
Development of the SEE Energy Market: Barriers to and Opportunities for Progress - the Experience of Macedonia

Dr. Vesna Borozan, MP, Macedonia

Opening Session of the Committee on Sustainable Energy
Geneva, 27 June 2005

The Goal of the Athens Process

Strategy Paper of the PHLG, discussed at the 6th Athens Forum, Skopje, June 9 – 10, 2005:

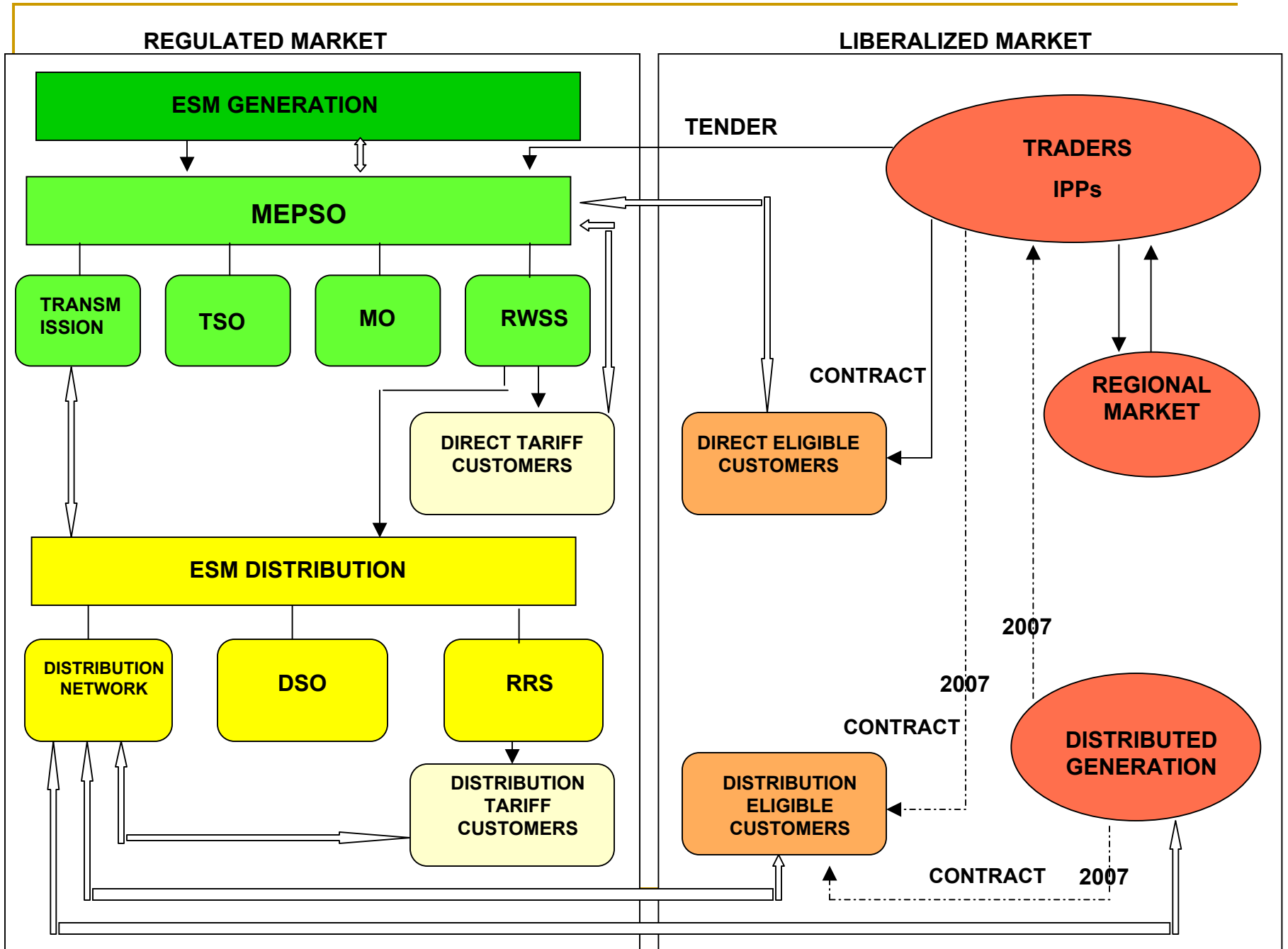
“.... The ultimate aim is to have single regulatory space for electricity and gas trade that stretches from Ankara to Oslo, from Sofia to Lisbon.”

Driving forces of the Athens Process

- EU integration aim of the SEE countries
 - European Commission
 - Stability Pact for SEE
 - Donors
 - Athens Memoranda
 - Energy Community Treaty
-

Reform of the Energy Sector in Macedonia

- Acquis communautaire on Energy
 - Energy Market Amendments - May 2005
 - Acquis communautaire on Environment
 - Law on Environmental Air Quality – July 2004
 - Law on Environment – June 2005
 - Kyoto Protocol – July 2004
 - Law on Nature – July 2004
 - Acquis communautaire on Renewables
 - Energy Law scheduled October 2005
 - Acquis communautaire on Competition
-



Policy Principles

- Benefit consumers by ensuring reliability at appropriate economic costs
 - Recognize the attributes, capabilities, and deficiencies of existing assets
 - Match costs and revenues for all participants in electricity sector
 - Make subsidies explicit and eliminate them where possible
-

Policy Principles - 2

- Recognize and manage the human impacts created by reform
 - Give households an opportunity to purchase a secure supply of electricity at a reasonable price
 - Comply with relevant EU Directives and Athens Memoranda
-

Potential Barriers to SEE Energy Market

- Generation and infrastructure investments
 - SETSO CBT Mechanism
 - Discrepancies across the Region
 - EU accession processes
 - Economic development
 - Opening of national markets
 - Commercialization of the energy sector
 - Social, Economic and Environmental Issues
-

Opportunities for Progress of SEE Energy Market

- Increasing security of supply
 - Integrated regional investment planning
 - Access to the EU Internal energy market
 - Diversification of supply
 - Increased competition
 - Market control of prices
 - Environmental benefits
-