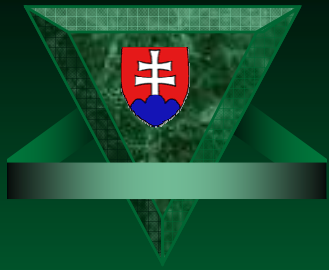


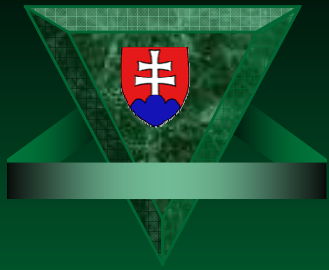


**Government Responses to the Impact of the
Financial Crisis on Energy Industries and Energy
Security of the Slovak Republic**



The main challenges for energy sector of the Slovak Republic:

- ✓ the global economic crisis,
- ✓ high dependence on import of primary energy,
- ✓ relatively high energy intensity of the national economy,
- ✓ potential for higher utilization of renewable energy sources,
- ✓ climatic changes and its impacts,
- ✓ gas crisis in January 2009



Strategy of Energy Security of the Slovak Republic by 2030 approved by the Government of the Slovak Republic on October 15, 2008

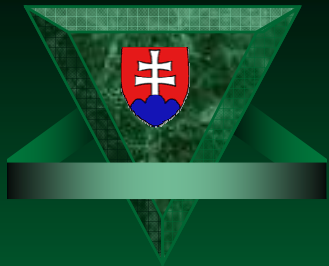
Main goal:

... to reach competitive energy...

... that ensures secure, reliable, effective supply of all forms of energy...

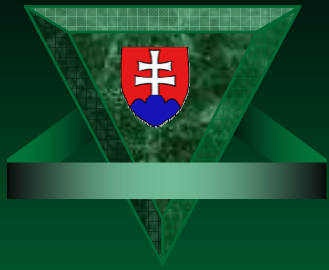
... for acceptable prices ...

... taking into consideration consumer protection, environmental protection, sustainable development, security of supply and technical security ...



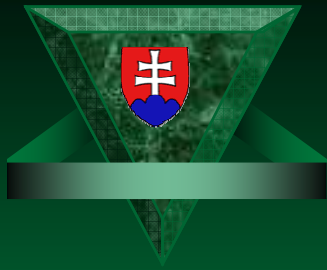
The measures adopted by the Government of the Slovak Republic:

- ✓ new gas interconnections (with Poland, Hungary, Austria),
- ✓ new gas storages (in the Western and Eastern Slovakia),
- ✓ new crude oil pipeline interconnection (with Austria),
- ✓ reconstruction of old and building up of new electricity plants,
- ✓ new electricity network interconnections (with Poland, Hungary, Austria, Czech Republic),
- ✓ to increase use of renewable energy sources,
- ✓ to increase energy efficiency,
- ✓ to decrease total energy consumption.



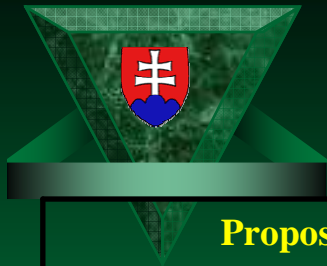
New gas interconnections:

Proposed projects	Technical parameters	Term of realization	Estimated expenses in mil. EUR
PP SR – Austria (Vysoká – Baumgarten)	1 mld. m ³	2008	5
PP SR – Hungary (V. Krtíš – Balassagyarmat)	10 mld. m ³	by 2015	50 – 77
PP SR – Poland (V. Kapušany – Jamal)	25–30 mld. m ³	from 2015	440 – 495 (SR 120 km)



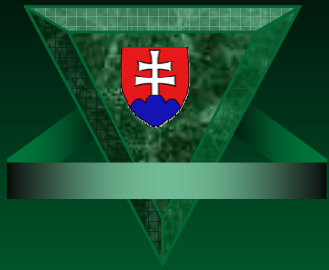
New gas storages:

Proposed projects	Technical parameters	Term of realization	Estimated expenses in mil. EUR
Capacity increase of PZZP Láb 1.- 3.stavba	about cca 300 mil. m ³	2008 – 2010	66
PZZP Gajary-báden	600 mil. m ³	2008 – 2017	165
PZZP Sereď- Križovany nad Dudváhom	2,0 mld. m ³	2011 – 2015	250
PZZP Cífer	2,4 mld. m ³	2011 – 2015	245
PZZP Golianovo - Čechynce	1 - 1,5 mld. m ³	2012 – 2015	180-210
PZZP Nižná – Veľké Kostol'any	0,5 - 1 mld. m ³	2012 – 2015	130-180
PZZP Ptrukša	255 mil. m ³	2015 - 2020	100



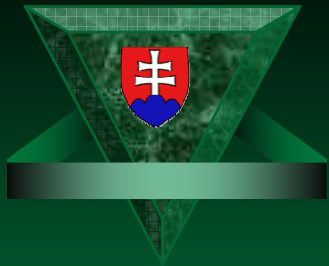
Reconstruction of old and building up of new electricity plants:

Proposed projects	Technical parameters	Term of realization	Estimated expenses in mil. EUR
Capacity increase of NPP	180 MW	do 2010	120
NPP 3,4 blok Mochovce	880 MW	do 2013	2 310
Capacity increase of NPP EMO 3,4	60 MW	do 2015	10
PE Panické Dravce	100 MW	do 2010	39
Heat plant Bratislava	58 MW	do 2010	37
Heat plant Nováky (reconstruction)	125 MW	do 2013	160
Heat plant Zvolen	70 MW	do 2009	36
Heat plant Vojany(reconstruction)	830 MW	2010 - 2018	1280
TE/PPC Eastern Slovakia	400 MW	do 2013	320
TE Central Slovakia	600 MW	do 2020	1000
PPC Malženice	430 MW	do 2012	400
VD Sereď - Hlohovec	52 MW	do 2015	360



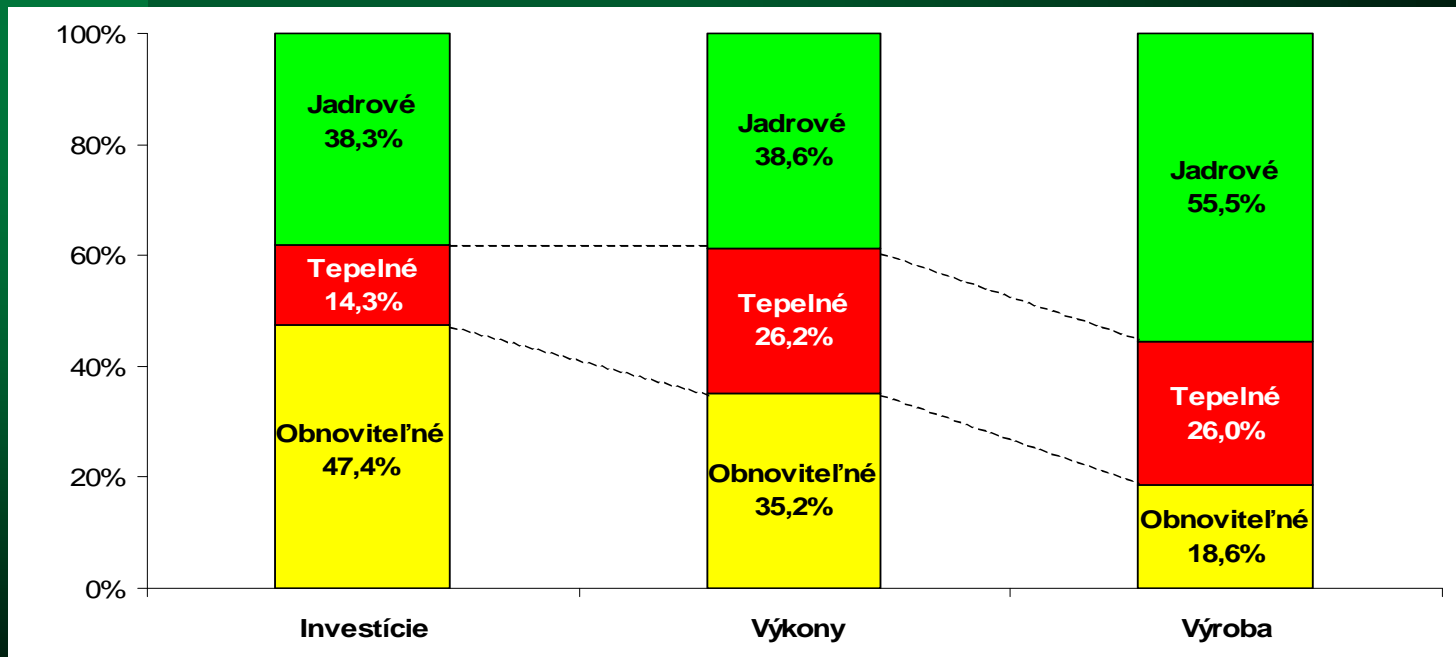
Proposed projects for long-time period:

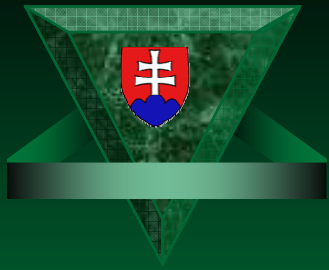
Project	Technical parameters	Estimated operation	Estimated expenses in mil. EUR
VE Wolfsthal - Bratislava	148 MW	do 2020	1 000
JE Jaslovské Bohunice	cca 1 200 MW	do 2025	3 320
PVE Ipeľ	600 MW	do 2020	900
PVE Devínsky lom	1 100 MW	do 2030	1 200
JE Kecerovce	1 200 MW	After decomission of NPP V2 Jaslovské Bohunice	3 870



To increase use of renewable energy sources by 2030:

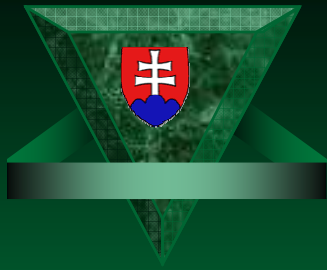
- ✓ Slovakia estimates that in 2030 there will be 18,6% share of RES on total energy production.
- ✓ In order to reach this production volume it is necessary to secure installation output in a volume of 35,2%.
- ✓ This installation output will require 47,4% of all investments into energy sector.



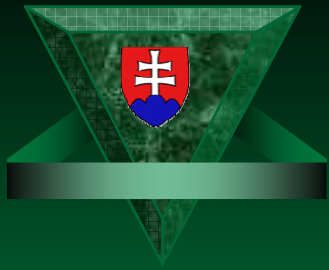


To increase energy efficiency /To decrease total energy consumption

- ✓ saving of up to 20% of final energy consumption compared with prognosis in 2020,
- ✓ creation of motivation environment in order to energy – effective behaviour of market participants,
- ✓ support of implementation of energy effective technologies,
- ✓ change of behaviour of citizens in a rational use of energy

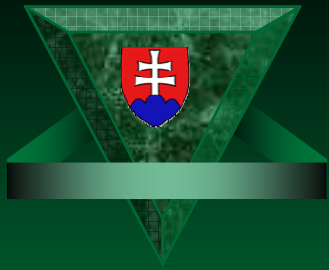


All above – mentioned initiatives or steps in order to assure an energy security of the Slovak Republic require a large amount of investments.



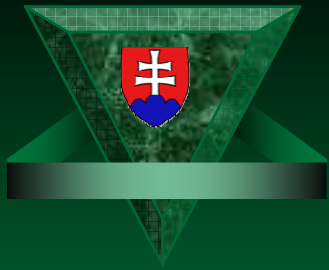
Impacts of a financial crisis in the Slovak Republic:

- ✓ Banking sector is more careful in granting credits.
- ✓ Potential investors in more cases re-evaluated their investment targets.
- ✓ Major part of companies decreased their production.
- ✓ Unemployment has increased.
- ✓ Energy consumption decreased.



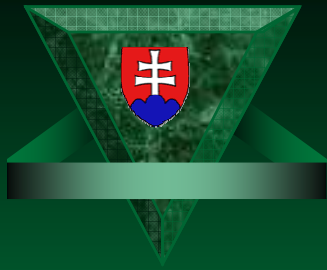
Gas crisis in January 2009 with a negative impact on the Slovak Republic

- ✓ Besides of a financial crisis the Slovak Republic was in January 2009 one of the most impacted countries during the gas crisis.
- ✓ The January 2009 gas crisis was the most severe energy crisis in the European Union for more than a generation.
- ✓ Industrial production has stopped in approximately 1000 Slovak enterprises.



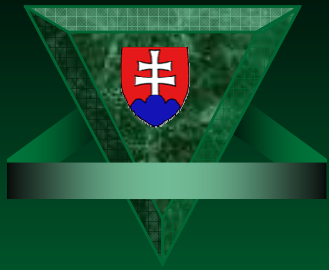
Measures of the Government of the Slovak Republic in order to mitigate adverse impacts of economic crises in energy sector:

1. The support to a transfer of innovative technologies.
2. The increase of consumption of energy sector generated from domestic resources.
3. The Programme for higher utilization of biomass and a solar energy.
4. The increase of the Energy Efficiency by establishing of the Energy Efficiency Support Programme.



Resulting from crises:

- ✓ To diminish a number of intermediaries between the producer/deliver and consumer/customer.
- To maintain international agreements.
- To increase a confidence on a market.
- To utilize a mechanism of early warning.
- To maintain solidarity measures in emergency situation.

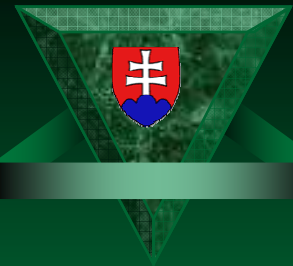


Possible way out from crises:

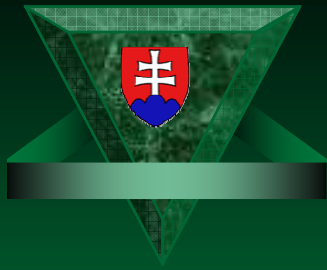
Construction of new infrastructure

Construction of new energy sources

Diversification of transport routes



20. 11. 2005



Ministry of Economy of
the Slovak Republic

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