

## **“Greek-Albanian Cooperation in the Energy Sector”**

### **Tirana 15/01/2009**

### **Conclusions of the Working Group on Natural Gas**

**Rapporteur: Mr. Spyros Paleoyannis**

In the framework of the Conference **“Greek-Albanian Cooperation in the Energy Sector”**, organized by the Institute of Energy for South East Europe (IENE) in cooperation with the Greek-Albanian Chamber of Commerce and Industry on Thursday 15/01/2009 in Tirana, gas experts from the two countries formulated a small working group to discuss gas issues of bilateral interest as well as to identify topics and areas in the natural gas sector for possible cooperation between Greece and Albania.

In the workshop meeting participated from the Albanian side Mr. Stavri Dhima, METE and Prof. Bashkim Baholli, EGL Albania and from the Greek side Mr. Spiros Paleoyannis, Vice Chairman IENE and Senior Executive DEPA, Dr Konstantinos Nikolaou, Hellenic-Petrolroum and Mr. Nick Sofianos, IENE.

The workshop participants agreed that under the conditions that the new EU's energy and climate change policies have created, Europe (including SE European countries) will need more gas to fulfill its environmental goals and to fuel its socio-economic development in the years to come.

Gas market growth will come from nearly all sectors of the economy but will be mainly driven by power generation and co-generation needs as well as by the continuing process of economic development and demographic/social change, especially in the SE European countries.

The above reality forces nearly all the countries in the region to multiply their efforts to secure the necessary quantities of gas which will support their future economic development.

Similarly, Greece and Albania, although in a different stage from the gas market development point of view, should effectively respond to the same challenge and secure sufficient gas supplies for their future needs.

However, as the recent Russian-Ukrainian gas crisis pointed out, the majority of the SE European countries faces serious security of gas supply problems and the region is extremely conquer in gas supply interruptions, since many countries in the area have just one gas supplier.

Despite the last years progress towards the development of new, alternative gas supply projects of regional interest, there are increasing concerns in SE European countries about future gas availability and security of gas supply (which has become a major political and socio-economic issue in the region) due to:

- ✓ Geopolitical tensions and political instability in many gas producing and transiting countries
- ✓ High imports dependence of the region on Russian gas
- ✓ Delays in the necessary upstream investments in both traditional and alternative gas producing countries
- ✓ Delays in the implementation of the so-called “fourth corridor” gas supply pipelines, as well as LNG re-gas facilities in certain SE European countries
- ✓ Lack of clear and effective regulatory regimes in various transiting countries
- ✓ Project financing obstacles, especially under the current conditions in the energy and financial markets

The workshop’s participants agreed that further delays in the implementation of the new critical gas supply and transit infrastructure in the region will have serious implications for its socio-economic development and could threaten SE European countries’ strategic objective to diversify their gas supply sources and routes.

Consequently, there is a vital need for all countries of the region to undertake certain actions towards the overcoming of all the relevant barriers and obstacles preventing the creation of the necessary gas supply and transit infrastructure and the securing of sufficient quantities of gas for the future in a way that will balance region’s wariness for increased dependence on Russian gas and its interests to gain access to alternative gas sources and routes.

Due to their geographic proximity and their participation in SE Europe Energy Community, Greece and Albania face very similar energy challenges and thus have a number of common issues and interests in the energy sector in general and in the natural gas sector in particular.

Governments, regulatory authorities and gas companies in Greece and Albania should further enhance their cooperation and seek for common actions and efforts that could:

- create a common understanding for the energy and environmental challenges of regional interest and for gas supply issues of bilateral interest in particular
- improve security of gas supply conditions for both countries through the implementation of the necessary gas supply and transit interconnections, including “fourth corridor” pipelines, LNG and underground storage facilities and
- facilitate energy investments and trade (especially in the gas and electricity markets) in the future through the establishment of the necessary clear and effective legislative and regulatory frameworks in both countries, as well as the development of an attractive business climate in the broader area.