ENERGY COMMUNITY GAS FORUM
Green agenda for the Energy Community
Pushing decarbonisation forward...

30 September 2020
Dirk Buschle
Deputy Director, Energy Community Secretariat
European energy policy: shifting focus

Primary energy production in the energy community

All data are taken from EUROSTAT database.
decarbonization and the green deal: more than buzzwords

- guidance for long-term investment decisions
- embedded in international, european and national rules
- condition for infrastructure prioritization and finance
- driven by the private sector as much as by politics
changing energy carriers

Source: EC, based on EU28 Eurostat/LTS 1.5LIFE/TECH scenarios
## Energy mix for gross electricity generation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid fossil fuels</td>
<td>-16%</td>
<td>-9%</td>
</tr>
<tr>
<td>Natural gas</td>
<td>-7%</td>
<td>8%</td>
</tr>
<tr>
<td>Oil and petroleum products</td>
<td>209%</td>
<td>40%</td>
</tr>
<tr>
<td>Primary solid biofuels</td>
<td>92%</td>
<td>81%</td>
</tr>
<tr>
<td>Hydro</td>
<td>22%</td>
<td>28%</td>
</tr>
<tr>
<td>Nuclear heat</td>
<td>-5%</td>
<td>-4%</td>
</tr>
<tr>
<td>Total</td>
<td>-4%</td>
<td>1%</td>
</tr>
</tbody>
</table>
trends in energy community – households

Energy consumption in households (ktoe)

<table>
<thead>
<tr>
<th>Energy Type</th>
<th>2014-2018</th>
<th>2015-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid fossil fuels</td>
<td>-4%</td>
<td>-4%</td>
</tr>
<tr>
<td>Natural gas</td>
<td>-23%</td>
<td>-4%</td>
</tr>
<tr>
<td>Oil and petroleum products</td>
<td>-1%</td>
<td>-1%</td>
</tr>
<tr>
<td>Biofuels</td>
<td>35%</td>
<td>33%</td>
</tr>
<tr>
<td>Electricity</td>
<td>-5%</td>
<td>-3%</td>
</tr>
<tr>
<td>Heat</td>
<td>-34%</td>
<td>-17%</td>
</tr>
<tr>
<td>total</td>
<td>-12%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Energy consumption in households w/o Ukraine

![Diagram showing energy consumption trends over time](image-url)
trends in the energy community - transport

Fuel consumption in transport (ktoe)

<table>
<thead>
<tr>
<th>Year</th>
<th>Solid fossil fuels</th>
<th>Natural gas</th>
<th>Oil and petroleum products</th>
<th>Biofuels</th>
<th>Electricity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>13,565</td>
<td>2,665</td>
<td>1,979</td>
<td>1,735</td>
<td>1,934</td>
<td>14,002</td>
</tr>
<tr>
<td>2015</td>
<td>13,045</td>
<td>2,656</td>
<td>1,979</td>
<td>1,753</td>
<td>1,834</td>
<td>13,965</td>
</tr>
<tr>
<td>2016</td>
<td>14,178</td>
<td>2,660</td>
<td>1,735</td>
<td>1,753</td>
<td>1,753</td>
<td>14,482</td>
</tr>
<tr>
<td>2017</td>
<td>14,461</td>
<td>2,655</td>
<td>1,934</td>
<td>1,753</td>
<td>1,753</td>
<td>14,482</td>
</tr>
<tr>
<td>2018</td>
<td>14,482</td>
<td>2,656</td>
<td>1,735</td>
<td>1,753</td>
<td>1,753</td>
<td>14,482</td>
</tr>
</tbody>
</table>

Change in %
- Solid fossil fuels: -26% 21%
- Natural gas: -34% -11%
- Oil and petroleum products: 7% 11%
- Biofuels: 117% 126%
- Electricity: -11% 3%
- Total: 0% 8%
the role of gas: electrons vs molecules?

- not the end of gas: H₂
- not the end of gas infrastructure
- but: the end of a stand-alone gas sector
  - fuel2fuel competition
  - coal: an easy win?
energy community: stepping up the pace, providing certainty

- targets, plans and clear responsibilities
- what works best?
  - supporting renewables, incl. H₂
  - LCPD and end of coal subsidies
  - carbon price, direct or indirect
- change needs to be driven
Burshtynska TPP (power unit 1)

Expected expiry of opt-out period: November 2020

Remaining hours: 13,045

Operating hours consumed in 2018: 6,955

Burshtynska TPP (power unit 2)

Expected expiry of opt-out period: March 2021

Remaining hours: 13,801

Operating hours consumed in 2018: 6,199
estimated full costs of production of electricity and selling prices
subsidies for RES and coal in the end users prices in 2017

<table>
<thead>
<tr>
<th>Country</th>
<th>RES subsidy (surcharge)</th>
<th>paid coal subsidies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bosnia and Herzegovina</td>
<td>4.75</td>
<td></td>
</tr>
<tr>
<td>Kosovo*</td>
<td>3.35</td>
<td></td>
</tr>
<tr>
<td>Montenegro</td>
<td>1.39</td>
<td>0.29</td>
</tr>
<tr>
<td>North Macedonia</td>
<td>3.15</td>
<td>0.46</td>
</tr>
<tr>
<td>Serbia</td>
<td>2.87</td>
<td></td>
</tr>
<tr>
<td>Ukraine</td>
<td>2.36</td>
<td></td>
</tr>
</tbody>
</table>

**EUR/MWh**
EU ETS as a powerful enabler

- 2013 Milestone: abolishing free allowances in the power sector
- 2018 Milestone: Market Stability Reserve reduces expected surplus of allowances
- Auctioning has established carbon pricing in internal accounting and costing of heavy emitters
- The reduction of allowances surplus accelerated coal phase-out in all countries
THANK YOU FOR YOUR ATTENTION

dirk.buschle@energy.community.org

GET IN TOUCH

🌐 www.energy-community.org
🐦 Ener_Community
.LinkedIn /company/energy-community
.Facebook /Ener.Community
.YouTube /EnergyCommunityTV