ENERGIAÜGYI MINISZTÉRIUM

Investing in Efficiency: Financing Pathways for Energy–Efficient Buildings in Hungary and Central and Eastern Europe

ENERGATE

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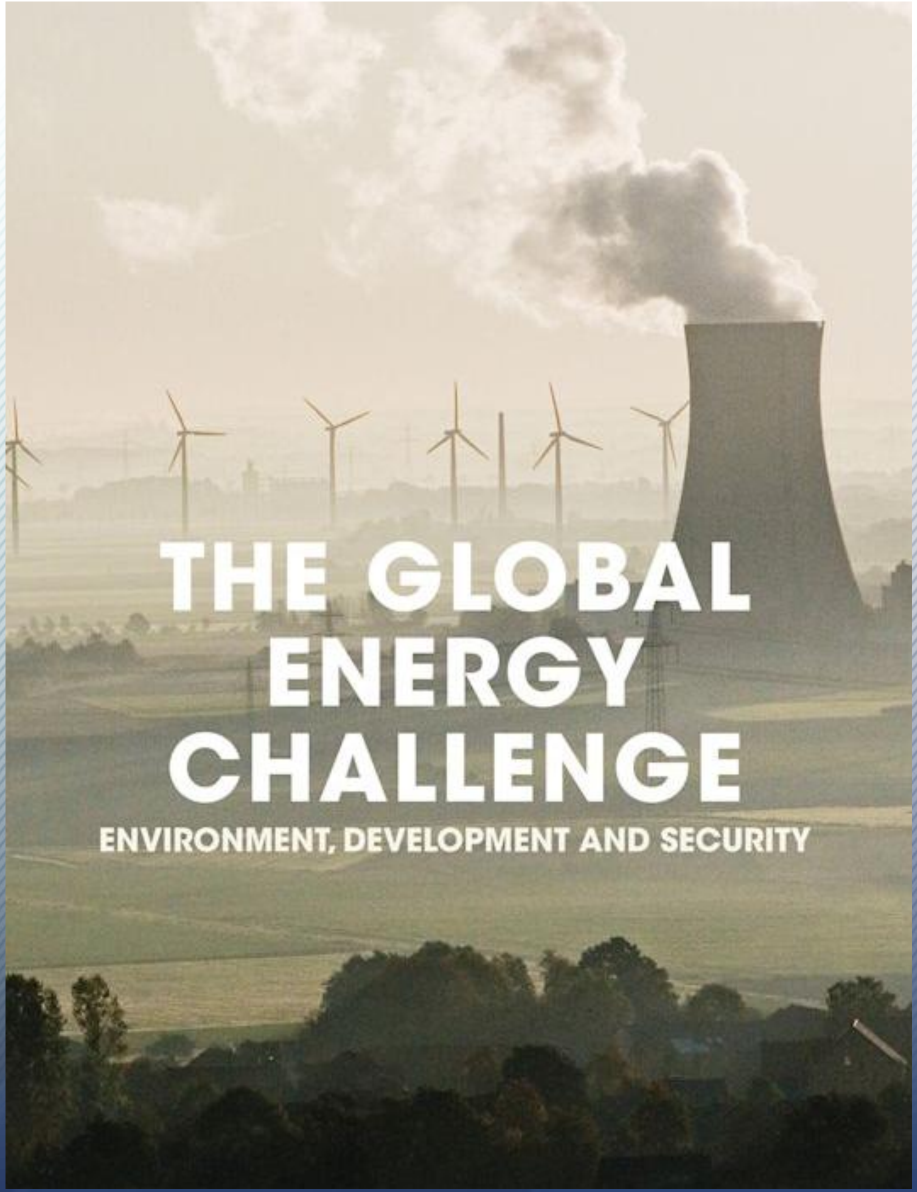


Source: https://www.bloomsbury.com/au/global-energy-challenge-9781137410078/

1. The Changing Global Geopolitical Environment

- A future in which sovereignty, pragmatic self-interest, and the ability to adapt to shifting realities are paramount.

2. GGGI and Hungary

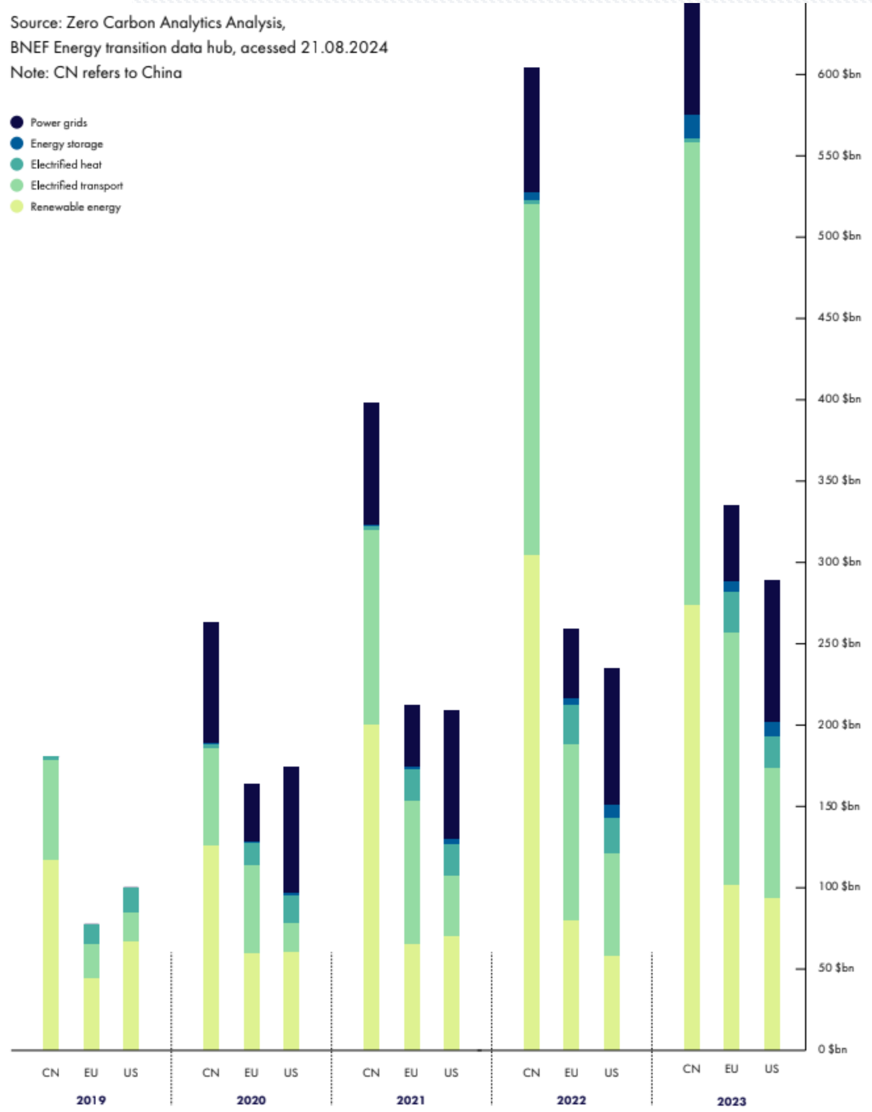
- Hungary joined GGGI in 2016, marking its commitment to international green initiatives. This partnership deepened with the signing of a Memorandum of Understanding (MoU) between GGGI and Hungary’s Ministry of Innovation and Technology in 2019, which established GGGI’s European Office in Budapest. The office serves as a regional hub, fostering collaboration with European member countries and development partners.
- Joint initiatives have included projects in the Western Balkans, such as the establishment of the Western Balkan Green Center, and programs in Africa, like solar water irrigation or partnership with HEPA.
- ENERGATE is not just an EE online platform, but with its widespread domestic application, the pace of energy investments can be accelerated, thereby supporting the achievement of energy efficiency and climate goals.

3. Energy Transition: Opportunities and Risks

- The energy transition, in other words, is as much about managing risk as it is about seizing opportunity.
- The transition to new energy systems does not eliminate risk; it transforms it.

4. Geopolitics of the Energy Transition

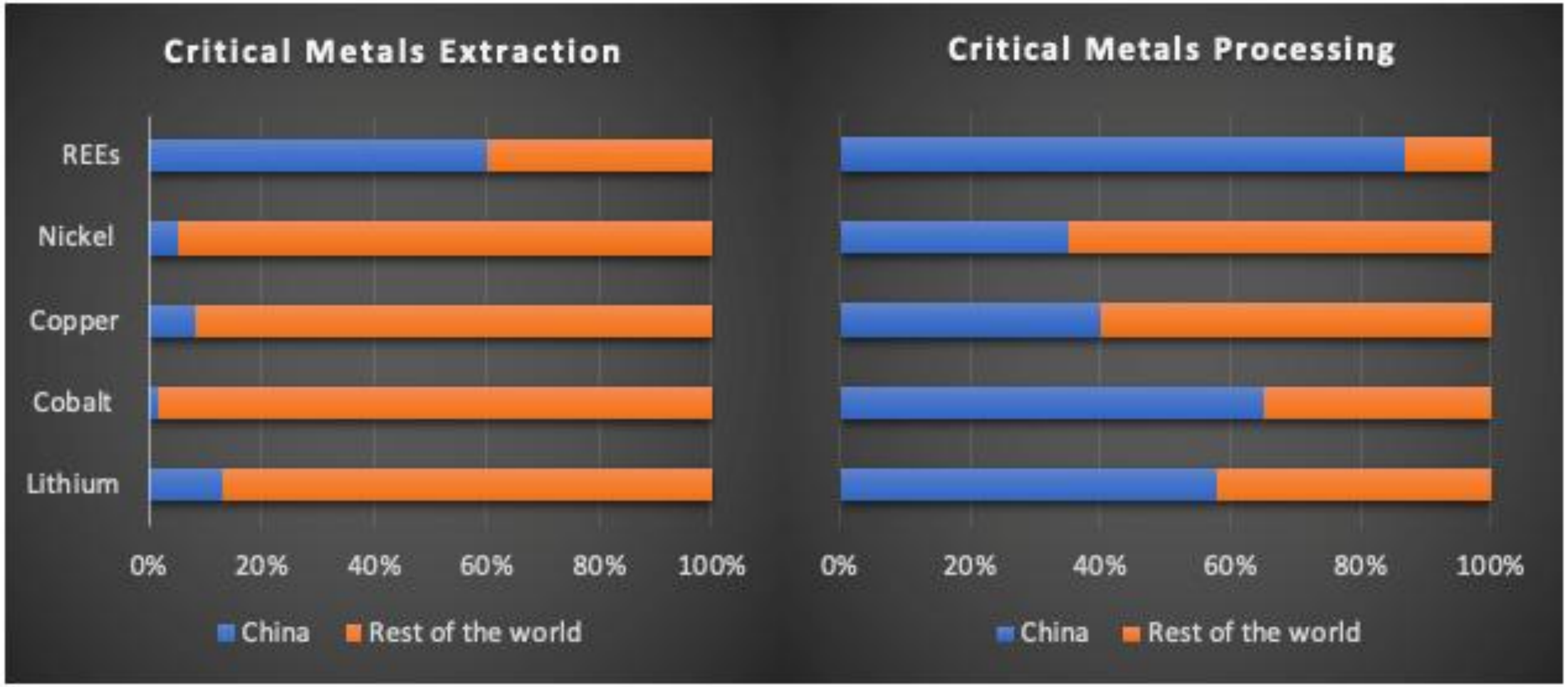
- Energy has always been a driver of geopolitics.



Source: Strategic perspectives

5. Competition for Clean Energy Technologies and Critical Minerals

- The demand for critical minerals—such as lithium, nickel, cobalt, graphite, copper, and rare earth elements—is set to triple by 2040.



Source: IEA

6. Energy security and electrification go hand in hand

- One of the most traded commodities in the world is fossil fuels.

Source: https://www.linkedin.com/pulse/top-10-most-traded-commodities-worldwide-focuseconomics-ts18f/

6. Energy security and electrification go hand in hand

- Electrification — the process of swapping processes and technologies reliant on fossil fuels with electrically powered alternatives.

6. Energy security and electrification go hand in hand

- When a country’s energy system suffers from “technological backwardness”, the countries cannot boost their energy security, it is lagging on wider system electrification. What would be necessary?

  - Market adjustments
  - Upgrade and expand a country’s electricity grid, spending for ultra-high-voltage lines
  - Investments in battery storage systems

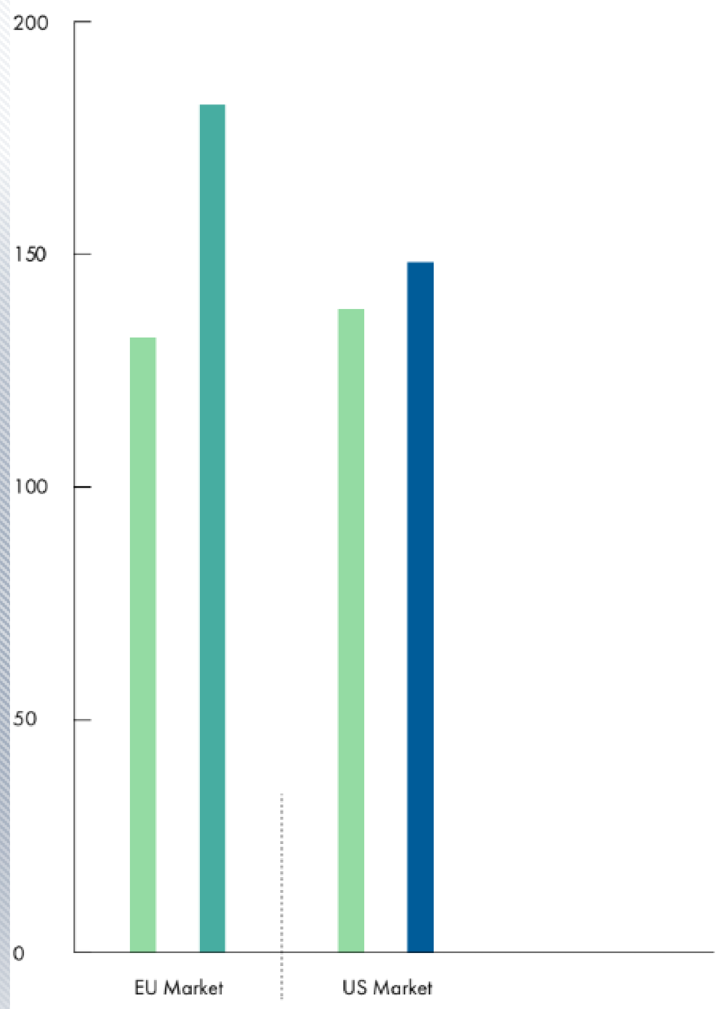
6. Energy security and electrification go hand in hand

- We need steep reductions in the cost of lithium batteries for both EVs and battery storage.

Price difference between China-made, US-made and EU-made batteries, delivered in the EU and US markets in 2023.

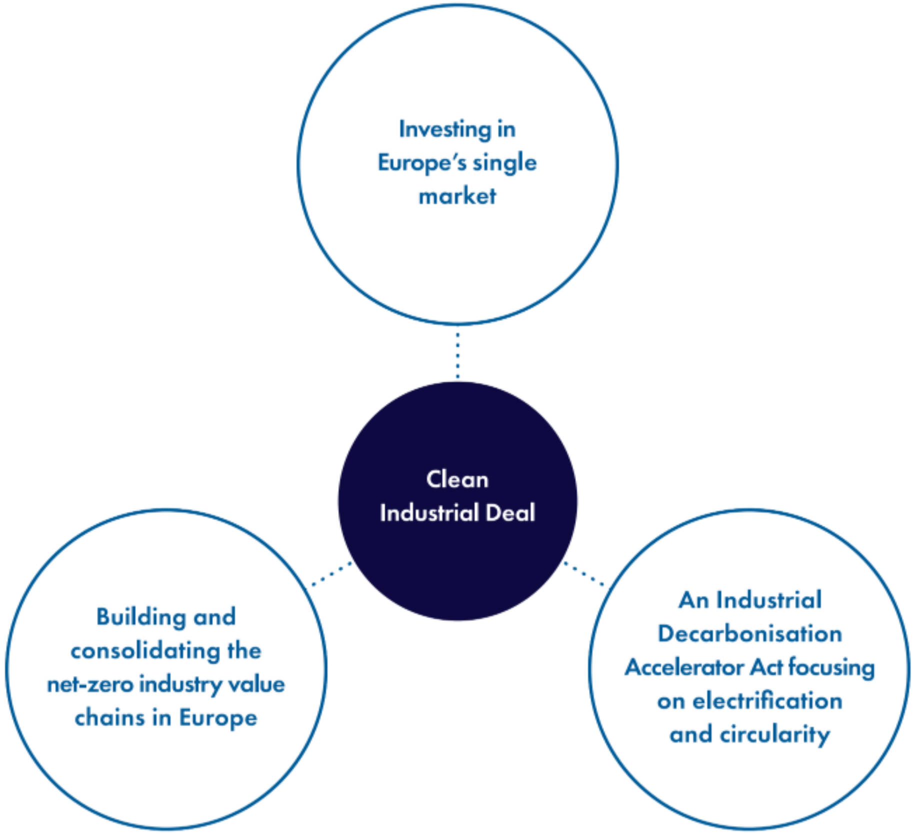
In USD/KWh
Source: Zero Carbon Analytics

CN-made batteries
EU-made batteries
US-made batteries



6. Energy security and electrification go hand in hand

- Research and development spending.



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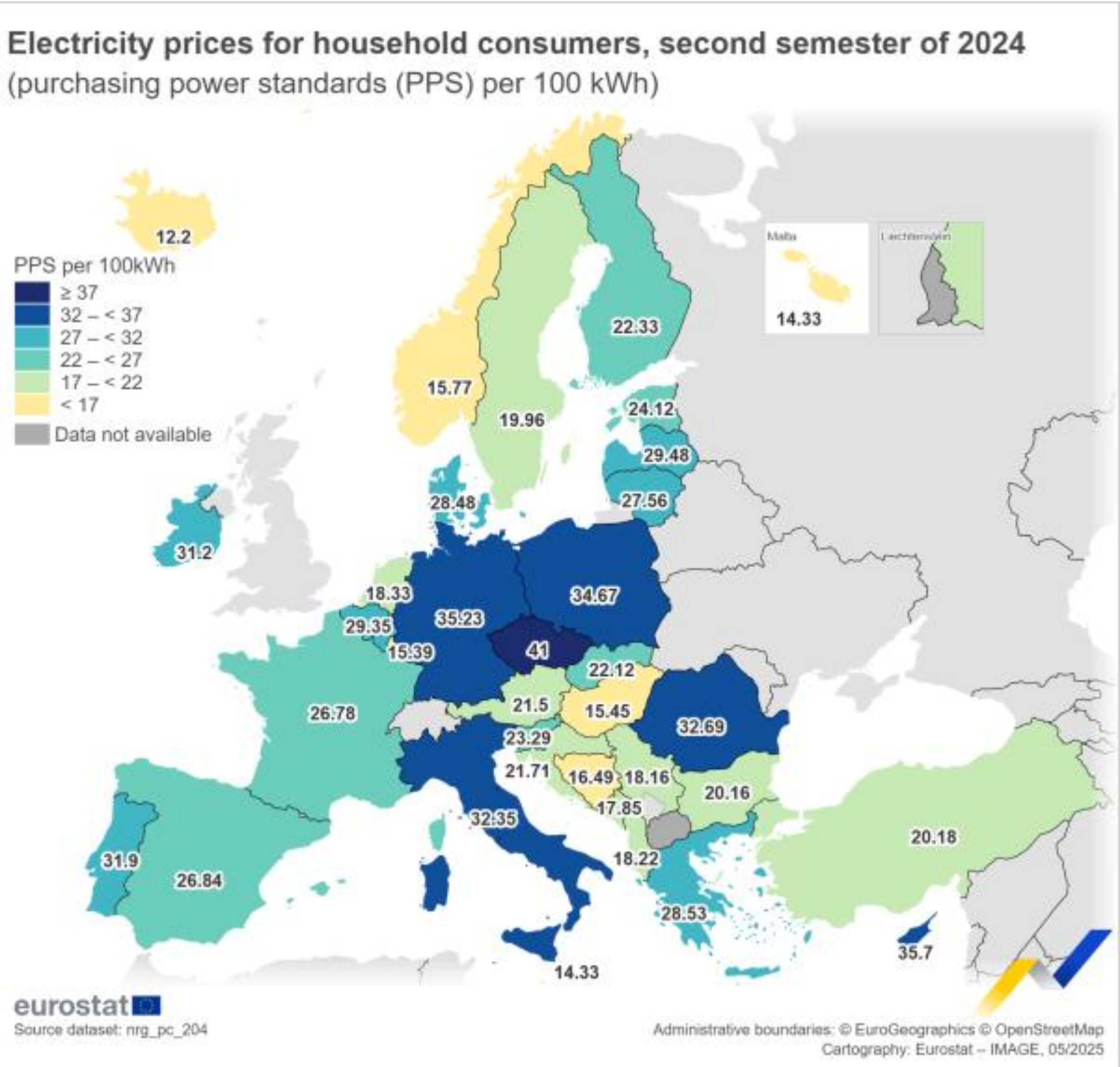
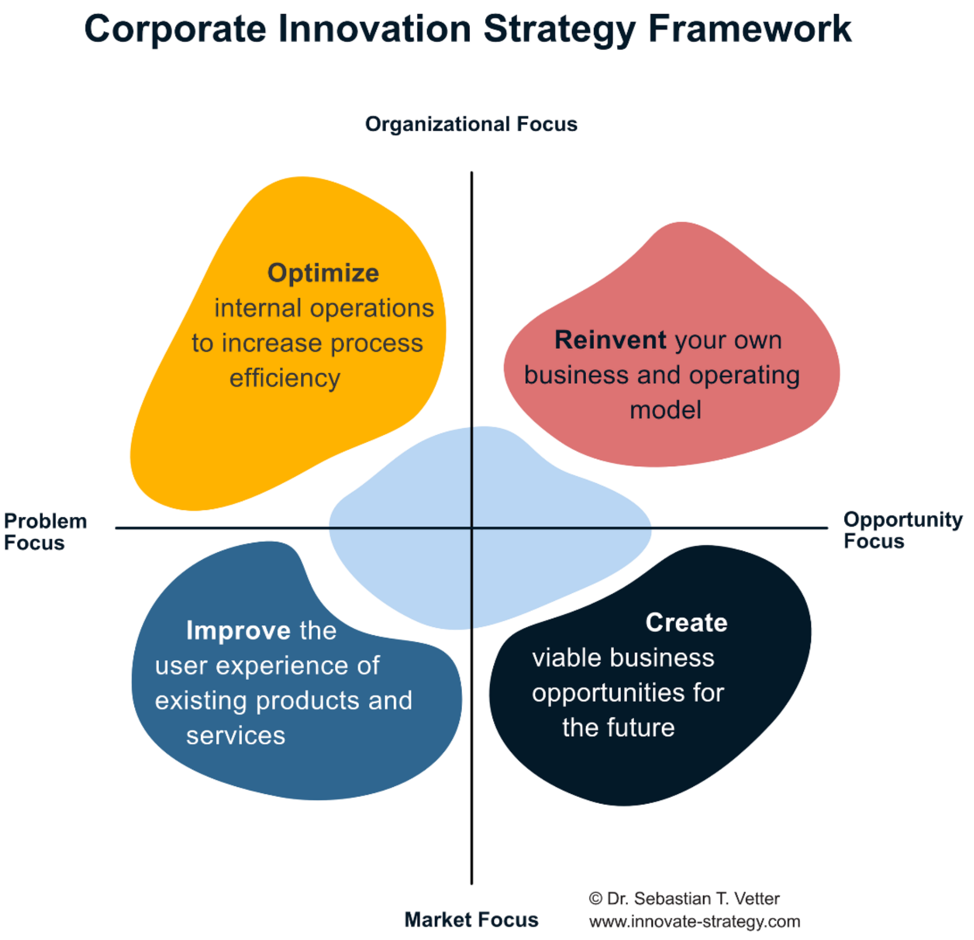
- Low electricity prices are also essential to electrification.



Source: Eurostat (nrg_pc_204)

6. Energy security and electrification go hand in hand

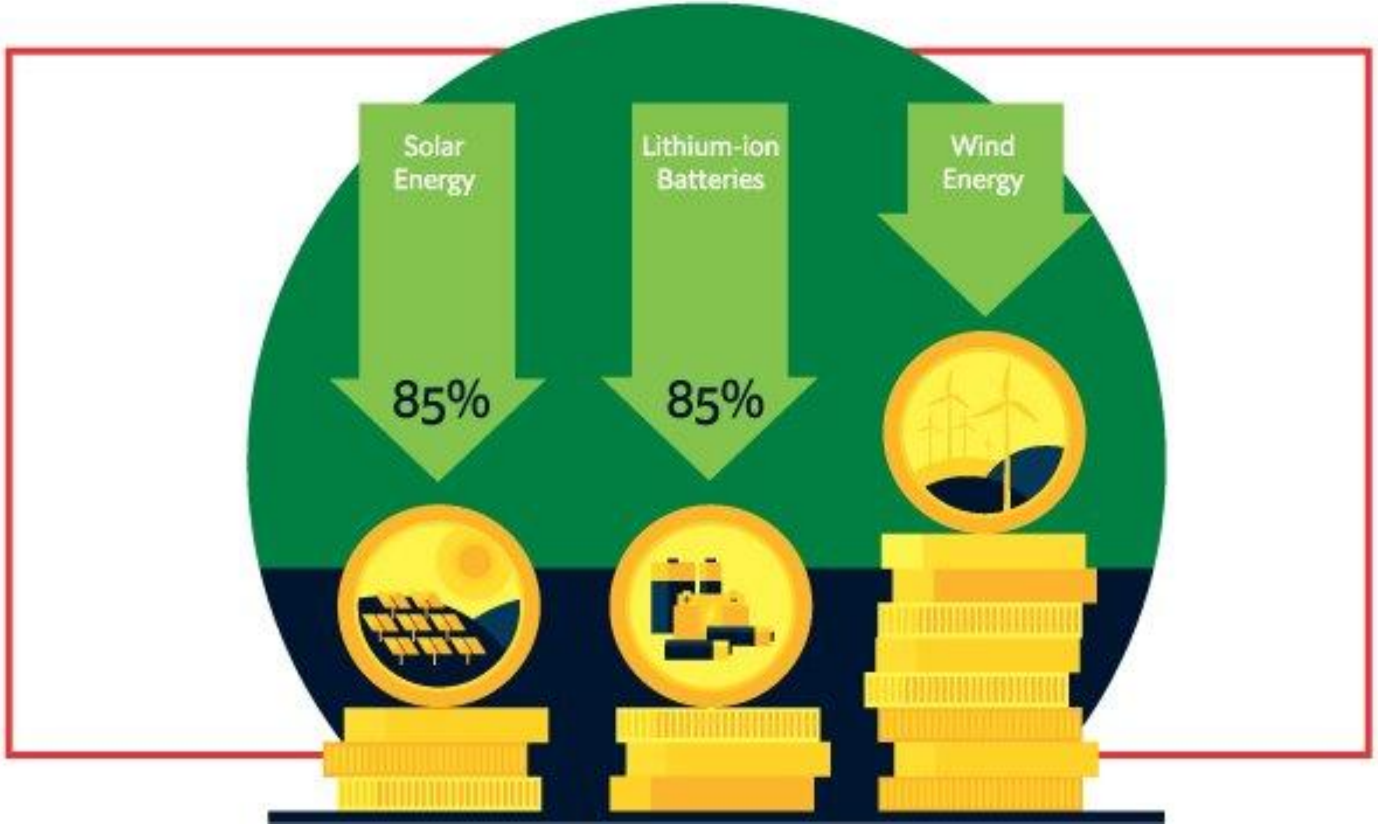
- We need to intensify efforts to tackle “the disconnect” between innovation and efficiency of industry.



Source: https://www.innovate-strategy.com/articles/corporate-innovation-a-framework-for-defining-innovation-initiatives

6. Energy security and electrification go hand in hand

- Green will not be cheaper, but brown will be more expensive.



Source: https://impact.economist.com/sustainability/net-zero-and-energy/data-point-clean-energy-costs-are-falling

6. Energy security and electrification go hand in hand

- Tariffs may provide the “unintentional incentive” of strengthening energy transition.

Source: https://www.amgnational.com/a-beautiful-word-the-facts-about-tariffs/

7. Growing Pressure for competitiveness

- Energy transition enhances, rather than undermines, our collective security.

- We have to constantly adapt to new insights and changing realities. The Green Deal has just been put through the proverbial ‘wind tunnel’, to smoothen the rough edges, and simplify where possible, all in the name of increasing competitiveness while accelerating decarbonisation.

Source: Watsonfuels

7 seismic messages for today's conference

1. Together we are taking big steps forward - the world has come a long way on climate change since 2015. The Paris Agreement and climate cooperation are working, but we need to move faster.
2. Energy transition is key to achieving the objectives of the Paris Agreement
3. The EU is staying the course on climate, for our economy, our health, and our security. When it comes to the European Union: what you see is what you get
4. We need to get all our other partners, responsible for 94% of global emissions, on board fast
5. International cooperation is in everyone's interest: when our neighbours and partners do well, so do we. We are all in this together. We will continue to work for a world where justice and shared principles guide action — where right, not might, shapes global cooperation.
6. Putting a price on carbon is the surest way to clean, open, and fair markets
7. Resilience to climate change: The costs of inaction are insurmountable; investments in the transition will reap rewards. Meanwhile, we need to build resilience fast to protect our people against the impacts of climate change.

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Thank you for your attention!