

THE ENERGY COMMUNITY AS INVESTMENT IMPETUS

**FOLLOW-UP OF THE ENERGY COMMUNITY INVESTMENT CONFERENCE
(Athens, 28.09.2007)**

Energy Community Secretariat

On the occasion of the First Gas Forum of the Energy Community 09.11.2007

**- GENERALLY AGREED APPROACH TOWARDS
COMMON PRINCIPLES**

BUT big EU vs. SEE differences

- A NECESSITY FOR A COMMON FRAMEWORK

(political perspective; economic reasoning)

- **Clear and easy to explain objectives**
- **Realistically ambitious tasks**
- **Contemporary mechanisms and Relevant institutions**

IN RELATION TO INVESTMENTS

- STEPS FORWARD ON NATIONAL LEVEL
- THE REGIONAL MARKET PERSPECTIVE
- Increasing Knowledge
- THE IMPLEMENTATION REPORT – 2007

- **FAMILIAR**
- **APPLICABLE** (Practice available)
- **CONCRETE – The Investment Conference**

- **OVER 200** participants

- **6 CONTRACTING PARTIES AND 2 OBSERVERS**

- **WHO WAS THERE** : Ministers, Commissioner Piebalgs, EBRD, EIB, KfW, WB, AES, CEZ, ENEL, EVN, Electrabel, E.ON, RWE, DEPA, ContourGlobal, TERNA, EDISON, ENI, EnBW, Raiffeisen Investment, OMV, many others

- **154 PROJECTS PROPOSED** by the Contracting parties
(127+26+1)

PROJECT PROPOSALS - A SAMPLE

Code	Title	Type	Location (Contracting Parties and Observers)	Project value (approx./estimate) Euro	Status/ start-end date	Financing by sources (Euro)	Relevance to GIS, SECI, TEN E Guidelines, other	Significance national/bilateral/regional
Contracting Parties to the Treaty establishing the Energy Community								(to be decided)
AL 01	Construction of the Combined Cycle Power Plant at Vlore; Capacity: 97 MW, dual fired on distillate oil/natural gas	Electricity Generation/ Greenfield	ALBANIA Vlore	92 Million	Implementation phase May 2007 - May 2009	Public loans: IDA:15.6 Million EBRD: 38.4 Million EIB: 38.0 Million	Listed in the GIS update as new generation plant, in 2009	

- **The deficit of energy AND the Regional investment approach**
- **No regional market, but small national markets**
- **Fair and predictable regulations are needed - Cost reflective Tariffs and Market Rules**

- **SOURCING OF EQUIPMENT IS DIFFICULT:** increase in price by 40% in the past 6 months; timeline for delivery 2014-2015

- **PRIMARY IMPORTANCE** - Allocation of cross border capacity

- **DO NOT FORGET THE TIMELY ENVIRONMENTAL ASSESSMENTS**

- The role of **THE EUROPEAN COMMISSION** – preaccession instruments; Donors' community

- **FAIR TREATMENT AND PREDICTABILITY**
- **REALISM – CAPACITY, HR, FUNDS, ASSESSMENT OF NEEDS**
- **DO IT IF YOU START (LAUNCH A TENDER – FINISH A TENDER!)**
- **POSSIBILITIES AND PRIORITIES (DO THEY MATCH?) -
UPDATED LIST**

- **PREVIOUS STEPS**
- **THE UPDATED LIST –ECS**
- **the 7th PHLG (endorsement) – the MINISTERIAL COUNCIL**
- **ECS - monitoring of the implementation**

PROPOSED CRITERIA

1. EU TRANS-EUROPEAN NETWORKS FOR ENERGY guidelines (Decision No.1364/2006/EC)

(priorities for action, certain categories, economic viability, cross-border nature, compatible with sustainable development)

The projects are to be **approved** by the Parties involved.

2. LEAST COST PLANNING (Generation Investment Study Update)

3. TECHNICAL AND ECONOMIC CRITERIA for transmission network investments (SECI Transmission Investment Optimization Plan)

PROPOSED CRITERIA (Cont.)

4. SECURITY OF SUPPLY requirements

5. CONTRIBUTE TO THE BIG PICTURE - Being part of a major gas pipeline under development or possibly connected to it (e.g. Energy Community Gas Ring)

6 ADDITIONAL BENEFITS: advanced preparation stage and/or having financing already aligned

- **ABOUT THE INVESTMENTS – improving framework**
(but the investor decides)

- **ABOUT THE TREATY**
 - **political will , economic reasoning and clear, familiar and effective legal framework**

- **ABOUT THE ENFORCEMENT – CONDITIO SINE QUA NON**

A SIGNIFICANT AMOUNT OF ANALYTICAL REPORTS
AND PRESENTATIONS BOTH FOR THE NATIONAL AND
REGIONAL PERSPECTIVE ARE TO BE FOUND AT

WWW.ENERGY-COMMUNITY.ORG

THANK YOU FOR YOUR ATTENTION!