

Assessment of country performance and opportunities from the Energy Union

Slovenia shows good performance in some elements of the five dimensions of the Energy Union. Concerning *Energy Security*, Slovenia has a high level of electricity interconnector capacity with neighbouring states. In the area of *Internal Energy Market*, the country has managed to accelerate competition in the electricity market. In terms of *Decarbonisation*, Slovenia is on track to meet its 2020 targets for greenhouse gas emission reductions in the non-ETS sector and renewable energy.

Slovenia faces several challenges along the following dimensions. In terms of *Energy Security*, the country lacks gas storage facilities and is fully dependent on gas imports, mainly from Russia. In addition, the level of gas interconnections with neighbouring countries is limited. However, upgrading of gas transmission systems and implementation of Projects of Common Interests will enhance cross-border gas and electricity transmission, contributing to better North-South flows in the EU. Concerning *Energy Efficiency*, development of smart metering systems – if finalised - will provide the platform for new energy services and consumer empowerment. Even if Slovenia's current primary energy consumption is slightly below its 2020 target, additional efforts regarding energy efficiency seem needed to ensure that the energy efficiency target is met. Regarding *Decarbonisation*, the country's share of greenhouse gas emissions from transport is well-above EU average due to its position as transit country. Concerning *Research and Innovation*, Slovenia is far behind the EU average and main worldwide partners in terms of intensity of low-carbon technologies patents.

Against this background, the **Energy Union Strategy can provide potential benefits** for Slovenia:

- *Energy Security*: Diversification of gas sources, suppliers and routes, including the LNG terminal in Krk (Croatia) and several gas pipeline projects involving Italy, Croatia and Hungary, as well as better coordination of emergency response mechanisms among Member States will further strengthen Slovenia's energy security.
- *Internal energy market*: Upgrading of gas transmission system and implementation of Projects of Common Interests will enhance cross-border gas and electricity transmission capacity, creating a scale effect that can facilitate competition in energy markets.
- *Energy Efficiency*: The Energy Union will strengthen the targeted use of financial instruments for increased investments particularly in the transport and buildings sector. A combination of EU Funds, policies and measures towards decarbonisation of the transport sector can also support Slovenia in the transition to a less-carbon intensive transport sector.
- *Research and Innovation*: An integrated research strategy, including more targeted funding, and a strategic transport Research and Innovation agenda will support Slovenia's progress in developing low-carbon technologies.