

The background is a dark blue image of the Earth at night, showing city lights. Overlaid on this are numerous glowing blue lines that represent energy transmission or a network, connecting various points across the globe.

*Clean energy package - reality
check for the Energy Community*

Predrag Grujičić, head of gas unit

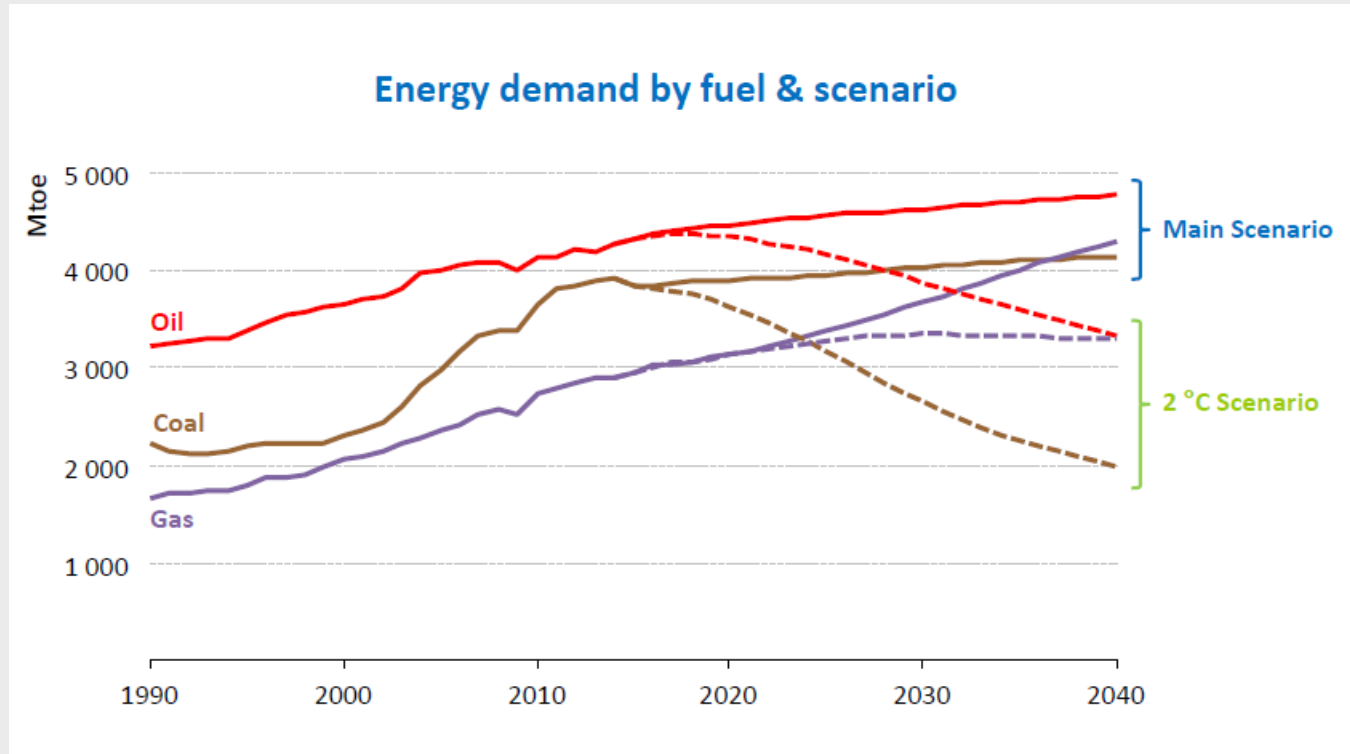
The EU imports more than half of all the energy it consumes

Import dependency for natural gas (geopolitics: relying on Russia vs. why not?)

Gas perception grew negative

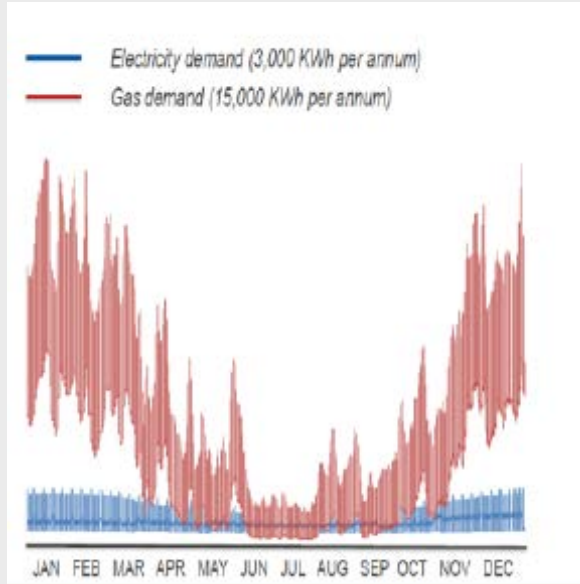
Decarbonisation – gas a fossil fuel (albeit the cleanest); technological innovation + ideology

Gas disputes between upstream-Russia and transit-Ukraine damaged gas cause



Source: IEA – global demand

Gas can bring us where we want to go



...at lower costs

Electrification – costly and heavy constraints on the system

Think of residential stock in Europe/Energy Community

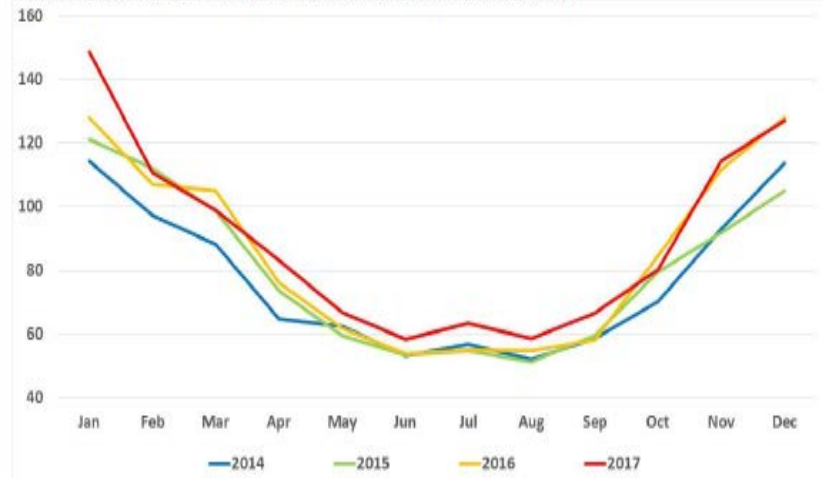
Technology drives the change (+market/policy)

Source: Thuga, Eurogas

- *digitalization means electrification*
- *next RES generation – marginal energy costs (close to zero)*
- *wholesale energy markets → capacity markets (already started to happen in EU)*
- *companies must restructure*
- *el transmission – gas transmission (1:20)*
- *Infrastructure adequacy in electricity difficult to achieve*
- *EU energy market will need reshaping; re-nationalisation of energy policies*

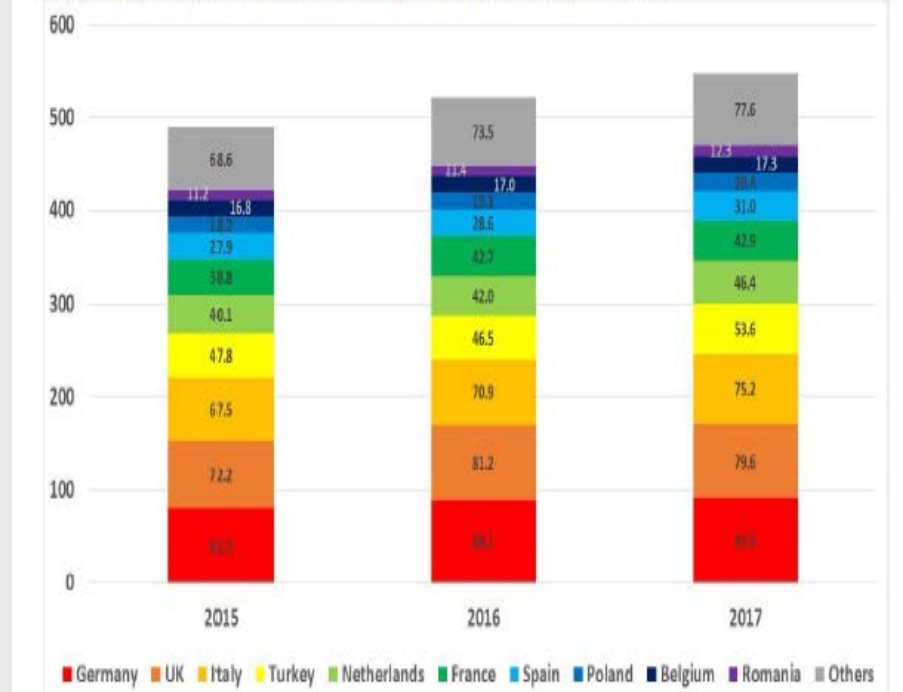
Europe gas demand grew in 2017, third year in a row

Figure 3: Monthly natural gas demand in Europe, 2014-2017 (bcm)



Source: OIES

Figure 1: Natural gas demand in Europe in 2015, 2016, and 2017 (bcm)



Future role of gas in CPs is shaped by factors different from EU's (politics) - mixed energy policy signals

Decarbonisation is NOT main concern

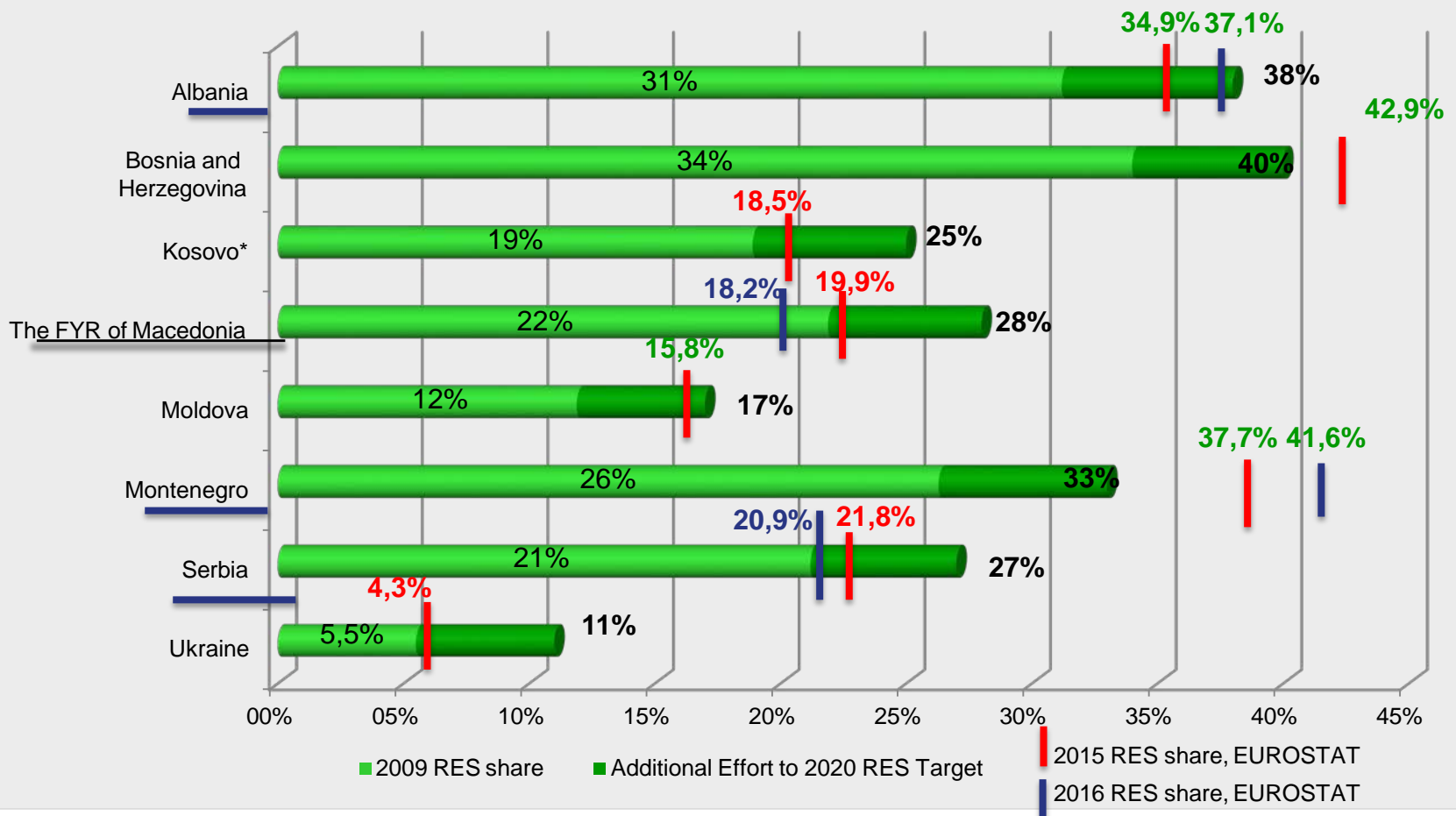
Lack of functioning el/gas markets lack of commercial test

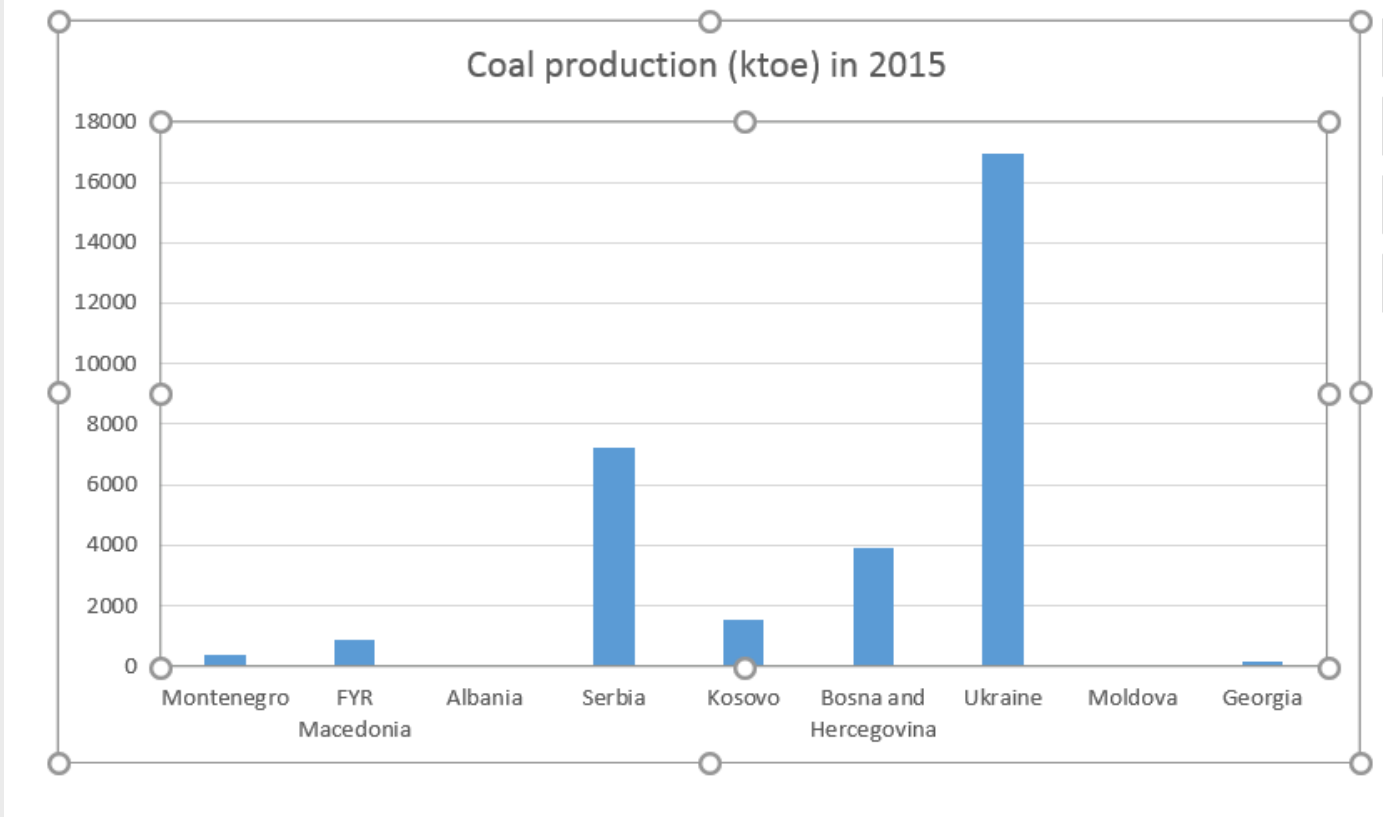
Poor interconnectivity – infrastructure or legacy related; Questionable how much the region can benefit from LNG glut

Reaching 2020 RES targets - ? (2030 not yet set)

Construction of the coal-fired plants → job opportunities, reliable power supply and its security, lower dependence on external suppliers and in some cases lignite exploitation is the quickest way how to face poverty

RES Target Progress





Investing in coal plants?

Government discussion about phase out of coal power plants in the Western Balkan

Investments in coal-based power plants risk to become stranded assets

New technology will put them under pressure

Costly and unsustainable for the (indebted) Contracting Parties to keep the operation of coal power plants

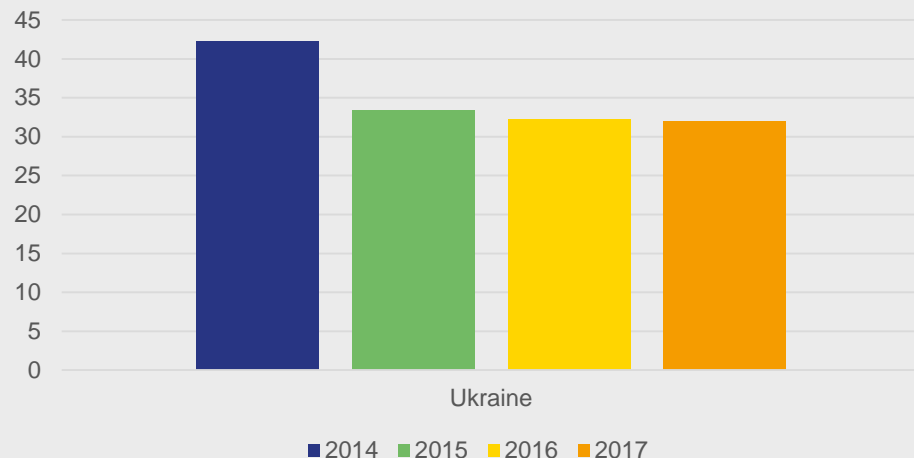


Explanation: red- no phase-out under discussion, green- no coal plants/ phase out, grey- not included to the analysis (Source: Europe beyond Coal)

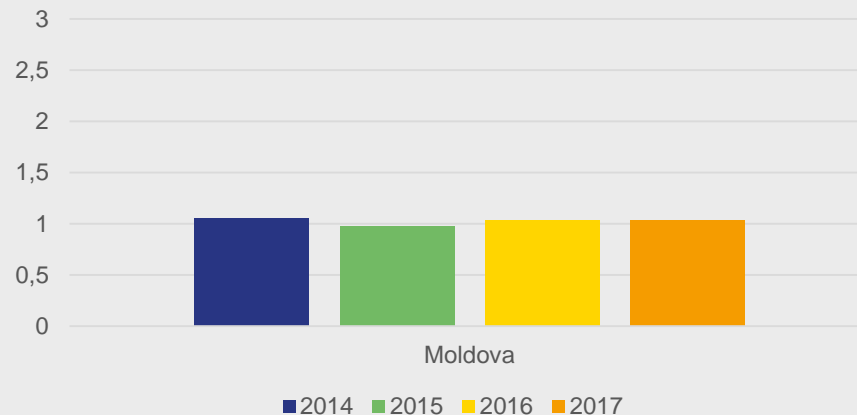
Ukraine, Moldova: cautious about natural gas demand growth

Ukraine – high share of domestic production; potentially achieving autarchy

Gross Consumption



Gross Consumption

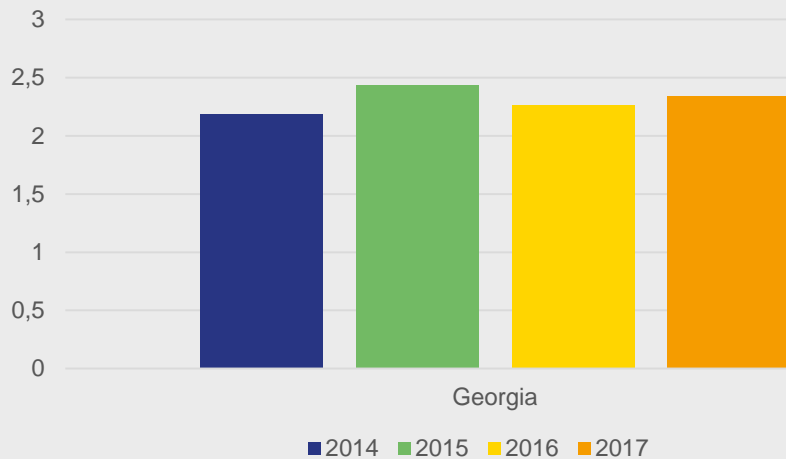


...enthusiastic about the role of (natural) gas

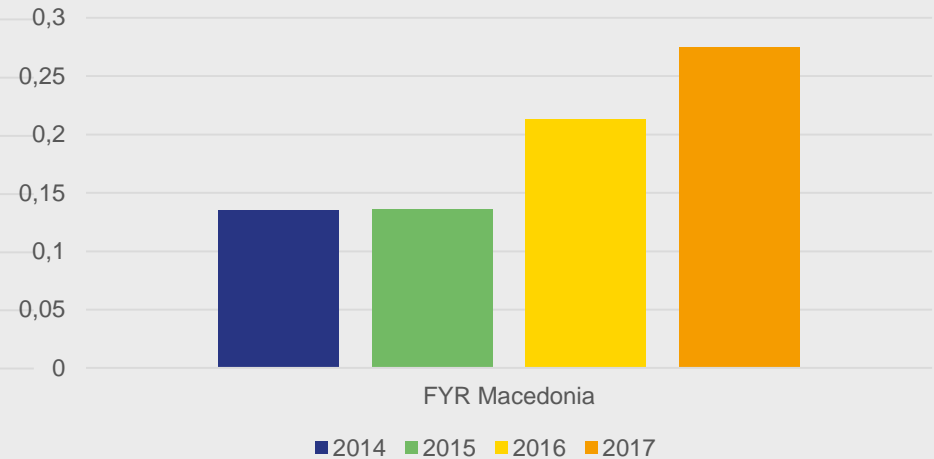
Macedonia – gas to power; new infrastructure in place; albeit from a modest base, growth is evident

Georgia: gasification at full speed; soon saturation; new market model; Albania – creating anchor load

Gross Consumption



Gross Consumption

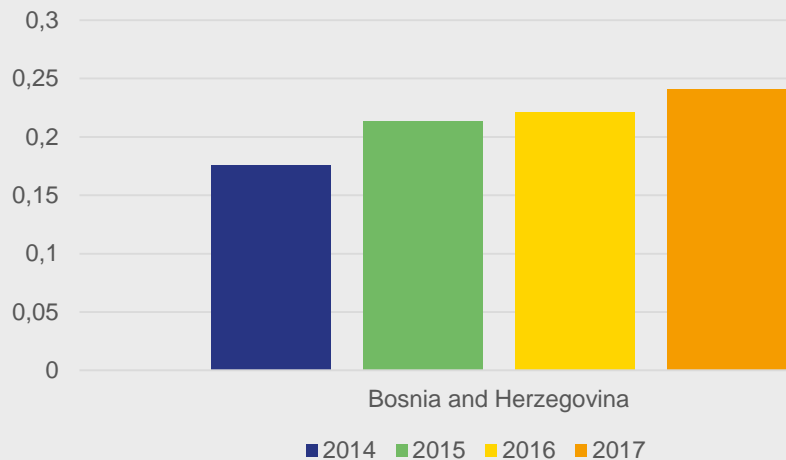


Coal vs gas in Serbia and Bosnia (Montenegro, Kosovo*)

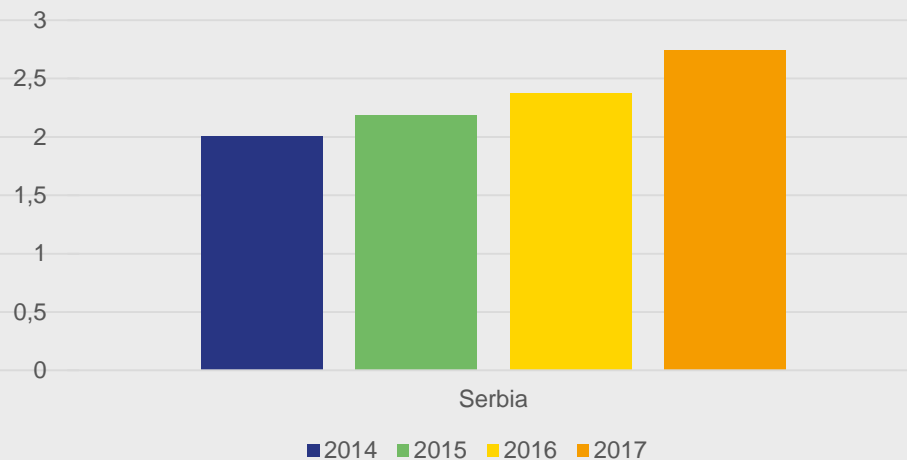
Serbia and Bosnia and Herzegovina? How to boost the gas demand ? Coal the main competitor

<http://www.balkanmagazin.net/bm-konferencije/cid164-181657/ugalj-neizbezan-energent-u-narednih-50-do-70-godina>

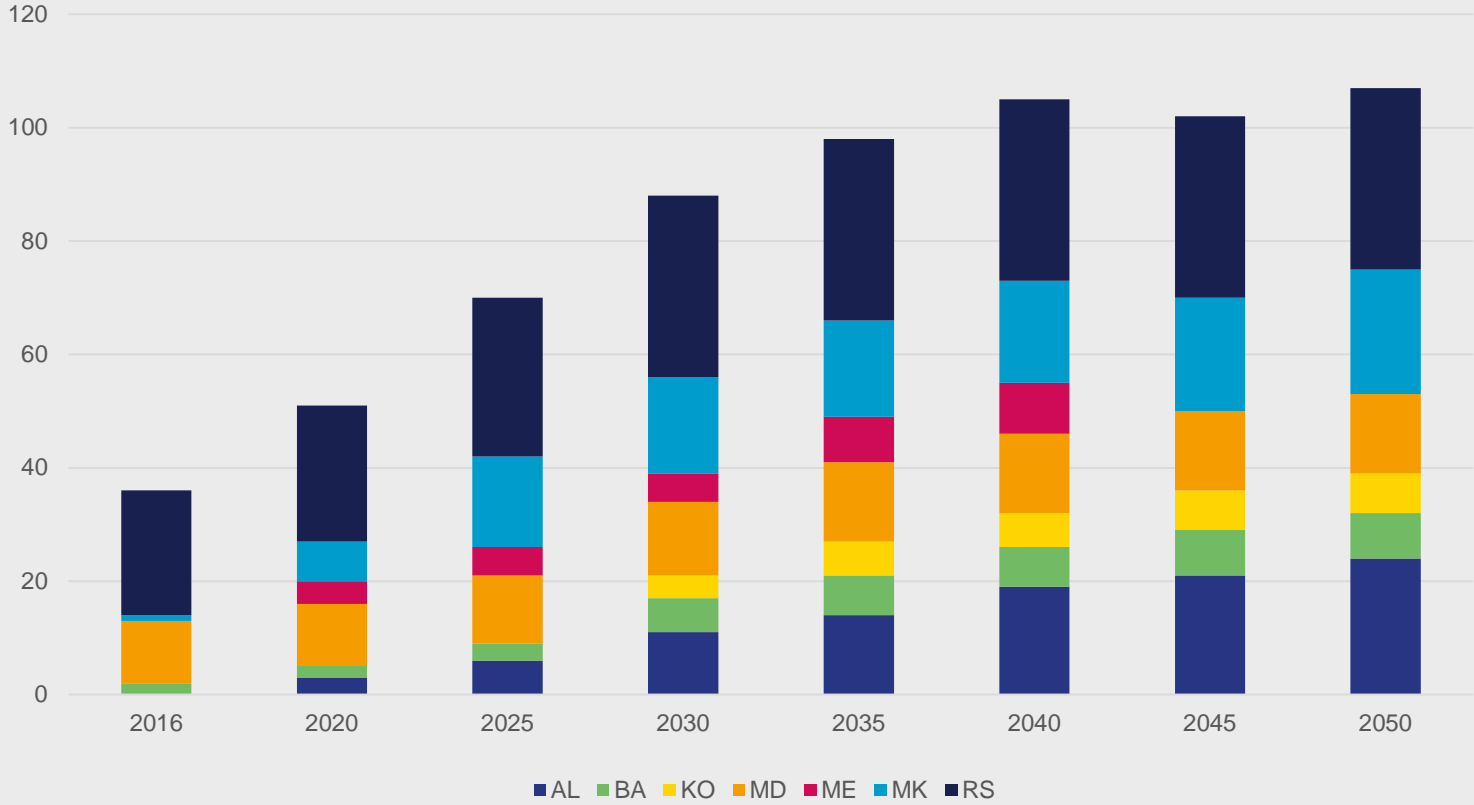
Total Supply



Gross Consumption



Total gas demand growth for WB6 – submitted to PECl



Gas is the only fossil fuel set to increase its share in primary energy supplies – globally – (natural) gas is not a transitional but destination fuel

EU is different – decarbonisation is the main topic

Energy Community CPs, in turn, differ from EU MS

