

**WELCOME SPEECH
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1ST JOINT WORKSHOP CERA-RAE ON ENERGY REGULATORY AFFAIRS

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RADISSON BLU HOTEL, LARNACA, CYPRUS**

Dear distinguished guests, dear colleagues, ladies and gentlemen,

It is a true pleasure for me to welcome you to the first joint Workshop of the Cypriot and Greek Regulators on energy regulatory affairs, which is initiated by the renewal of collaboration based on the Memorandum of Understanding that was signed between the two parties in the past.

It is also an honour for us to welcome representatives from the National Regulatory Authorities of the Mediterranean Region such as:

- the Egyptian Electricity Regulatory Agency (EgyptEra),
- the Public Utility Authority of Electricity of Israel (PUA), and
- the National Gas Authority of Israel (NGA),

and to have the pleasure to exchange views and experiences on the challenges of the energy transition with the stakeholders from policy, industry and civil society in a transparent and constructive way.

This is an important and timely event, as now more than ever, the word “transition” does not adequately convey the situation that we are currently facing and the challenges for Europe’s energy system.

Energy is no longer viewed as a mere commodity, but it has now considered as the main driver of economic growth. And in situations where volatility of natural gas and electricity prices are not just temporary spikes, but long-term phenomena, there are broader questions to be answered.

The ripple effects of the recent worldwide events, such as the war in Ukraine, create an uncertainty that surrounds national energy outlooks and cause every aspect of our energy systems to change. Recent years have been undoubtedly years of drastic changes also for our national energy landscape.

The national electricity market was given a taste of the future, with a higher penetration of renewable energy sources and concerns about security of supply. At the same time, after bouncing back from the pandemic and the returning to normalcy, the greenhouse gas emission allowances price has seen a rapid increase due to the European policies on Green Energy.

The challenge for us is not the direction but the speed of change, and the moment to accelerate is now. There is an urgent need to shape cohesive policies for the effective and inclusive transformations we all seek.

Well-functioning open and competitive energy markets will unlock access to affordable, clean and reliable energy services as well as lower carbon dependence. The European Green Deal is as important today as it has been before. If anything, it has become even more important.

The full transition to renewable energy sources and higher energy efficiency levels is now a matter of urgency as they hold the key for the switch to low-carbon energy forms and the creation of a sustainable energy system.

The role of National Regulatory Authorities is crucial in this transformation and we need as Mediterranean Partners:

- to enhance our cooperation and commit to the achievement of common goals on sustainability, market integration and security of supply,
- to pursue and amplify the implementation of energy market reforms and develop gradual harmonization of energy policies and regulatory frameworks towards the longer-term goal of creating a common energy market,
- to engage on more sustainable energy strategies, policies and systems by encouraging energy conservation and energy efficiency on both supply and demand sides and by the substantial increase of renewable and other low carbon energy sources, and

- to establish adequate and flexible regulatory frameworks for improving the investment climate, in particular to ensure the diversification of energy sources, reinforce gas and electricity interconnections and support energy efficiency technology deployment and best practices.

The recently introduced by the European Union RePowerEU plan has many dimensions, also pushing the Hydrogen agenda. Green hydrogen now lies at the core of the world's fight against global warming, while forecasts indicate that it will supply up to 25 per cent of the world's energy needs by 2050.

Cyprus Energy Regulatory Authority advocates hydrogen as a tool for climate mitigation that can be used in a variety of sectors across the electricity value chain including, but not limited to, renewable energy sources, storage facility and e-mobility.

Overall, to achieve RePowerEU strategy, the European Union needs:

- to increase the use of renewable energy sources including storage technologies and green hydrogen,
- to increase the energy efficiency,
- to complete the internal electricity market within the European Union,
- to increase the capacity of electricity interconnections between Member States,
- to create a more integrated and smarter energy system, and

- to develop alternative gas markets based on reliable supply, transportation and transit of natural gas.

It is an opportunity for the Southeast Mediterranean region countries such Israel, Egypt, Greece and Cyprus:

- to become, in short to medium term, electricity and natural gas exporters to the European Union, and
- to become, in long term, pioneers towards hydrogen economy and turn into exporters of sustainable energy to the European Union.

Cooperation in the energy sector is a major element of the Mediterranean basin. A secure, sustainable and competitive energy supply is a priority for all our countries.

Today's meeting is an opportunity to exchange views and to demonstrate the common will of our countries to work together in the areas of energy and climate action.

Closing I would like to wish fruitful discussions on today's Workshop.

Thank you for your attention.

Dr. Andreas Poullikkas
CERA Chairman