

DEAR LADIES AND GENTLEMEN,

I would like to express on behalf of the Ministry of Economy, Energy and Tourism my appreciation of the opportunity that today's conference provides for the exchange of perspectives and discussion of issues relative to the development of the energy market in the Region through enhancing the cooperation between the Bulgarian and Greek institutions as well as between Bulgarian and Greek companies to the end of implementing key infrastructure projects that would contribute to the development and organization of the energy market within the Black Sea region and its subsequent integration into the Energy Community. It is especially important to have this conference at a time when Bulgaria is chairing the Black Sea Economic Cooperation.

In the context of the actions and initiatives toward the development of an integrated energy market in the Region it should be emphasized that an integrated regional energy market is primarily based on the following principles: equal access to a sustainable and stable energy supply; improvement of the security of supply; environmental protection and promotion of electricity production from RES; creation of conditions ensuring the electricity and gas markets competitiveness.

In order to start creating an integrated Black Sea energy market our first priority area of action should be to ensure the improved harmonization of national energy markets models and legislations therein and to subsequently pursue the development and organization of a successfully operating BS energy market. These principles are set out in the Declaration adopted at the meeting of the energy ministers of the BSEC countries on 28<sup>th</sup> January in Sofia.

To this end, we need to develop realistic scenarios regarding energy policy objectives, master plans and reform agendas, as well as to define longer term policy objectives and priorities, to develop the use of an appropriate set of tools, such as demand/supply forecasts, and to establish adequate monitoring and benchmarking tools, taking into account differences in national situations.

In order to achieve the very ambitious objective of developing an integrated regional energy market, we should devote our attention to the following four basic areas:

- I. Sustainable energy development
- II. Development of the Black Sea energy market
- III. Integration of the Black Sea energy market into the Energy Community
- IV. Extended regional energy cooperation

The successful outcome of this very challenging task will eventually result in bringing together the suppliers and consumers of energy resources as operating on the basis of common market rules, which in turn will provide equal access to a sustainable and stable energy supply, transparency and trading relations founded on principles of competition.

Energy security is not solely based on dependency on imports. A solid economy with diversified sources of primary energy will be well placed to absorb disturbances brought upon by price shocks in world markets. Another important criterion ensuring security of

supply is the reliability and capacity of the energy infrastructure to deal with temporary disruptions along the supply chain.

Bulgaria is actively involved in implementing infrastructure projects which are of strategic value both to the EU and the countries within the Black Sea region. A particular emphasis is laid upon the Nabucco Gas Pipeline Project, for the implementation of which a multilateral inter-governmental agreement was signed in Ankara last July. Bulgaria considers this project a priority and in many respects one of the main infrastructure projects that will help boost security of gas supply. Other important projects which are being developed, envisage the transportation of oil and natural gas within the SEE region, the Black Sea, the Mediterranean Sea, the Caspian region and the Middle East.

Alternative projects that will provide additional amounts of natural gas to SEE are also being developed by Bulgaria. The construction of an LNG terminal on the Aegean Sea coast or another appropriate place that will allow the diversification and security of supply is being explored. On 13 November 2009 a Memorandum between Bulgaria and Azerbaijan was signed in Sofia envisaging the prospect of supplying Azeri natural gas and/or CNG to Bulgaria. Having learnt an important and painful lesson from the gas crisis of January 2009, Bulgaria is working actively on the implementation of projects for the construction of gas interconnections with its neighbours – Romania, Greece, Serbia and Turkey.

To sum it up, the organization and development of the Black Sea energy market should be contingent upon reliable energy infrastructure, diversified sources and routes of supply, clean energy technologies and sustainable use of renewable energy sources.

LADIES AND GENTLEMEN,

In conclusion, I would like to once again express my firm conviction that our two countries as active participants in the BSEC and the Energy Community are truly committed to devoting their efforts and energy to achieving this very challenging, but at the same time, rewarding objective.

THANK YOU FOR YOUR ATTENTION