



The added value of the Energy Priority Area

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Challenges and solutions in the Region

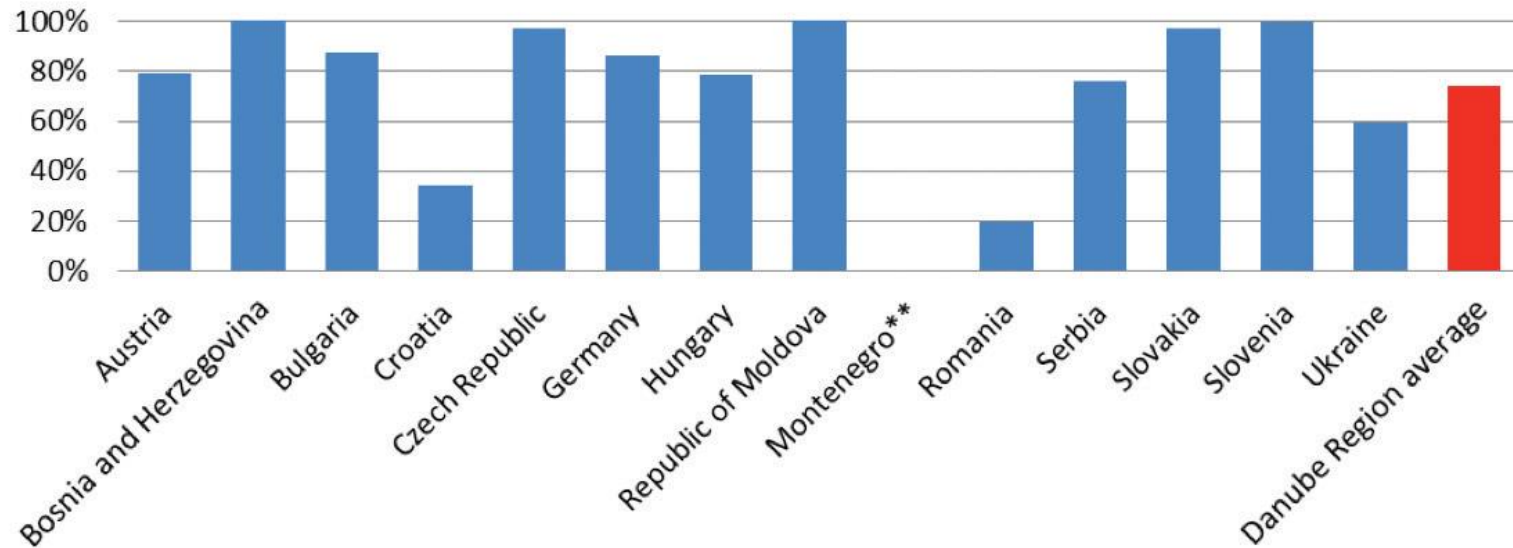
- Fragmented markets, high energy prices
- This prevents the Region to be more competitive and to attract large scale investments
- Central Europe is lagging behind in energy market integration
- Energy security has become a top priority in light of the recent UA-RU conflict
- **Possible solutions:**
 - **Boosting market integration with all possible means;**
 - **Developing the infrastructure to be able to host alternative sources;**



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Gas dependence* of the Danube Region countries as of 2012



* consumption not covered by domestic production

** no access to pipelines

Source: PA2 compilation based on EUROSTAT and Energy Community data



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Promoting cooperation through common goals

Threefold approach:

I. Coordinating regional energy policies

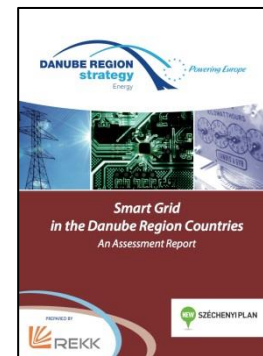
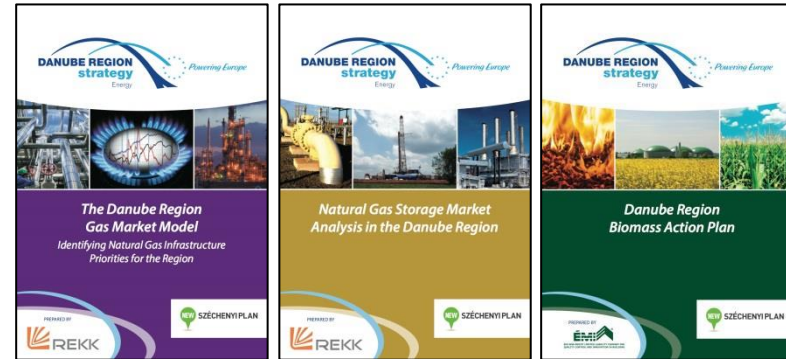
- Danube Region Gas Market Model
- Danube Region Gas Storage Market Analysis
- Danube Region Geothermal Concept
- Danube Region Biomass Action Plan (DRBAP)

II. Enhancing the energy market integration of non-EU countries

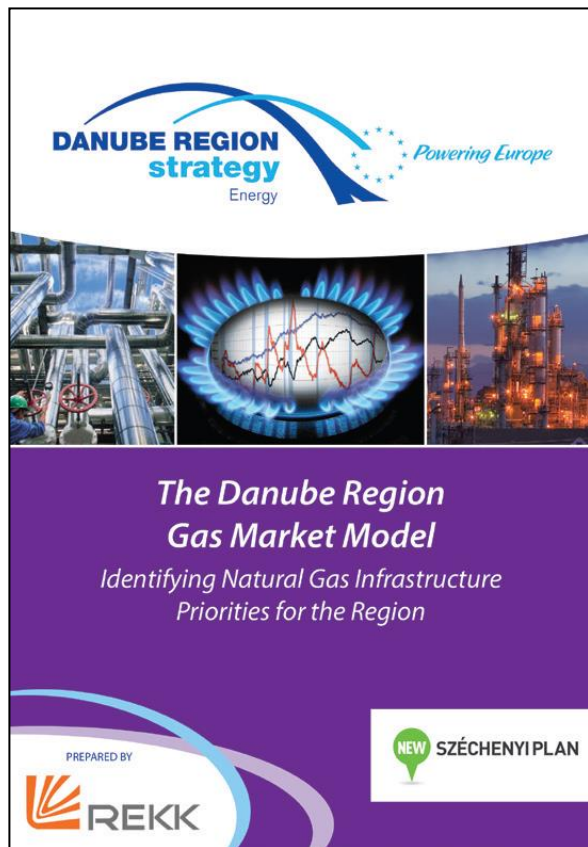
- Training Program of the PA2 in the Republic of Moldova

III. Facilitating cutting edge technology developments

- Danube Region Smart Grid Concept



Coordinating regional energy policies



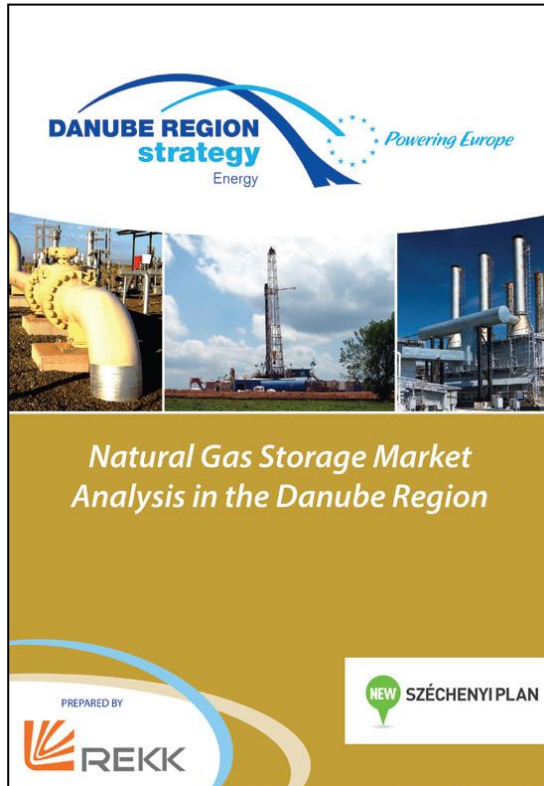
- First of its kind Model
- Tool for modelling the regional effect of gas infrastructure projects and project packages on gas prices;
- Joint declaration
- Results presented in Brussels (North-South Gas WG)
- Enhanced version – PECI selection
- Better and more focused use of funds in 2014–2020 – CEF



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Coordinating regional energy policies



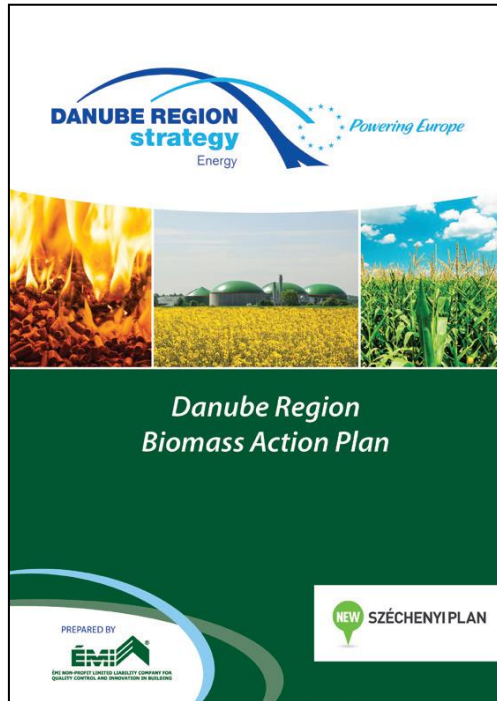
- To enhance the optimal use of the available gas storage capacities in the Danube countries;
- Clear picture on the current state of play
- Substantially underexploited storage capacities in the Region
- Results presented in Brussels (North-South Gas WG)



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Policy coordination in many other areas



- Comprehensive analysis on the potential, legal framework and regulatory environment of the sectors;
- Policy recommendations for the enhanced utilization;
- Sharing best practices;
- Joint DRS projects based on the results (consortia);

Danube Region Geothermal Concept



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Enhancing the integration of the non-EU countries

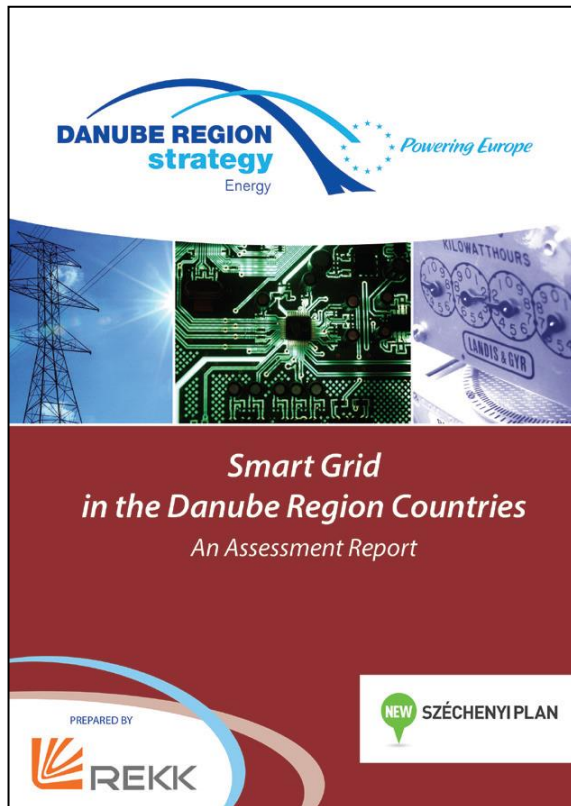
- ▶ The Training Program of PA2 in the Republic of Moldova on the Third Energy Package of the EU
 - Tailor-made knowledge transfer
 - 4 on-the-spot workshops financed by the PA2
 - 18 experts from several European countries and institutions



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Facilitating cutting edge technology developments



Danube Region Smart Grid Concept

- Kick-off workshop for stakeholders held in Brussels (50 experts – 14 countries)
- Assessment Report
 - Current state of play of SG and Smart metering deployment and policies in the DR
- Workshop for Regulators



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Conclusions

- Macro–regions have increasing role in the energy market integration
- The PA2 had significant impact to the PCI selection process
- Policy coordination is essential to initiate large–scale projects with significant effect to the whole Region



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Thank you for your attention!

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