

Romanian Energy Center (REC)” - opening speech
15th of May 2013

Ladies and Gentlemen,
Your excellencies,
Dear friends,

It is my distinct pleasure to welcome you to an event jointly organized by the Romanian Energy Center (REC) and the Romanian Permanent Representation. This event - **“Romania – an Energy Pillar in Europe – Romania Energy Day”** – is possible also due to the gracious support of our hosts, the representative office of the State of Baden-Wurttemberg. I thank them on my own behalf and that of my colleagues.

This debate is a timely one, particularly so as the next week meeting of the European Council will focus on our **common energy policy**. The subject of our discussion is both relevant for Europe’s economic development and its global competitiveness, as well as for its climate objectives. Energy represents an important component of the EU’s international stance.

I would like to say a few words about Romania’s energy strategy and its position regarding EU energy policy matters.

Romania’s energy strategy is guided by several imperatives. We believe in the merits of a **functional EU internal energy market**, based on principles such as **affordability, security of supply and environmental protection**. Both the internal and the external dimensions of energy are of particular interest for us.

To achieve these goals we **support several courses of action**. We **promote** increased access to new supplies and transit routes so as to ensure resource diversification and competitiveness; we push for

increased interconnection with neighboring countries in the gas and electricity sectors, that will lead to creating a more secure and predictable energy market. Not least, we encourage for ourselves and others a diverse energy mix, including renewables and nuclear energy, that will help us achieve a more sustainable consumption pattern

Diversification is an important objective for the EU and for Romania. The opening of the Southern Corridor is paramount in creating a diverse and robust European energy market. Romania is a firm supporter of the implementation of this initiative by promoting the Nabucco pipeline, Southern Corridor's flagship project. We have been actively involved in **Nabucco** since its very beginning, fully convinced then and now of its solid commercial and strategic soundness.

Nabucco is by now a mature project – legally, politically and commercially. But more importantly, as we are in the process of building a unified European energy market, due to the existing and its envisaged interconnections, Nabucco now holds the potential to address the energy needs of the wider South-Eastern and Central European region (including Western Balkans).

Romania is preparing to host the next ministerial Nabucco Committee, on the 21st of May in Bucharest. The decision of the Shah Deniz II Consortium regarding its European export route, expected by the end of June, is of utmost importance for Romania and its partner Nabucco countries: Austria, Bulgaria, Hungary and Turkey. In light of the issues I have underlined, we are fully confident about the merits of Nabucco and quite optimistic regarding the end results.

Another project actively promoted by Romania is **the AGRI LNG project on the Black Sea shore**. Once built, it will bring additional Caspian resources to the European market. As of now, we are expecting the feasibility study of this project to be available soon.

One of Romania's main priorities is also the development of the **Romania – Republic of Moldova energy interconnections – and**

here we pay a particular interest to the Iași-Ungheni gas interconnector. It is meant to provide the R. of Moldova with a second and more secure supply option. We are making significant efforts together with our partners from the R. of Moldova and the European Commission towards finalizing this strategic project according to the agreed schedule, and thus begin operational trials by year end.

We also aim to achieve **reverse flow** on the already functional **Romania – Hungary gas interconnector**; this project is scheduled to be wrapped-up by the end of 2013.

We have already completed the RO pipeline segment of the Giurgiu – Ruse gas interconnector. It **will eventually create a new energy link between Romania and Bulgaria**. We are also looking forward to this pipeline's inauguration by the end of this year, should everything go according to plan

In addition to these strategic regional energy projects, Romania is trying to identify the best ways to put to use the excellent potential of hydrocarbon **storage capacities**. We consider them a regional competitive advantage.

Ladies and gentlemen,

Romania remains committed to **enhancing regional energy security** through the above mentioned projects. **In addition to their specific benefits, these energy projects are also** crucial in boosting and sustaining economic development in **Central and South-Eastern Europe** - essential under the current economic context.

A **well-functioning internal energy market** is crucial to providing the EU with secure, sustainable and affordable energy supplies. The third legislative package is an important element for the development of an integrated energy market and, as stated before, we **remain** committed to its implementation. We need, however, to keep in mind the difficulties encountered in achieving a full and timely implementation of this legislation, and thus, a consistent approach is recommended

One key element for achieving an integrated energy market is, in our opinion, the development of an adequate energy infrastructure. We need to focus on the implementation of the recently adopted **regulation on guidelines for Trans - European energy infrastructure (TEN- E regulation)**. This document provides a simplified framework for identifying and financing projects of common interest.

It is also important to mention the **Connecting Europe Facility Initiative** where the energy component is a complementary instrument for supporting infrastructure development within the EU.

As you are aware, **renewable energy** has benefitted from important investments all across Europe. Some of the RES technologies have reached a sufficient level of maturity. In this context we believe that a new approach towards RES is needed. Among its provisions this approach will need to address the revision of support schemes. Our main aim should be to ensure an affordable price for consumers.

The commercial sustainability of energy prices for businesses is a crucial element in the process of ensuring EU competitiveness in the global market.

We need to acknowledge the contribution of diverse energy sources towards maintaining affordable prices for companies and providing general conditions for economic development.

Thus, continued search for new internal energy sources, conventional or unconventional, remains a priority for us. Positive results have already been registered – prospective gas reserves in the Black Sea continental shelf , as well as the promise of shale gas deposits.

Romania acknowledges the need for developing long term energy strategies, as it is important to ensure a predictable legislative framework that has the potential to foster innovation and investments.

All the while, we must remain aware that any long term objective must be carefully and properly considered on the basis of the functioning of the current framework and of the full respect of MS **national energy mix**.

Dear Friends,

Before ending my intervention, I would like to take a moment to underline the role of the Romanian Energy Center office in Bruxelles. The birth of this organization will facilitate a **direct dialogue between the Romanian energy companies** (members of REC) and the EU institutions, international organizations and energy related associations. Let me assure you that, in addition to being a participant in the European energy debate, Romania and its permanent mission to the EU will **will continue to have a constant and permanent dialogue** with the REC Office in order to promote the interest of the Romanian energy companies at European level. I very much look forward to our future work together.

Thank you.