missing macro-regional data on energy efficiency.* |

* + 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?

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* + 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.

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### 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.

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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.

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|  | *European Climate, Infrastructure and Environment Executive Agency – CINEA* |
|  | *Western Balkans Investment Framework (WBIF)* |
|  | *Adriatic Ionian Euroregion* |
|  | *Adriatic and Ionian Interregional Group at the Committee of the Regions* |
|  | *Adriatic & Ionian Initiative (AII)* |
|  | *Regional Cooperation Council (RCC)* |
|  | *UNECE* |
|  | *International Energy Agency (IEA)* |
|  | *International Renewable Energy Agency (IRENA)* |
|  | *Covenant of Mayors* |
|  | *Local Energy Agencies Networks* |

### 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?

## *(Please tick the boxes before the selected policies)*

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|  | *Energy Community Treaty* |
|  | *The European Green Deal (COM 2019/640 final)* |
|  | *the Paris Agreement on climate change of December 2015* |
|  | *Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action* |
|  | *Fit for 55 Package, Clean energy for all Europeans package* |
|  | *A Renovation Wave for Europe strategy – greening our buildings, creating jobs, improving lives (COM/2020/662 final)* |
|  | *Energy Performance of Buildings Directive ((EU 2018/844)* |
|  | *Directive on Energy Efficiency ((EU) 2018/2002)* |
|  | *An Economic and Investment Plan for the Western Balkans (COM(2020) 641 final)* |
|  | Action Plan for the Implementation of the Green Agenda for the Western Balkans 2021-2030 |
|  | European Climate Pact |

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

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### 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)*.

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|  | **Action** |
|  | *Action 2.1: Cooperation in deployment of renewable energy sources in the Adriatic-Ionian Region* |
|  | *Action 2.2: Improve energy efficiency through macro-regional cooperation* |
|  | *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.

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## 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.

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## 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.

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