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Regional market for energy

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Your excellences,

Ladies and Gentlemen,

It gives me quite a pleasure to address you today, and to honor the Energy Group in its 10th anniversary. Allow me very briefly to start speaking about my home country, Albania which does not only hold the Energy Presidency, but it's a country where the energy sector reform has taken a central stage.

We have lived for years with the residual that energy and electricity in particular were commodities provided by God to citizens for free. Consequences of this attitude combined with mismanagement in the energy sector were dramatic. The level of unpaid electricity and stolen electricity skyrocketed, which in turn brought state as well as private energy companies on the verge of dramatic bankruptcy. The risk of the system collapse, blackout and of a financial mess for the whole country appeared very clear on the horizon. The economic and social consequences would have been devastating. And this is why when, when I took office in 2013, we made rebooting the energy sector and made it a strategic priority. We knew this would force us to make

tough decisions, but we had no other choice. And so we started by settling inherited dispute with the owner of our electricity distribution, the Czech investor, who has completely failed to stop what was supposed to be stopped when the privatization happened, and practically has transformed the company in the main obstacle to undertake reforms.

Therefore, the successful negotiations with the very help of the Energy Community, mediated directly by the Vice Director, opened the path to go further with the reforms. And once we accomplish that, we could start move to restructuring and reconstructing the energy sector, and get to manage a company with 1.1 billion US dollars debts accumulated since 2007. Or, to give you a clear idea, 7% of our GDP, because of a yearly 50% theft and technical losses in a system where investments have been practically inexistent when it comes to distribution. And, with the help of the Energy Community and International Financial Institutions we reenergized our energy company, and today I am very proud to say we are one of the first Energy Community countries to have adopted an electricity law, realizing EU's third energy package this year. And we are about to do the same in the areas of gas, renewable energy and energy efficiency.

We are very grateful to the Secretariat for providing us with concrete and practice assistance in drafting these laws, as it has been done also with other countries. The Energy Community legal framework provides us the tools and concrete know-how to one of the most far-reaching and controversial reforms in Albania in recent years, reform that I am convinced will turn Albania's energy sector and its natural resources into an asset rather than a liability.

Albania is the second richest country in hydropower potential after Norway, and Albania is a country that so far has been used to live with this potential as a burden and as a problem, not as a resource and as an asset.

But, it goes without saying that we still need the Energy Community support, and in addition to the energy sector reforms in line with EU rules and principles, another main objective of the Energy Community is to integrate regional markets. And it is common sense that Albania's hydropower a clean but sometimes very capricious energy source be complemented by Serbia's coal resources, when necessary. An open energy market among countries in the region will not only improve our supply security, it will also make sure that we can provide the cheapest available energy, and thus the best deal for all our customers.

Unfortunately, vested interests and false dreams of energy autarchy in all our countries have prevented in the near past the regional market from becoming a reality. And I am firmly convinced that we will have to take regional integration in Vienna, the Energy Community, as seriously as we take domestic reforms. And through the support of the Energy Community, regional integration should be our common goal because if, when it comes to the connectivity and to the road infrastructures and to other sectors that we need to develop, we are very much relying on EU funds and we cannot do without, when it comes to integrating the market of energy first and foremost we can rely on our own will and on our own conviction that together we can only make better, and together we can not only have historical photos, which are by the way gone now, but we can really improve our economies.

And I am very happy to inform you that at today's Western Balkans Summit, not only did we agree on a list of 5 energy infrastructure projects, crucial for the region, we also adopted a list of measures aimed at establishing a regional electricity market, government structure, needed to maximize the region's potentials. These measures include power exchanges, joint capacities allocation and a regional balancing market. We will do our utmost to implement these measures in the course of the next year. We'll do this in close coordination with one-another and, of course, in close cooperation with the Energy Community. This will benefit customers and citizens in all our countries.

The Energy Community founded in Athens in 2005, and associating the European Union and countries of Southeast Europe, was an energy union *avant la lettre*. The Energy Union is a vision for Europe's future energy integration. In the face of such volatile resource markets, climate change and political instability, the European countries will have to collaborate more closely with each-other to overcome our relative insignificances in an increasingly globalized energy world. These challenges do not stop at the borders of EU member states. They are truly pan European.

Building on our existing energy community its unique set of institutions and procedures, and the experience gained over the last ten years, the Energy Union comprised with member states and contracting parties alike, and go beyond the current borders of the Energy Community.

Ten years after the creation of the Energy Community, and over 60 years after the start of the European Integration process in the 1950s, it is time to revive the ideas of Robert Schumann and Jean Monnet, and to apply them to one of the most crucial sectors, energy, and to united wider Europe under the same values, principles and rules.

Creating energy connectivity within the Western Balkans is not only vital for our continual growth in our countries, but it will aid

the European Union's ongoing struggle for energy security. Thus, EU support for our region's concrete actions plans for energy sector expansion and interregional connection should be of the highest priority. It is precisely due to a body like the Energy Community that when the Western Balkans are made to prosper, or when Greece, Serbia, Albania or the EU prosper, the respective prosperity won by each is shared by all.

As climate changes are one of the prominent tests for our time, again this quite hot space is a proof, creating an energy union does not only offer a solution to energy security challenges, it offers a tremendous opportunity to mitigate climate change as a region. In view of the COP21 talks in Paris the European Union should insure the Western Balkans are part of the EU's actions on climate change. Support by the European Union to the Western Balkan countries in reaching their climate change goals go a long way in signaling to the rest of the world that Europe will continue to lead on climate change policy. But the other way is showing something very different. If we are let alone in this struggle, which again is impossible to be dealt with our own means, then the moral high ground that Europe has so far on climate change is put in question.

Integrating energy goals goes beyond efforts in the energy sectors alone. The Energy Community experience also shows that the multilateral cooperation based on principles such fairness, transparency and the rule of law enhance the stability for our relations in general. Through the day-to-day work of the Energy Community an added value emerges, which is rare in politics and a unique achievement by Europe, and it's called solidarity and mutual trust and benefit.

The future of the Energy community will eventually exceed its current region. The accession of Ukraine, Moldova and soon Georgia already testifies that. In the Balkans we will not look enviously at this broadening of the community but proudly at having contributed to a better integration of the pan European energy markets and systems. As today's Summit as well as the Albanian experience show, this contribution is ongoing and matters more each and every day. The Energy Community will not lose its relevance in the next ten years and beyond. On the contrary, and this is my firm conviction, but it is up to us, the countries of Europe, to take the commitments laid out in the treaties seriously, to channel their potential and to develop it further in accordance with the needs and the challenges we know we will face in the future.

For now, looking back at 10 successful years of the Energy Community, we should allow ourselves a moment of satisfaction and deserved, I believe, celebration. I would like to thank very much the Energy Community Secretariat and its director for hosting us in this beautiful library today, and for continuing to press on all of us to fight together climate change. Thank you all for having come to today's celebration and for having fought so hard in the past to create this community. I wish the Energy Community continued success, a long-lasting cooperation and effective expansion in the future. Thank you very much!

The 10th anniversary of the Energy Community gathered together in Vienna Summit senior representatives of Member States. In this context, a conference was held for the 10th anniversary of the establishment of the Energy Community, under the patronage of Prime Minister of Albania, Edi Rama. The Energy Community was established on the basis of an international treaty in 2005. Its main aim was approaching the countries of South East Europe and the Black Sea with the European Union, and expanding domestic energy markets of the EU, in addition to attracting investments in energy production and supply networks.

Among the leading panelists were Serbian Prime Minister Vucic, Prime Minister of Ukraine Yatsenyuk, European Commission Vice President Sefcovic, EC Commissioner for Enlargement Hahn, Chairman of the Industry and Energy Committee in the European Parliament Busek.

In his speech at the event, Vice-President of the European Commission Maros Sefcovic said that the Energy Community was created 10 years ago to enhance the cooperation of the regional countries with the EU, and to integrate the energy markets of the Balkan countries with one-another and EU, but over time, the Energy Community has been transformed from a regional instrument of pre-accession to an instrument for our common security of supply and cooperation in the energy field.

Albania currently holds the Presidency of the Energy Community.

