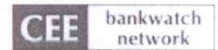




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№ 125-2/ 30

09.10.2012

Dear Commissioner Oettinger,

We are writing to you with regards to Regional Energy Strategy (RES) for the Energy Community in view of your role as EU representative in the Energy Community Treaty.

While we welcome this important initiative, because we believe a regional approach is necessary not only as part of the European integration but also in terms of achieving sustainable development in the energy sector, we are extremely concerned with the Draft Regional Energy Strategy (RES) for the Energy Community (version 19/27.07.2012) and with the non-transparent process of its preparation.

In particular we noted that:

- The 2050 Road Map is not referred to at all and all three scenarios in the RES entail CO2 growth
- The Energy Efficiency targets are very low, especially given the room for improvement as recently assessed by the World Bank, and the prevailing EU 20/20/20 targets.
- Even though technical and commercial (theft) losses in the regions energy systems range from 15% to more than 35% of total energy supply, depending on the country, this issue is not addressed.
- The criteria outlined for selecting priority projects automatically disadvantage renewable energy and energy efficiency by concentrating on cross-border projects, and enable the selection of projects which conflict with the decarbonisation goal and sustainability goal in a wider sense. By focusing on export-oriented projects, the Energy Community will stimulate further development of unsustainable energy sources (such as nuclear and fossil-fuels), undermining the Community's commitment to "providing secure and sustainable energy supply to customers".
- As it will be extremely challenging for the region to meet its own energy needs as outlined by the strategy, the Energy Community should not support projects primarily aimed at the export of electricity to the EU. This is particularly important to highlight in the case of Ukraine – **enabling electricity exports from Ukraine would mean enabling export of nuclear electricity generated by outdated nuclear units that otherwise could have been closed down.** While Ukraine is still only preparing to join ENTSO-E, almost all transmission lines projects actively being developed in the country are the ones to primarily enable electricity exports to EU, and they already receive financial support from European financial institutions (EIB and EBRD);
- The criteria also need to include screening for compliance with all EU legislation including procurement and state aid legislation as well as all environmental legislation including the Directive on Strategic Environmental Assessment (SEA), the Water Framework Directive (especially in the case of hydropower) amongst others, which are neglected.

CSOs have been completely excluded from any meaningful consultation about the strategy to date.

As this Regional Energy Strategy is planned for adoption at the Ministerial Council of the ECT in Montenegro on October 18, 2012 we are urgently asking you to request that:

The Regional Energy Strategy of the Energy Community must be subject to an SEA and that a budgetary allocation for a comprehensive process should be ring fenced for use by the ECTS.

We believe that carrying out an SEA would be in line with best practice of EU Directives application – most of the countries covered by RES of the Energy Community are at different stages of joining the EU thus they should be ready to demonstrate their commitments to European standards and European law application. The SEA would also provide an effective forum for a review of this important document, and would give an opportunity to effectively include the public in the process of RES finalization.

Yours sincerely,



Yuriy Urbansky
Executive Director
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