The energy transition is coming to the Energy Community

**Drivers**

- **Political commitments**
  - Paris Agreement
  - Sofia Declaration

- **Legal obligations**
  - Energy Community Treaty

- **Plans, policies and measures**

- **Monitoring and Reporting**
Practical implications

### Enhanced policy planning and reporting (NECPs)

- In line with the Governance Regulation 2018/1999;
- All CPs working on their drafts;
- Perfect to see all policies and measures in one place → in some cases consistency to be backed up by (modelling) figures;
- Relevant for new gas infrastructure, future gas use.

### New legislation

1. Regulation 2017/1938 on security of gas supply;
2. Governance Regulation 2018/1999;
5. Electricity Directive 2019/944;
6. Risk Preparedness Regulation 2019/941

### New policy pathway

- Energy Community Decarbonization Roadmap (*under discussion*);
- Driver: to present a clear pathway for CPs in reaching 2030 objectives and decarbonizing their economies;
- Aim 1: consistent dialogue with CPs on the decarbonisation priorities and on coal phase-out;
- Aim 2: monitoring progress;
- Aim 3: agree on carbon pricing for the Energy Community;
Implementation of the acquis - indicators snapshot

Preliminary indicators - only CPs with gas infrastructure

- Albania
- Bosnia and Herzegovina
- Georgia
- Moldova
- North Macedonia
- Serbia
- Ukraine

Source: ECS
**Network codes implementation**

Mandatory: only for IPs between two Contracting Parties (for UA-MD and RS-BiH at 6 IPs)

Voluntary - EU MS – EnC CP IPs PL, HU, RO NRA – decisions to implement NCs with CPs

**INT NC:**

14 out of 20 IPs covered by ICAs agreements (missing ICAs at: BG-MK border, MD-RO border and 4 points at UA-RO border)
Ukraine is integrated into the EU gas market

Current challenges:
- TSO certification conditions
- gas release program (Naftogaz’s market power as distortion)
- energy units, heating sector, distribution sector...

Ukrainian Energy Exchange is the “biggest” independent trading platform with c. 8% of the gas market volumes in 2020

UEEX supported by the Energy Community Secretariat and EBRD
- Initiative for a central gas exchange (summer 2019)
- MoU with the Ministry (July 2020)
- MoU with the TSO (October 2020)
South East and East European Gas (SEEGAS) Platform

- Coordination platform initiating regional gas market integration with focus on TSO and gas exchange cooperation
- SEEGAS Trans-regional Memorandum of Understanding signed during the summer
- SEEGAS Joint-Steering Committee established and first official physical meeting took place 16 September 2021 in Vienna
- Energy Community Secretariat as coordinator
1st ECS report on methane emissions by the gas system operators

6/15 TSOs
93% of total transmission network covered by the report

≈ 150 Bcm of natural gas transported in 2019

33/136 DSOs
71% of total distribution network covered by the report

≈ 200 kt CH₄ emitted in 2019

Collection of data for 2020 ongoing.....
### EnC Hydrogen Study preliminary findings

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<td>GE, UA, MD, (SR) developed networks, (MK in development)</td>
<td>UA, GE, MD, AL with high RES potential</td>
<td>RS, MK (corridor to GR and BG-TR), UA</td>
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Long-term break-even CO₂ prices for some industrial applications

CO₂ prices today:

- EU – ETS: 60-65 EUR/t
- MN: 24,0 EUR/t
- UA: 0,03 EUR/t
- Other Contracting Parties: 0 EUR/t

H₂ produced with grid electrolyzer

- Natural Gas-based unabated production of Ammonia; Iron & Steel; Methanol

H₂ produced with dedicated RES electrolyzer

- Coal-based unabated production of Ammonia; Iron & Steel; Methanol
THANK YOU
FOR YOUR ATTENTION

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