

**“The Nuclear Option for SE Europe: A Critical Appraisal
A Workshop Organized by the Institute of Energy for
South East Europe (IENE)”
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Mr. Chairman,

Distinguished Mr. Costis Stambolis, Executive Director of the Institute of Energy for South East Europe,

Ladies and Gentlemen,

It is an honor for me to address this Workshop. Its agenda could not be more topical. The world is undergoing a “nuclear renaissance” for a number of strategic reasons and South East Europe should not fail to consider, preferably in a regional context, all relevant national and collective options for becoming part and parcel of this process.

IENE is an institution known for its expertise excellence and close contacts with European governments and the European Commission. I regard this initiative by the Greek energy think-tank as an appropriate development of the political logic and the methodological approach of the Athens Process and the Energy Community Treaty.

Mr. Chairman,

May I, for a moment, divert from the nuclear issue and refer to another energy topic in order to highlight the importance of the Energy Community.

Four weeks ago, at the invitation of President Georgi Parvanov, Bulgaria hosted a rather successful Natural Gas for Europe Summit. High representatives of 28 countries from four regions, including Russia and the U.S., as well as the European Commission, agreed in a final Declaration on the political, market and regulatory principles that should guide the behaviour of governments and companies in bringing natural gas to Europe. The Summit emphasized the geopolitical importance of the wider Black Sea and Caspian regions and South East Europe for European energy security and for the diversification of suppliers, sources and routes of gas supplies.

Against this backdrop, in the next 5 - 10 years, due to its involvement in some of Europe's biggest gas pipeline projects and in inter-connectors to its neighbours, Bulgaria is expected to play the role of a roundabout for gas deliveries to major European markets.

But roughly the same will be true for Bulgaria's immediate neighbours, in particular Greece, Romania and Turkey. One of the conclusions of the Sofia Energy Summit is that - in the area of gas transmission, storage and distribution - the aforementioned four countries, which will be geographically the first to receive on their respective territories all new trans-border and trans-regional gas projects, can optimize their investment commitments and operational undertakings by interconnecting their systems and coordinating their specific roles in the gas sector. And of course, this approach should, with time, apply to the countries of the Western Balkans, thus creating an integrated gas market, extending to the bigger and more mature markets of the EU.

I strongly believe that direct cooperation and coordination among countries in SEE should be the guiding principle in the nuclear power sector as well. In the past five years the members of the Energy Community have been trying to achieve a genuine regional electricity market, with full liquidity, auctioning and cross-border energy exchange. What is the use of these joint efforts if we could not consider in an open and professional manner the potential of the regional electricity market's strongest component, nuclear power-generation?!

Based on a study by the World Bank, Erik Sorensen, one of Europe's leading experts on energy sector reform in Central and East European countries points out that system integration has the advantage of allowing the exploitation of large power plants, creating opportunities for phasing in more nuclear power.

It is therefore in the public interest to examine the economic, technological, environmental and legal implications of developing the nuclear power option in SE Europe. There is a need also to assess the impact of each new nuclear power plant in the region from the point of view of its contribution to the overall energy balance and its capability to stabilize the regional electricity transmission at moments of peak consumption in the next 20-30 years.

Investment needs in our region are immense. South East Europe needs about 16 GW of new generation capacity by 2020 if countries act independently and 11 GW, if they act as a single interconnected entity, thus saving about EUR 3 billion.

Mr. Chairman,

It should be made clear that a holistic regional approach to the nuclear option for SE Europe has become possible only recently, when our region has been secured and stabilized to a degree that allowed the emergence of the European perspective for the countries of the Western Balkans. Most, if not all countries in SEE, will have joined the EU by the time Bulgaria and Romania, perhaps others, will have completed the construction of their newly planned NPPs.

Another strategic factor in support of the regional approach is the integrated sustainable EU policy on energy and climate. Alternative energy sources such as wind or hydroelectric power will grow but it is unlikely that their expected share of supply will increase from about 20%. More reliance on coal will create problems for countries trying to comply with targets on lower carbon dioxide emissions. Under the circumstance, Europe's major utilities increasingly

come to the conclusion that a nuclear programme at a European level has to be taken into consideration

From this point of view the Belene Nuclear Power Plant – the object of fierce expert debate, which is a healthy sign of democracy and transparency - offers good opportunities to the regional market. It combines 3rd generation Russian nuclear technology with failsafe systems from Siemens and AREVA.

Another noteworthy feature of the Belene NPP is the participation of Germany's RWE as a strategic investor. This is a guarantee for the construction and operation of the plant according to EU standards, including its public finances.

At a Workshop like this one I am tempted to go further and to suggest that the Belene NPP is the ideal facility for inclusion in a much anticipated international arrangement for managed access to nuclear fuel – as possibly the best way to develop civilian nuclear power worldwide, without compromising the principle of non-proliferation. It is at Belene that scientists and operators from interested developing countries which have chosen the nuclear power generation option, could train and participate in a broader energy cooperation with EU Member States. This would, on the other hand, increase the level of transparency and accountability of the Bulgarian NPP.

Plans to attract U.S. investments and nuclear technology at the Kozloduy NPP site should also be encouraged.

Mr. Chairman,
Ladies and Gentlemen,

Transparency is fast becoming the catch-word of Bulgarian and regional energy policy. It is in this vein that I would like to support strongly a lively and open debate on all relevant aspects of the nuclear option for SE Europe.

Thank you for your attention.