

Priority Area 2 2025 NEWSLETTER

Dear Readers,

We are happy to introduce you to the newsletter of Priority Area 2 'Sustainable Energy' of the EU Strategy for the Danube Region, presenting the activities of PA2 during the year 2025. The Priority Area is coordinated by Czechia and Hungary.

EUSDR Priority Area 2 aims to foster the Green Energy transition in the Danube Region and coordinate regional energy policies with the focus of several key areas, such as energy efficiency, the use of renewable energy, new and innovative clean energy technologies, etc. It has continued several flagship initiatives to achieve its goals which are: Enhancing hydrogen economy in the EUSDR, Promote local low-carbon energy actions in the EUSDR and Diversification of gas supply in the EUSDR. These initiatives are helping the Danube Region to improve its energy security, reduce its environmental impact, and create new economic opportunities

Changes in Czech PAC team

At the end of 2025, Tomáš Vondra left and was replaced by Ludmila Mychajlivová as Priority Area Coordinator. Along with the new coordinator, a new PAC team member, Mikuláš Schlosser, also joined the team.

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30th SG Meeting in Prague



On the 7th of April the PA2 has organized the 30th SG meeting. The meeting took place at the Ministry of Industry and Trade of the Czech Republic.

The main goal of the SG meeting was to update and reconfirm the list of Danube Strategy Flagships. As a result, two current flagships (Diversification of Gas Supply in the EUSDR and Enhancing the Hydrogen economy in the EUSDR) were kept as they are, and the third flagship (Promote Local Low-Carbon Energy Actions in the EUSDR) was changed under the silent procedure to a more specific project NRGCOM.

SG meeting roundtable focused on the „Electricity grids and infrastructure projects in relation to RES development: Interconnectors and major developments“.

One of the highlights was the presentation on the hydrogen market of the DRS countries prepared by KPMG. [GreetGeo](#) project was also presented at the meeting - further details of both - the hydrogen market study and GreetGeo project - are provided later in this newsletter.

At the SG meeting, the [SMEnergy project](#) was also presented. The project supports Small and Medium-sized Enterprises (SMEs) in transitioning to renewable energy and improving energy efficiency. The project addresses key challenges faced by SMEs, such as navigating a complex landscape of energy solutions, identifying reliable suppliers, and managing high upfront investment costs.

The [Active2Public Transport](#) project was also introduced at the meeting. The project promotes the integration of walking and cycling with public transport to encourage a shift toward more sustainable, low-carbon mobility, and advocates for improved policy frameworks supporting accessible, barrier-free stations, better bike-and-ride systems, and greater integration of active mobility into transport planning across the Danube region.

Events attended by PAC team

The Macro-Regional and Sea Basin Strategy Days 2025 took place in Brussels on 24–25 September 2025, bringing together stakeholders from eight EU macro-regional and sea basin strategies to strengthen cooperation and align priorities in response to interconnected geopolitical, environmental and socio-economic challenges. Discussions centred on energy transition, skills, resilience and security, youth, and effective stakeholder engagement, with the programme including keynote interventions by EU Commissioners Raffaele Fitto (Executive Vice-President for Cohesion and Reforms) and Cóstas Kadís (Commissioner for Fisheries and Oceans), alongside high-level panels.

A joint EUSDR, EUSBSR, EUSALP, EUSAIR workshop - “Enhancing energy security and accelerating green energy transition: the role of EU macro-regional strategies” - took place on 24 September. Representing the Danube Strategy, PA2 Coordinator Annamária Nádor underlined that energy markets and policies are shaped by two parallel dynamics: the long-term, structured energy transition and short-term, unpredictable crisis shocks that strain systems and markets. She highlighted the value of macro-regional analyses to compare country progress and approaches under the EU energy and climate framework, and stressed that stronger regional cooperation and cohesion can increase countries’ influence at EU level.



Sarajevo Energy and Climate Week (SECW) was held in Sarajevo, Bosnia and Herzegovina, on 22–26 September 2025, with support from Bosnia and Herzegovina’s Presidency of the EU Strategy for the Danube Region. Closely aligned with PA2 priorities and the 2025 regional hydrogen economy study, the Danube Region actively contributed to the event by participating in the panel “Hydrogen – Industrial Decarbonization”, which focused on raising awareness of green hydrogen’s role in decarbonisation and discussing the region’s potential for green hydrogen production and use.

Annual Forum in Sarajevo

The 14th EUSDR Annual Forum was held in Sarajevo, November 6-7. The main themes of this year's event were: EU enlargement and support for countries seeking membership, brain drain from the region, widening gaps in education and youth unemployment, demographic change, green and digital transformation. The event served as a platform for representatives of the EU, national governments and other stakeholders to discuss the region's current challenges.

Annual Forum panel held by PA2



At the 14th EUSDR Annual Forum, PA2 organised a panel entitled “Affordable, secure and sustainable energy for the Danube Region” (5 November), focusing on strengthening the region's energy autonomy - especially in non-EU countries - by reducing dependence on fossil fuel imports (notably Russian gas). The discussion linked energy diversification, demand reduction and a higher share of locally available renewables, with particular emphasis on heating and cooling and industry, alongside energy-efficiency measures

The panel was moderated by Annamária Nádor (PA2 Coordinator), who framed regional energy challenges as a combination of long-term transition pathways and crisis-driven shocks (e.g., Covid-19, the Russian-Ukrainian war), and underlined PA2's macro-regional analyses as a basis for identifying country-specific needs and cross-border synergies. Márton Sipos (KPMG Hungary) introduced PA2's regional gas market assessment for the post-crisis period (winters 2023–2024 and 2024–2025) - further details on the study are provided later in this newsletter.

Léon Kamenický (GATUM Group) highlighted the importance of industrial energy efficiency in the Danube Region, demonstrating how efficiency gains can reduce costs, strengthen competitiveness and limit exposure to volatile energy prices while supporting decarbonisation and modernisation. Sanja Kapetina presented key takeaways from Sarajevo Energy and Climate Week, focusing on energy sovereignty and resilience. The panel discussion (including Irina Apostol, Moldova / PA2 Danube Youth Council) emphasised recurring barriers across the region: unclear regulation, limited access to finance for upfront investments, market uncertainties (e.g., grid connection and pricing), skills shortages and low awareness, pointing to the need for stronger education and awareness-raising to accelerate uptake of solutions such as community energy.

Cross PA cooperation between PA2 and PA1B

A bilateral meeting between PA2 and PA1B was held during the Forum to explore opportunities for closer cooperation under the upcoming Bulgarian Presidency. Both Priority Areas agreed on the importance of jointly supporting hydrogen technologies, e-mobility and other zero-emission transport solutions

Technical topics and studies

Energy Crisis Management Experiences in the EUSDR Countries: PA2 has been closely following the impact of the Russian-Ukrainian war on gas markets in the EUSDR countries within the wider European context. A KPMG study (2025), focusing on the winters of 2023–2024 and 2024–2025, assessed consumption, storage, infrastructure and market conditions and confirmed that regional gas prices rose after the 2022 crisis alongside the gradual decline of Russian supply. While countries with comparatively higher domestic production to their consumption - particularly Romania and Croatia - were less exposed to price shocks, all EUSDR countries had to adapt, most visibly through a broad decrease in natural gas consumption and a marked increase in the utilisation of available gas storage (in countries where gas storage is available).

Several countries introduced national regulatory measures such as price caps, tax relief and targeted subsidies, complemented by EU-level actions including REPowerEU, AggregateEU, mandatory storage obligations and voluntary demand-reduction measures. At the same time, ongoing and planned infrastructure developments - expanded European LNG import capacity, rising US export capability, the Vertical Gas Corridor, and the integration of new European production fields - support further diversification of supply and strengthen the resilience and flexibility of both the EUSDR region and the European gas market overall.

The study is available at [Study on Energy Crisis Management Experiences in the EUSDR Countries](#).

Gas Market Modelling on the Impacts of the RePowerEU: The European Commission's REPowerEU Roadmap (published 6 May 2025) sets out a full phase-out of Russian pipeline gas and LNG from 1 January 2026, allowing derogations for long-term contracts until 1 January 2028. Long-term pipeline contracts still being delivered in October 2025 covered Hungary (4.5 bcm/yr), Slovakia (2 bcm/yr) and Greece (2 bcm/yr), while long-term LNG terminal bookings in France and Spain are also affected. The proposal triggered intense political debate: Hungary and Slovakia opposed the ban, whereas the European Parliament argued for an earlier termination of long-term contracts.

A model-based study by REKK suggests the market-wide price impact of the Commission's original proposal would be limited - below 0.5 €/MWh on average (around a 1% increase in EU27 wholesale prices) and broadly evenly distributed. However, an accelerated implementation could raise EU27 wholesale prices by about 4% and widen regional spreads: Western Europe would see roughly ~1 €/MWh price increase, while Central and Eastern Europe could face 3–4 €/MWh increase (still under 10%), with parts of the Balkans potentially experience a price increase over 5 €/MWh (slightly over 10%). The modelling results were presented at the 19th Central European Energy Conference in Bratislava on 24 November 2025.

The policy brief is available at [Implications of the REPowerEU Roadmap for Europe – how much will it cost?](#)

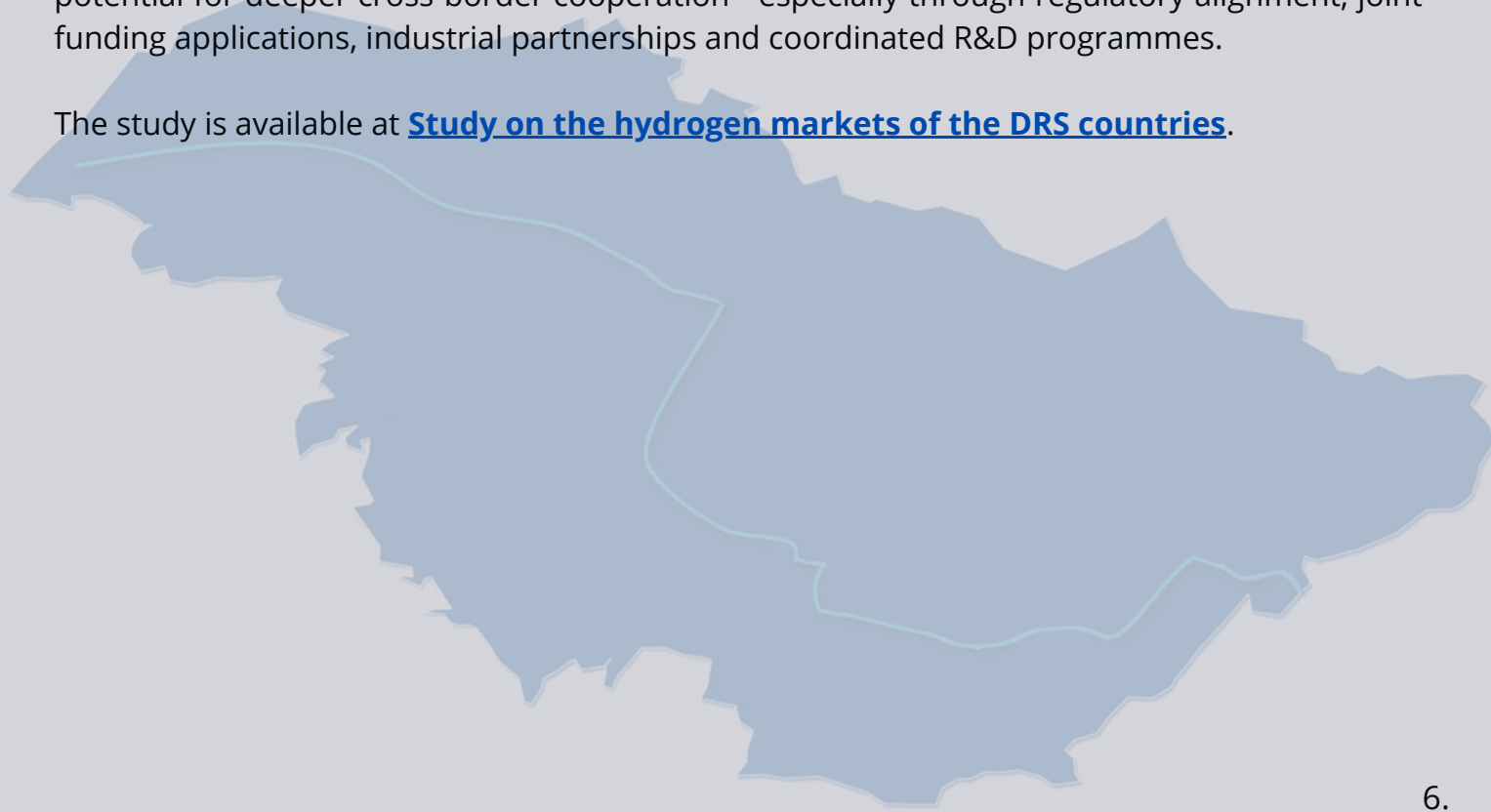
Technical topics and studies

Study on the hydrogen markets of the DRS countries: Recognising the growing role of hydrogen in the green transition, the assessment of the hydrogen economies in the EUSDR countries is one of the flagships of PA2. A KPMG study (2025) provided a comprehensive overview of the Danube Region's hydrogen economy - mapping key market indicators, national strategies, planned market and infrastructure projects, regional research and development (R&D) partnerships, and regulatory conditions across the hydrogen value chain - while identifying synergies and concrete cooperation opportunities among EUSDR countries.

The assessment highlights strong cross-country disparities, particularly between EU and non-EU members, in hydrogen production, consumption, regulation and infrastructure readiness. Germany, Hungary and Slovakia are the region's largest producers, with Germany far ahead in capacity, output and demand (exceeding all other countries combined) and leading on infrastructure with around 90 new production projects plus major plans for pipeline conversion and new hydrogen corridors; Austria follows with 10 planned production projects, while most other countries have fewer than 10, and hydrogen storage projects are currently concentrated only in Germany, Austria and Slovakia. Regulatory and financing support is also uneven: Germany has the broadest toolkit (subsidies, investment funds and state aid targeting industry, mobility and infrastructure), whereas many other EUSDR countries have limited frameworks largely focused on transport and refuelling networks. Among non-EU DRS countries, only Ukraine explicitly positions hydrogen as central to decarbonisation, but dedicated hydrogen policies, regulation and public financing programmes are still largely missing.

The study shows that cooperation on hydrogen across the EUSDR is already emerging, driven mainly by shared infrastructure needs, but also supported by growing research and innovation and knowledge-sharing initiatives. At the same time, it highlights clear untapped potential for deeper cross-border cooperation - especially through regulatory alignment, joint funding applications, industrial partnerships and coordinated R&D programmes.

The study is available at [Study on the hydrogen markets of the DRS countries](#).



Project news

PA2 is closely following several projects that operate in the Danube Region with relevant topics, often as an Associated Strategic partner (ASP). The Hungarian coordination had 3 such projects in focus in 2025.

StoreMore is an Interreg Danube Region project led by the City of Békéscsaba with partners from 10 Danube Region countries, aiming to accelerate sustainable energy storage solutions by improving storage efficiency, reducing environmental impacts and supporting the regional energy transition. The latest Steering Group meeting (23–25 September, Kranj, Slovenia) was attended also by the Hungarian coordination of PA2.

Participants visited Slovenia's first pumped storage power plant in Avče (in operation since 2010), which uses low-price periods to pump water to an upper reservoir and generates electricity during high-price periods; it has a ~2.2 million m³ reservoir and 185 MW generation capacity (180 MW in pumping mode). It is the first reversible type pumped storage power plant in Europe. The meeting also showcased Slovenia's new Center for Development, Demonstration and Training of Carbon-Free Technologies in Kisovec, focused on battery and hydrogen technologies and green-skills training. The Center is still under construction, expected not to be fully operational until June 2026.

Danube GeHeCO aims to scale up the use of shallow geothermal energy (SGE)—a widely available renewable option with low CAPEX—by integrating it into existing heating and cooling systems. The project held two national meetings in Budapest (March and October) at the Ministry of Foreign Affairs and Trade (ASP partner), where experts highlighted Hungary's strong SGE potential due to favourable hydrogeological conditions, but also its low current uptake compared to neighbouring countries. Key barriers discussed included regulatory gaps, the absence of standardised databases, and limited use of available planning software; participants also reviewed the draft Transnational Action Plan (covering resources/regulation, technology/design, education/training, financial instruments and awareness-raising) and were introduced to a project-developed decision-support IT tool.

NRGCOM aims to accelerate the uptake of energy communities in the Danube Region by creating an enabling environment for their effective operation. The project has been officially recognised as an **EUSDR Danube Region Flagship Project under Priority Area 2 – Sustainable Energy**, confirming its strong macro-regional relevance and expected tangible benefits from transnational cooperation, while boosting its visibility and strategic impact at regional and EU level. NRGCOM targets the key legal, technical, economic and social barriers that typically slow down renewable energy communities (RECs), and - through cooperation among 13 partner organisations from 12 countries - combines policy analysis, awareness-raising, pilot actions and practical methodological tools to support the establishment and long-term sustainability of energy communities.



31st SG Meeting in Budapest



The 31st PA2 Steering Group Meeting was held on 20 November 2025 in Budapest in a hybrid format. The Czech PAC Mr. Tomáš Vondra announced the forthcoming handover to Ms. Ludmila Mychajlivová and Mr. Mikuláš Schlosser.

A key governance message on the Governance Architecture Paper was clear - PA2 opposed major structural changes, supporting the current governance model. PA2 launched closer cooperation with PA1b (to improve mobility and multimodality – road, rail and air links), identifying shared priorities such as hydrogen, alternative fuels and energy-transport links, and recalled its Annual Forum session as an important platform for regional energy security debate.

Hungary and Czechia presented recent activities, including support to strategic projects and completed analytical work (gas phase-out, hydrogen economy, gas market modelling - see further information about these studies earlier in this newsletter), as well as next steps such as a planned energy-cybersecurity workshop and engagement in SMEnergy on one-stop shops for SME decarbonisation.

The European Commission (Mr. Johan Magnusson) recognised PA2's strong performance and underlined the need to keep regional actions aligned with EU priorities, with energy security, hydrogen and renewables remaining central in 2026. DSP updates covered the upcoming monitoring and evaluation cycle (major report expected in 2027), new communication tools, improvements to the flagship selection process and capacity-building activities.

Ms. Erika Langerová highlighted that the rapid roll-out of renewables is creating systemic cybersecurity risks across the energy sector, as new assets (e.g., PV, wind, storage) increasingly rely on digitised control systems, remote monitoring and data-driven optimisation. She warned that dependencies on non-EU digital platforms, vendors and cloud-based services can become a strategic vulnerability, potentially exposing critical infrastructure to supply-chain risks, limited transparency and difficult-to-manage threat surfaces. To address this, she argued for stronger EU-level requirements, including clearer security standards for renewable-energy components and software, and mandatory, harmonised risk assessments as part of project development and operation. The CZ-HU PA2 coordination also expressed its intention to further develop this topic and continue work on cybersecurity within PA2 activities.

The meeting also featured an interesting roundtable: "Status of the gradual phase-out of (Russian) gas in EUSDR countries"

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