



## Regional Stakeholders Conference

# Black Sea Synergy: the way forward

Thursday, 7 November 2019

Athens, Greece

## Working Group 4: Energy

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### Concept paper

#### THE BLACK SEA AS A POTENTIAL ENERGY HUB FOR THE EU

##### A. Background information

According with the **Action Plan of the BSEC WG on Energy (2018- 2019)**, future actions are focused on three main activities:

1. Energy security and Sustainable energy development
2. Development and improvement of energy infrastructure in the Black Sea region
3. Exchange of information on legislation in energy sector and national programs.

The key words in the energy policy of the EU and BSEC are: security and diversification, the one complementing the other. As of next year, the Southern Gas Corridor, the flagship gas diversification project of the EU, will start its operation. Since the last review of the Black Sea Synergy in 2015, the Southern Gas Corridor delivered the first amounts of Caspian gas to Turkey in 2018, following inauguration of TANAP in Eski Sehir in June 2018. Beginning 2020, 10 bcm will be transported through the system of TANAP and TAP from Shah Deniz field in Azerbaijan to Turkey, Greece, Albania and Italy. Additional volumes are already being examined by the consortium to enhance capacity of the Corridor and further expand its network after 2022. Key EU and BSEC countries participate in the project, which aims to diversify both gas supply sources and routes. More interconnections in the countries of the Black Sea and South Eastern Europe are envisaged for the immediate future, like IGB



(Interconnector Greece- Bulgaria), the Vertical Corridor including Interconnectors Bulgaria-Romania, Bulgaria- Serbia, as well as supplying both the Southern Gas Corridor and the Vertical Corridor with LNG from the planned FSRU in Alexandroupolis port. Another example of sound regional cooperation in the gas sector is BRUA (Bulgaria- Romania- Hungary- Austria) pipeline, supported with a financial grant of 179 mn Euros from CEF (Connecting Europe Facility).

Main financing tools for supporting interregional energy infrastructure projects in our region are the NIF (Neighborhood Investment Facility) with overall budget of 200.000.000 Euros, the EU list of the PCIs (Projects of Common Interest), where all above mentioned pipeline and interconnector projects are included, as well as 36 electricity projects in Central and South Eastern Europe. These projects address the need to reinforce the electricity grids and establish an appropriate balancing system for the integration of renewables. In this respect, progress has been achieved on electricity transmission, as part of the Black Sea Regional Transmission Network, using the NIF funding. With the support, also, of the CEF, steps have been taken to increase interconnection capacity between Romania and Bulgaria, as well as to help integrate wind power from the Black Sea coast. Furthermore, new oil and gas offshore exploration and production in the Black Sea should be promoted in the Black Sea, through granting incentives to foreign investing companies, with the aim to achieve energy diversification and independence for the littoral states of the Black Sea.

## **B. Objectives**

Our main objective is the improvement of energy infrastructure to enhance energy security in the Black Sea region, through the realization of new oil and gas transportation initiatives, the promotion of already existing infrastructure projects in various stages of development, electricity interconnections, as well as development of a stable and secure business/ legal environment aimed at attracting foreign investments in the region.

Another objective should be the development and implementation of relevant strategies and building the necessary institutional framework for promoting energy security and sustainable energy in the Black Sea Region countries, following the best practices in the field enhancing energy efficiency and energy savings, alternative and renewable energy including offshore renewable energy.

The promotion of governmental - private cooperation between administrative bodies and / or expert organizations and centers in BSEC Member States mandated to promote establishment of relevant key infrastructure, renewable energy sources and energy efficiency measures, with a view to exchange and transfer technical «knowhow» is one of



our primary tasks for the years to come. Moreover, the adoption of the necessary legislative and regulatory reforms in the respective countries, in order to reduce non-technical barriers, always in accordance with EU competition rules, is a necessary element in this process.

### C. Lessons learnt and key points

During the reporting period, energy projects, including major infrastructure projects, continued to be developed with EU support, showing the potential of the Black Sea region to become an energy hub. This brings further added value and growth to the region.

- The lack of major projects and cooperation relating to energy efficiency, clean energy, renewables and decarbonization, during the 2015-2018 reporting period shows that this area of the Black Sea Synergy requires increased attention, stakeholder participation and regional cooperation.
- The development of innovative solutions enabling clean, safe, energy efficient and decarbonized sea transport within the Black Sea has emerged as a possible area of further research.

### D. Questions

- 1) How can we further promote exchange and transfer of technical «knowhow» between the relevant actors (governments, energy companies, private sector) between our countries in the field of promoting complete- if possible- decarbonization of our economies, clean energy and investing in renewable energy, particularly wind and offshore wind power?
- 2) Can we identify key projects and potential common investments in the renewable energy, particularly wind and offshore wind power in our countries?
- 3) How can we boost exchange of information on legislation and geological data in the upstream sector of our countries, with the aim to attract potential common investments in offshore oil and gas exploration and development in our region?
- 4) Apart from the EU, is there room for more cooperation between the BSEC with relevant international energy authorities, like the IEA (International Energy Association)?
- 5) Which are considered as the most promising new projects in the energy sector to be supported, politically and financially, in order to address the questions above?

The outcomes of this session will be shared with the other three working groups on **culture & tourism, transport and education**. The results of each working group will be presented in



a policy paper by ICBSS in cooperation with the moderators, to be sent to the EU as a key deliverable from the Conference.

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**Moderator:**

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*She is a legal and international relations expert, specialized on European and international energy issues. (PhD on “The institutional aspects of off-shore hydrocarbons’ development in the Caspian Sea”- Democritus University of Thrace and Post- Doc on “The EU Southern Gas Corridor as an alternative to Russian gas supplies for Europe”- University of Peloponnese). She has served as special advisor on energy diplomacy and bilateral relations with Russia/ CIS to Ministers and Deputy Ministers of Foreign Affairs of the Hellenic Republic (2000 -2006) and is currently a permanent expert on energy and security of critical energy infrastructure at the Hellenic Government Administration. Also, energy expert at the BSEC (ICBSS, 2000- 2004), Coordinator of the Hellenic Chairmanship at the BSEC (2004- 2005) and member of the negotiation team of Greece for Burgas- Alexandroupolis, TAP and South Stream pipelines. Author of two books: “Hydrocarbons: the contracts for offshore field development” (Nomiki Vivliothiki, 2018) and “Does energy cause ethnic war? Case studies Eastern Mediterranean and Caspian Sea” (Cambridge Pub. Scholars, 2019). She is a visiting lecturer and an external research associate at the Dep. of Economic Studies- Univ. of Thessaly (Volos), at the Dep. of Political Science & International Relations- Univ of Peloponnese (Korinth) and at the International Univ. MSc in Oil & Gas (Kavala).*