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

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

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# 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.”*

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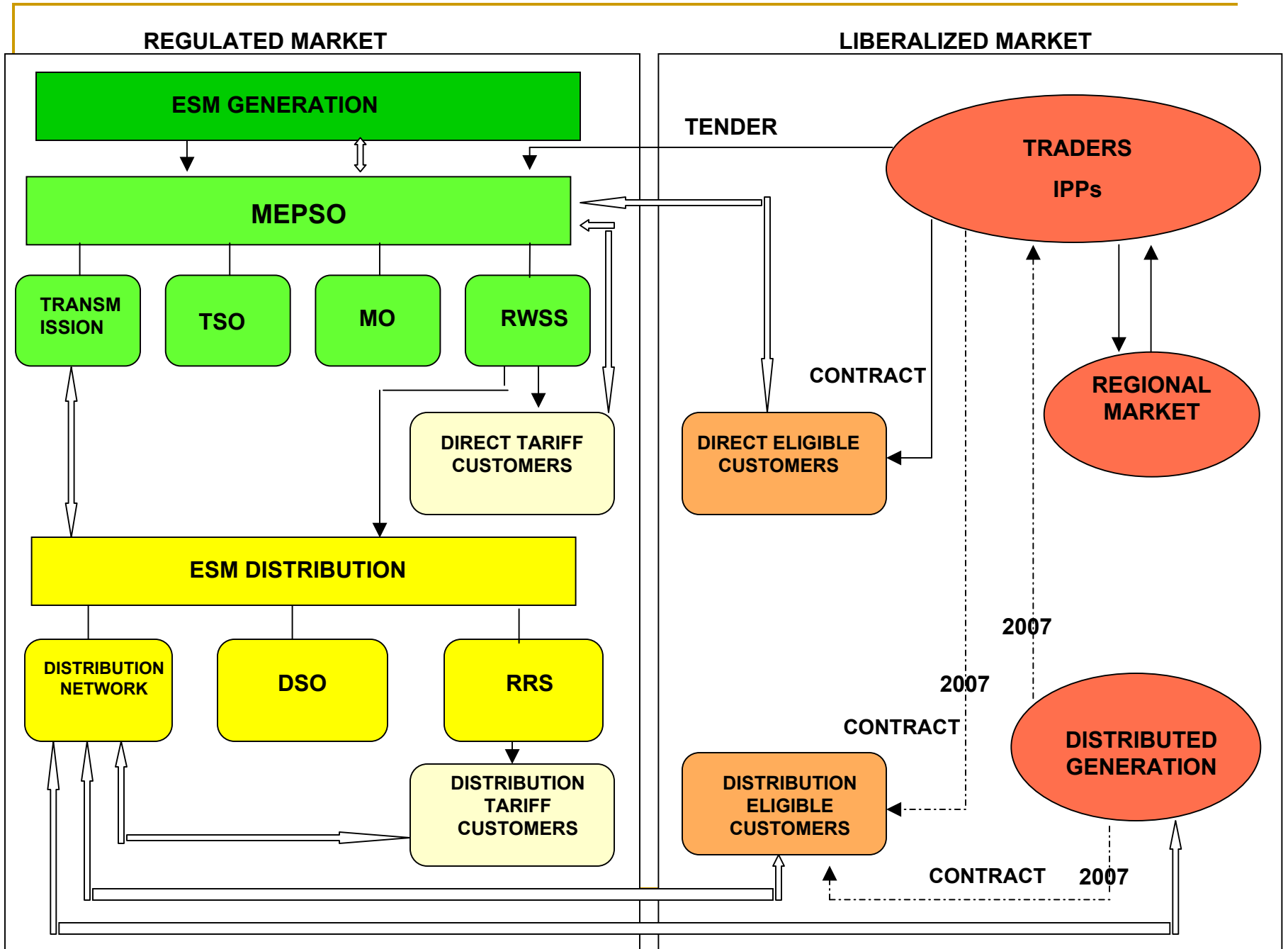
# Driving forces of the Athens Process

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