

PRIORITY AREA 2 NEWSLETTER

2022

Dear Readers,

You have just received the newsletter of Priority Area 2 of the EU Strategy for the Danube Region (EUSDR) of the year 2022. The Priority Area 2 (PA2) “To Encourage More Sustainable Energy” is coordinated by Hungary and the Czech Republic in order to ensure the implementation of the Strategy in the field of energy.

In 2022 the PA2 has put main emphasize on the topics of energy performance of buildings and decreasing Russian gas dependency in the Danube Region. Furthermore PA2 elaborated 3 “Flagships”, finalized its interactive portal “DESTINE”, elaborated an e-learning material on green district heating and played an active role in project support, especially addressing the first Call of the Danube Region Program.

Stay tuned and read more about us!

Your PAC Team



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➤ ABOUT US

- ✓ PA2 coordinates regional energy policies in various topics in order to exploit the full potential of integrated energy market in the Danube Region.
- ✓ PA2 supports the integration of the energy markets of the non-EU countries and supports them in the implementation of the EU energy acquis.
- ✓ PA2 is committed to launch cutting edge technology developments, which will increase the energy efficiency of the region.

➤ STUDIES

ENERGY PERFORMANCE OF BUILDINGS IN THE EUSDR – OVERVIEW OF NEW AND EXISTING RESIDENTIAL BUILDINGS STOCK

„Did you know? In 6 of 14 Danube countries the current annual renovation rate is from 1% up to 3%, in the rest of DR countries it is less than 1%.“

This study was focusing on mapping the current measures in the field of energy performance of residential building stock based on the Renovation Wave Initiative in each Danube region country and identifying the best practice cases and their potential spread out in other Danube region

Table 16: Proposed good practice measures or focus areas

The „energy efficiency first“ principle
Effective combinations with renewables
Energy performance contracting and ESCO market
Energy poverty focused support
Newly introduced green financial instruments
Consultancy services and one-stop-shops for users
Comprehensive incentive system and less administrative burden
Support for energy communities

countries. The follow-up of the study was an executive summary summarizing the best practices and the recommendations for each DR region. The full study is available [here](#).

The preliminary results were discussed at the workshop “Fostering

the Renovation Wave in the EUSDR and EUSAIR” during the Macro-regional Strategy week in March 2022.

Source: Executive Summary

DECARBONISATION OF HEATING AND COOLING SECTOR – PROMOTION OF GREEN DISTRICT HEATING IN THE DANUBE REGION

PA2 has commissioned a [study](#) on promoting green district heating in the Danube Region. The study – prepared by MATÁSZSZ, the Hungarian Association of District Heating Companies – provides a detailed overview of the district heating sector in 6 EUSDR countries (BiH, HR, RO, SK, SI, SRB), as well as their geothermal potential with the aim to foster the greening of these fossil-fuel based systems.

Hungary has significant experience in the use of geothermal energy for district heating in both the EU27 and the Danube Region. The aim is to transfer this experience and knowledge of geothermal energy utilization opportunities for district heating in a series of events to be implemented in the investigated countries. The report also offers a summary on the main available funding sources concerned to prepare and implement potential future investments.

Associated with this topic an [e-learning material](#) was prepared about the potentials of geothermal district heating. The material is composed of 5 modules that can be viewed one after the other, or separately:

- I. Geothermal energy – basic concepts
- II. Geothermal uses
- III. Establishing geothermal heating projects
- IV. Operation of geothermal heating systems
- V. Best practices from Hungary

Each module terminates with a short quiz to test the reader's understanding.

PHASING OUT RUSSIAN GAS IN THE DANUBE REGION

A [study](#) prepared by REKK investigates the Russian gas dependency of the Danube Region (DR) and the potential to reduce this dependency on the short term (next winter 2022/23) and on the longer term (2030). The study encompasses a comparative analysis of the countries based on supply and demand side indicators with the aim of setting the scene and providing a baseline for the analysis. The fact sheets summarizing each indicator for each DR country are annexed to the report. The study investigates the demand reduction potential by sectors using different methods, and also performs a gas market modelling to assess the supply and demand side measure's impact on the supply mix and the gas bill of the Danube Region. The study analyses in details the nature of gas dependency of each Danube Region country and concludes that there is a considerable negative

relationship between the demand-side and the supply-side dependencies, meaning that those countries that rely heavily on gas have taken significant efforts to ensure the security of supply by adequate infrastructure capacities.

The study also articulates recommendations: the Danube Region countries should prioritize demand reduction measures that target gas savings and avoid direct subsidization of gas prices to household consumers. Most vulnerable households might be a temporary exemption. It also suggests a rapid development of infrastructure: from supply options mainly the LNG infrastructure already under construction would help the EU and also to the Danube Region countries to mitigate the energy crisis. Finally it highlights the importance of solidarity and interconnection of the Danube Region countries as a key to keep the energy supplies under control.

➤ ACTIVITIES IN 2022

WORKSHOP: FOSTERING THE RENOVATION WAVE IN THE EUSDR MARCH 2022



The PA2 CZ, the Danube Strategy Point, Croatia, Slovakia and Ukraine initiated the workshop “Fostering the Renovation Wave in the Danube and Adriatic-Ionian Macro-Regions” in the frame of the EU MRSWeek. The event brought together MRS stakeholders to present and

discuss energy efficiency and performance in new and existing residential buildings. The participants presented among others the policy development (DG ENER), the renovation rate and challenges (SEVEn Energy study) as well as funding opportunities (Energy Institute Hrvoje Pozar) and carbon-neutrality goals (Slovak Innovation and Energy Agency). The audience was incorporated via polls and expressing their opinion in the chat.

PROJECT: EUROPEAN ENERGY AWARD ALONG THE DANUBE MAY 2022

The aim of the EEA along the Danube project is to make the European Energy Award instrument better known in the Danube Region and thus to promote its dissemination and application in the Danube Region.

The project is funded by the State Ministry of Baden-Württemberg and has a duration of 2.5 years. By promoting the implementation of the EEA, municipalities receive an individually adapted instrument for the implementation of concrete, local measures with regard to the European climate goals. The PA2 CZ was invited to give an opening speech as PA2 was one of initiators promoting the EEA idea in the Danube region.

The project's key goals are:

- * To promote EEA in the Danube Region
- * Capacity building with local municipalities, partners and institutions in relation to the EEA and the implementation of local climate protection measures
- * Initiation of structural development in the participating countries/regions/municipalities; to find partners and possible implementers
- * Identification of pilot countries/regions/municipalities in preparation for an independent introduction of the EEA
- * Contribution of the selected countries/regions/municipalities to the achievement of the European climate targets ("Green Deal")
- * Contribution to sustainability and environmental protection in the Danube Region

WORKSHOP: HOW TO ACCELERATE NATURAL GAS PHASE-OUT IN CENTRAL EASTERN EUROPE? SEPTEMBER 2022



The session, titled "How to accelerate natural gas phase-out in Central Eastern Europe" focused on discussion on the

challenges and policy options that are critical to achieving greater energy independence for the region due to the Russian war in Ukraine. The session was organised by PA2 HU jointly by Regional Centre for Energy Policy Research (REKK) during the EU Sustainable Energy Week, which dedicated to the renewables and efficient energy use in Europe. In the session representatives of think tanks with high reputation in the field (Bruegel, CEPS, and Agora Energiewende) and selected speakers with insights into non-gasbased technologies in the Danube Region (Daikin and Szeged District

heating company) discussed policy options and recommendations for the region to help phasing out natural gas in the heating sector. You can read more about the event [here](#).

WORKSHOP: FINAL RESULTS ON ENERGY PERFORMANCE IN BUILDINGS JUNE 2022

The workshop aimed at the summary of key findings of the study on the Energy performance in buildings. The [report](#) covers mapping of the current measures in the field of energy performance of residential building stock (new and refurbished) implemented in the Danube Region countries and regions. This part focuses on the analysis of following topics:

- Climate conditions;
- Residential building stock;
- Trends in the construction of residential buildings;
- Energy consumption trends;
- Heating and cooling trends;
- Regulatory framework in the field of the energy performance of buildings;
- Renovation support schemes;
- Renovation rate and depth;
- Comparison with the Renovation wave for Europe requirements;
- Identified barriers to complying with the requirements of EU legislation;
- Proposal for energy saving measures in Danube region.

➤ PA2 Flagships

Danube Strategy Flagships, as a new instrument to increase visibility of the key EUSDR activities were introduced in 2022 summer. These are projects or processes that contribute to the implementation of the EU Strategy for the Danube Region (EUSDR), have a clear macro-regional dimension and a multi-level governance approach. They are of high importance for the Danube Region's economic, social and territorial cohesion and for improving the quality of life in the Danube Region.

PA2 has defined 3 Flagships:

1. Enhancing hydrogen economy in the EUSDR
2. Promote local low-carbon energy actions in the EUSDR
3. Diversification of gas supply in the EUSDR

You can read more about the content and ambitions of these flagships [here](#)

➤ DESTINE: PA2'S NEW THEMATIC INTERACTIVE PORTAL

At the end of 2022 PA2 HU launched an interactive portal, called [DESTINE](#) with the aim to provide up-to-date information (brief thematic descriptions focused on the EUSDR specialities, policy backgrounds, useful links, important publications, etc.) about the main topics that the EUSDR PA2 „Sustainable” Energy is dealing with in terms of different energy sources, key topics, as well as the main energy sectors (electricity, heating-cooling and transport). Furthermore, it summarizes key strategies and policies related to the EUSDR and various energy topics, informs about different funding possibilities and pools relevant projects. The portal is complemented by an interactive map of some selected key-topics.



➤ THE MAIN OUTCOMES OF 24th+ 25th SG MEETING

The virtual 24th SG meeting organized by the CZ coordination was focusing on the discussion on the new PAC3 project 2023-2029, and the selection of Flagships for the promotion of EUSDR's work.

After an in-depth discussion the SG members voted on the topics for the upcoming project periode 2023-2029 .

The 25th SG meeting organized by the HU coordination was a physical meeting in November in Budapest. After a long period of online meetings, finally several SG members could participate at the event in person.

The main topics of the meeting were the followings

- report of the PACs about the latest achievements and activities of PA2
- assessment of the achievements of PA2 during the last 10 years
- assessment of the results of the 2nd PAC project and discussion about the lessons learnt
- discussion about increasing stakeholder's involvement
- discussion about the roles and responsibilities of SG members
- presentation of PA2 flagships
- presentation of the 3rd PAC project
- presentation of the gas phase-out study by REKK
- project development activity
- update on the activities of the Commission and the Danube Strategy Point.

➤ THE NEW PAC3 PROJECT 2023-2029

As the PAC2 Project finishes by the end of 2022, the PA2 applied for the new continuing one PAC3 2023-2029. In the next PAC3 projet PA2 will focus more on startegic meetings, promotion of PA2, stakeholders involvement and project development. The main topics for the upcoming 6 years were designed by the PA2 Coordinators and agreed with the SG Members. The topics are the following:

- Gas supply diversification (HU)
- Enhancement the development of hydrogen economy (HU)
- Promotion of local low-carbon energy actions and tackling energy poverty (HU+CZ)
- Renewable heating & cooling (HU)
- Boosting energy efficiency in industry (CZ)
- Revision of NECPs (HU)
- Financial instrument for the Western Balkan (CZ)

CONTACTS

CZ Coordination

Ministry of Trade and Industry, Czech Republic

Ms. Zuzana Šimicová, CZ PAC, simicova@mpo.cz

Mr. Vit Fencl, Advisor of CZ PAC, fencl@mpo.cz

HU Coordination

Ministry of Foreign Affairs and Trade, Hungary

Ms. Annamária Nádor, HU PAC, annamaria.nador@mfa.gov.hu

Ms. Zsuzsa Bálintné Vörös, Senior Advisor of HU PAC, ZsVoros@mfa.gov.hu

Ms. Ágnes Barber, Advisor of HU PAC, agnes.barber@mfa.gov.hu

Website: <https://energy.danube-region.eu/>

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