



INSTITUTE OF ENERGY
FOR SOUTH EAST EUROPE

SOUTH EAST EUROPE ENERGY DIALOGUE

SE EUROPE'S LEADING ENERGY FORUM

A continuous open process seeking to promote a
cohesive regional energy policy and the development
of an integrated and competitive market.

In partnership with WEC



WORLD ENERGY COUNCIL
CONSEIL MONDIAL DE L'ENERGIE

SOUTH EAST EUROPE ENERGY DIALOGUE

Background and Scope

The South East Europe Energy Dialogue (SEED) was originally conceived by the Institute of Energy for South East Europe (IENE) as an open forum for the identification of the key energy objectives, challenges and opportunities in Southeast Europe, together with the study and analysis of the regional energy infrastructure. In 2007, organized the first SEED with the intention of bringing together senior government officials, corporate leaders, financiers, academics and energy experts from Southeast Europe and beyond who will discuss the crucial energy and environmental issues of the current geopolitical agenda. The aim was to stimulate a lively debate that will eventually help formulate sound regional energy policies and forge strong bonds between the numerous actors in the energy sector of South East Europe. Today, the SEED is convened for the third consecutive year and it is developing fast into a top-level regional meeting. IENE's objective is to further build up the SEED into a multi-tier regional energy forum as an open and ongoing consultative process.

When addressing the issues of our region it is evident that the small and fragmented states of SE Europe, cannot any longer move alone and pursue truly independent energy policies. In this sense all countries should have eyes set towards the broader region of South East Europe where all aspire to develop meaningful relationships and cooperation. Therefore, the South East Europe Energy Dialogue signifies a major departure in the quest for understanding and participating in the energy developments of the region. A cursory glance in the region's basic economic and energy statistics will show the great imbalances that exist between the east and west Balkans and between the southern and northern states of the region. Furthermore, the region's great dependence on imported oil and gas and the lack of adequate electricity infrastructure in many areas is undeniable, while the rush of many states to join the European Union will undoubtedly have a profound effect in the way that the energy markets develop over the next few years. The opening up of energy markets over the last ten years and the trend for more competition and less state intervention places all energy markets in a state of transition. It is obvious that some countries will benefit from this process while other will lose. This is clearly not a win-win situation for everybody involved. Therefore, the need for a truly independent dialogue, at company and expert level, outside the usual constraints of bilateral, regional, transnational and international agreements and outside the influence that national governments like to exert, is today more necessary than ever before.

Past SEED speakers have included ministers, MP's, ambassadors, senior EU and government officials, senior representatives of international organizations, CEO's of large corporations and a host of very knowledgeable and influential speakers. Furthermore, IENE is organizing on a regular basis seminars, conferences and workshops in different countries of the region covering topical energy issues of the SE European area. The development of concurrent energy and environmental strategies capable of meeting the sustainability objectives of the EU and how these may apply in the region will be one of the main objectives of the 3rd SEED. Another major objective of this two day high level meeting will be an all round examination of the security and energy supply options facing Europe, where the role of SE Europe as an energy bridge to central Europe is crucial. In that sense, the role of the Balkans as a transit corridor for the main European energy markets will merit special examination.

The First Meeting of IENE's South East Europe Energy Dialogue Thessaloniki, 28 -29 June 2007

The First South East Europe Energy Dialogue event in June 2007 was a heart-warming success. It managed to bring together senior representatives from all parts of the evolving energy markets, all key players from both the public and private sectors: regulators, regional, national and European electricity utilities, financiers, academics and policymakers. The First Energy Dialogue initiative established a process of fruitful and policy-generating dialogue between the basic pillars of an ever integrating energy market. The participants concluded that a change of mentality towards a more market-driven energy system is necessary. That could be achieved by the executive empowering of Regulators in order to assure transparency, to safeguard equal and free access to the grids, and to standardize rules of trade and investment for all potential or present players. Additionally, the participants noted that the most promising development so far has been the formulation of strategic synergies between regional, national and private corporations in the electricity sector. Investments in new energy projects should go hand in hand with investment in the technical updating of the grid system and the improvement of intra-regional exchange flexibility, especially during a crisis period. In the gas sector the main conclusion was that there is a severe need for investment in order to upgrade the existing capacity of the system, not to mention the urgency of constructing a series of inter-connectors particularly in the eastern Balkan states, starting with Romania, Bulgaria and Greece. Those inter-connectors are of vital importance if the region is to develop as a critical European transit hub for natural gas imports.

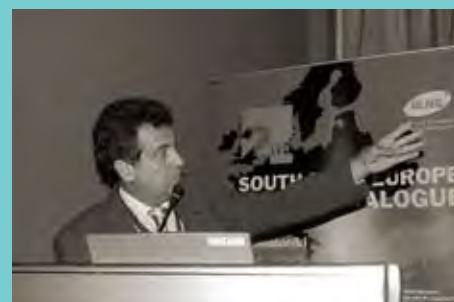
1st SOUTH EAST EUROPE ENERGY DIALOGUE



The Second Meeting of IENE's South East Europe Energy Dialogue Thessaloniki, 21-22 May 2008

The South East Europe Energy Dialogue in 2008 was successfully held in Thessaloniki and constituted a joint undertaking between IENE and the World Energy Council (WEC). The 2008 SEE Energy Dialogue was supported by the Hellenic Ministry of Development under the auspices of which it was organized. With more than 70 speakers and panel participants representing 20 different countries and 7 international organizations, the foundations were laid for the emergence of the SEE Energy Dialogue as the seminal energy forum for policy and industry leaders in the wider region.

The speakers and delegates were engaged in a spirited debate on energy issues and concluded that the Electricity Markets are emerging as one of the most vibrant and faster moving sectors of the broader S.E. European Energy market and that Independent Power Producers (IPP's) are gradually finding a place in the market and are continuously gaining market share. Emphasis was given on the development of regional wholesale market arrangements and the compatibility between national market rules. Regarding the Natural Gas markets all speakers agreed that gas will continue to gain share, at least for the next 15-20 years in Europe and in our region, mainly due to its environmentally friendly characteristics, underlining the challenges, uncertainties and risks that the wider geopolitical, economic, regulatory and business environment provides. However, European markets, companies, and gas consumers were anxious and seriously concerned about high gas prices, delays in up-stream investments, diversification and access to alternative gas sources and the continuous geopolitical competition and possible impacts on certain investment plans for gas production and gas transiting pipelines. The 2nd SEEED meeting took place amid a period of high oil prices and most of the participants voiced their concerns about the increase of energy demand and the shortage of existing resources. Strong cooperation and synergies between governments and stakeholders of the region were considered necessary in order to reduce the investment risks and increase the security of energy supply. Furthermore, the construction of new refineries and the modernization of the existing ones was deemed of paramount importance in order to meet the growing demand. Furthermore, the construction of new refineries or the modernization of the existing ones was deemed of paramount importance in order to meet the growing demand. The panels also explored the opportunities in the upstream sector





in oil and gas in S.E. Europe and they concluded that important initiatives were under way offshore in the Black Sea area and in Albania.

Finally, the delegates asserted that every effort should be undertaken to organize regional meetings in different capitals and major cities of S.E. Europe on selected topics of common interest and with the prospect of broadening the Dialogue on a regional or even country level prior to the 3rd meeting of the SEED.

Thus, in 2009, the Institute of Energy for South-East Europe in an effort to increase its regional outreach, organized two very successful public events; the "Greek – Albanian Cooperation in the Energy Sector" conference in Tirana, Albania and the "Nuclear Option for SE Europe: A Critical Appraisal" one day workshop in Sofia, Bulgaria.

The former explored the opportunities for the economic cooperation between Greece and Albania in the energy sector underlining Albania's rapid economic growth and the numerous important investment opportunities in energy applications and projects. Several well known Greek and Albanian energy specialists participated in the conference convened in Tirana on January 15, 2009, while over 150 delegates from Greece, Albania and other European countries attended the event.

The Sofia workshop gave an opportunity for the participants to discuss the challenges and opportunities for nuclear power development in SE Europe in light of the latest developments in international energy politics and acknowledging that the debate over the re-emergence of nuclear power in Europe has made a powerful comeback.



The Third Meeting of IENE's South East Europe Energy Dialogue Thessaloniki, 18-19 June 2009

Following the success of the previous events, IENE is convening the "3rd S.E. Europe Energy Dialogue" conference - once again - in Thessaloniki to further explore and evaluate the most recent developments in the region's energy markets.

The SE Europe Energy Dialogue meeting is very topical in view of the continuously deteriorating situation worldwide with regard to the security of energy supplies, especially by the petroleum and gas importing countries, and the international concern for the development of viable alternatives. In addition to the official representatives from each of the SE Europe countries and executives from all major energy companies of the region, senior personnel from banks and financial organizations donor representatives as well as high ranking officials from the European Commission, the International Energy Agency, the Energy Community, the Energy Charter and other international organizations will participate.

In summary, the major objectives of the current S.E. Europe "Energy Dialogue" can be described as follows:

- (a) Identification of the key energy objectives of the broader region, together with the study and analysis of the basic energy infrastructure and energy prospects, challenges and opportunities.
- (b) Assessment of Climate Change policies to the region's energy development.
- (c) The international promotion of the region's energy developments through a well-organized initiative.
- (d) The furthering of contacts and interaction between energy suppliers and consumers focusing on oil and gas, electricity and Renewable Energy Sources.
- (e) Enhancing the creation of an unofficial but effective network of contacts at international and regional level.
- (f) The continuation on an ongoing basis of the "Energy Dialogue".

The "Energy Dialogue" is of particular relevance at this time juncture as current initiatives of the European Union for the creation of a regional energy market known as Energy Community (of SE Europe) and its Climate and Energy package (read 20-20-20), are evolving.





Among the themes that will be discussed during the 3rd Energy Dialogue Meeting are the following:

- The S.E. Europe Energy Outlook: Energy demand, energy supply and imports, energy production, energy management.
- Energy security, dependence and interdependence.
- The new oil and gas routes of SE Europe.
- Electricity interconnections and cross border trade.
- Developing a truly functional and competitive SE European energy market.
- Anticipated investments, challenges and opportunities.
- Developing alternative sources of energy and Renewable Energy Sources (RES).
- The Climate Change challenge and policy implications at a regional level.
- Research programs and new technologies.

The "3rd Energy Dialogue" program will include keynote presentations by high level personalities, official lunch and dinner speeches by prominent politicians and CEO's, sessions on the above mentioned themes and panel discussions. Discussion sessions between speakers and participants are a major objective of this conference.

Dialogue Proceedings

In order to view the full proceedings of the 2008 and 2009 conferences please visit the following microsites which have been developed by IENE and contain all presentations and the relevant conclusions and recommendations:

www.iene.gr/2ndSEED and www.iene.gr/3dSEED

while the proceedings of the 2007 SE Energy Dialogue are available in CD form from IENE's offices.



The SEEED Electronic Platform

One of the conclusions of the previous SEEED meetings was the need for the establishment of an online collaboration platform in order to facilitate communication between SEEED participants and to help launch new ideas and projects in the region. IENE, with the support of the Greek ministry of Development, is currently going ahead with the design of an intranet website which, upon its completion, will provide access to premium information and high quality collaboration tools to a select group of institutions, academics, and professionals actively engaged in the energy sector of Southeast Europe. The online tools will allow the platform members to publish articles and post comments, use message boards and chat rooms and will even include the ability for video-conferencing and live streaming of events.

When completed the website will contain:

Basic Facts about the structure of the S.E. Europe Energy Markets including detailed information for Oil (upstream, downstream), Natural Gas, Electricity, Solid Fuels, Co-Generation, Energy Conservation and Renewables.

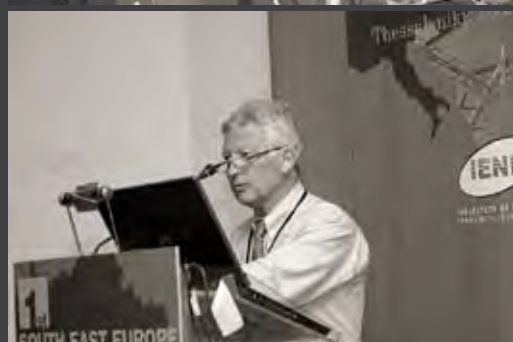
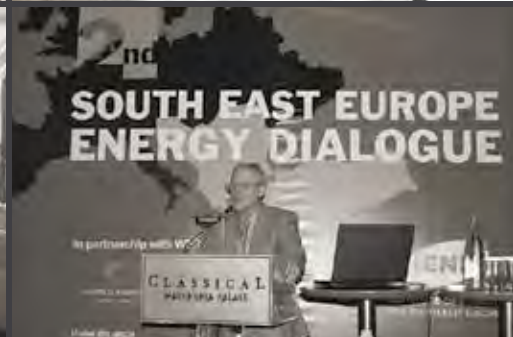
Country Profiles for all the countries in the region including economic information and projections.

Detailed information about Oil, Natural Gas and Electricity Interconnections; Major Energy Projects; Energy Security in S.E. Europe; Regulatory Framework; Investment Opportunities; Government Announcements

A database of energy related Academic Work (scientific papers, research programs); Event Announcements (Conferences, Seminars, Meetings); and Proposals open for Public Consultation.

This innovative approach will give the opportunity to SEEED participants to continue and expand the dialogue started at the SEEED conference but will also facilitate communication and advance networking between institutions and individuals active in the region. IENE believes that this incentive is complimentary to the Energy Community process, will promote regional cooperation and will help building a more open and competitive energy market in Southeast Europe.





Goals and Objectives

The Institute of Energy for South-East Europe (IENE) was founded in Athens in 2003 by a small group of independent scientists and business executives active in the energy sector. IENE is a non governmental and non-profit organization.

The Institute's prime purpose is to constitute a permanent forum where energy issues can be discussed, analyzed, reformulated and presented to scientific and technological communities, social, productive and financial entities, as well as to institutional bodies, in unbiased, objective and credible terms, guaranteed by its scientific standing, its managerial rectitude and the transparency of its operations.

One of IENE's key objectives is to participate in the formulation of energy policies, both on a national and international level, within the broader region of South-East Europe. These policies need to focus on rationalizing the production and utilization of both conventional and renewable sources of energy. Thus IENE aims to contribute to the implementation of the European Union's sustainable development strategy that combines social and economic development with environmental protection.

The Institute aspires to play a significant role in providing public opinion both in Greece and abroad-with factual and unbiased information on subjects concerning energy, the environment and sustainable development. It is fair to say that, IENE after six years of operation already provides a suitable platform for the discussion and analysis of the crucial energy and environmental issues in Greece and in other in S. E. Europe countries.

(i) Activities

IENE's main fields of interest and activities cover the following areas:

- Production, transmission and distribution of electricity
- Exploration and production of hydrocarbons
- Exploration and development of RES for greater contribution to the energy balance
- Heating and cooling of building and energy conservation in the building sector
- Solid waste and sewage management for heat and power generation
- Clean coal technologies for electricity generation
- Production and utilization of hydrogen as a new energy fuel
- Transport and energy
- Environmental protection and energy
- Climate change and energy

(ii) Information

One of IENE's principal activities is to provide up-to-date information on the energy situation and related activities in Greece and South-East Europe. This information is provided on a regular basis through the publication of a magazine, newsletters, research papers, conference proceedings, studies and publications, as well as via the specialized websites supported and administrated by the Institute. IENE frequently organizes conferences, meetings, educational seminars, workshops and public debates on subjects relating to energy, the environment and sustainable development. A well-attended event organized by IENE is the annual national conference on "Energy and Development", held every autumn in Athens, which draws distinguished Greek and foreign speakers and is attended by many participants from all over the world. Another important annual event held each summer in Thessaloniki is a major regional conference, the "South East Europe Energy Dialogue", covering the various countries' activities in this domain and is directed at senior government and business executives responsible for laying down economic and energy policies.

(iii) Cooperation with SE Europe

IENE participates actively in the promotion and dissemination of new technologies, the transfer of know-how, and the implementation of EU policies and directives. Within this framework, IENE cooperates and jointly promotes these goals and projects with counterpart agencies and entities in the various countries of the region. Particular emphasis has been given to networking and cooperation with energy companies, institutional agencies and organizations, research centers and scientific establishments active in the energy and environmental sectors in SE Europe. The Institute stands ready to contribute to the elaboration of policies necessitated by international commitments and collaboration programs. IENE aspires to become an important bridge for energy-related communication between Greece and the counties of SE Europe.

(iv) Scientific Committees

The Institute's scientific work is conducted through its various committees, and covers all basic energy sectors. So far, these cover the following subjects:

- Energy Policy and Geopolitics.
- Hydrocarbons(upstream & downstream).
- Electricity (solid fuels, hydroelectricity and nuclear energy).
- Renewable Energy Sources (RES).
- Energy and Transport.
- Environment and Climate Change.

The chairmen of the above committee, joined by other professional in different fields of energy, form IENE's Scientific Council.

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Thessaloniki, Greece



Contact Information

INSTITUTE OF ENERGY FOR SOUTH-EAST EUROPE (IENE)

3 Alex. Soutsou Str., 10671 Athens / GREECE

tel. : +30 210 3628457, 3640278, 3624245

Fax. : +30 210 3646144

e-mail : info@iene.gr, website: www.iene.gr