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ECONOMIC COMMISSION FOR EUROPE

COMMITTEE ON SUSTAINABLE ENERGY

Ad Hoc Group of Experts on Extension of
European Electricity Interconnection

Third session, 3 November 2000

REPORT

I. ATTENDANCE

1. The third session of the Ad Hoc Group of Experts was attended by representatives of Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Czech Republic, France, Germany, Greece, Hungary, Italy, Kazakhstan, Lithuania, Poland, Romania, Russian Federation, Slovakia, Switzerland, Turkey, The former Yugoslav Republic of Macedonia, United Kingdom of Great Britain and Northern Ireland, and the United States of America.
2. Representatives of the Commission of European Communities also participated.
3. The following intergovernmental and non-governmental organizations were in attendance: International Atomic Energy Agency (IAEA), Black Sea Economic Cooperation Permanent Secretariat (BSEC PERMIS), International Energy Agency (IEA) and World Energy Council (WEC).

II. OPENING OF THE SESSION

4. The Director of the Division of Sustainable Energy opened the session.

III. ADOPTION OF THE AGENDA (Agenda item 1)

5. The agenda was adopted (ENERGY/GE.2/2000/1).

IV. ELECTION OF OFFICERS (Agenda item 2)

6. The elected officers for two years are as follows:

Chairman: Mr. I. Smirnov (Russian Federation)

Vice-Chairman: Mr. H. Ch. Blanc (France)

V. DECISIONS TAKEN AT THE TENTH SESSION OF THE COMMITTEE ON SUSTAINABLE ENERGY OF CONCERN TO THE AD HOC GROUP OF EXPERTS (Agenda item 3)

7. The Director of the Sustainable Energy Division informed the Ad Hoc Group of Experts about the decisions of the Committee on Sustainable Energy at its tenth session of concern to the Ad Hoc Group of Experts.

VI. EUROPEAN INTERCONNECTION OF ELECTRIC POWER SYSTEMS (Agenda item 4)

- (a) **Present situation and extension of European interconnection of electric power systems and related legal and regulatory aspects in the context of the opening up of the electricity market and institutional changes**

8. The representative of France gave a brief presentation on the present situation and related issues of the development of the electricity market in Europe with special emphasis on the role of the European Transmission System Operators (TSO) Association and the regulating bodies.

9. The representatives of Belarus, Lithuania, Poland, Turkey and The former Yugoslav Republic of Macedonia informed the Ad Hoc Group of Experts on the present situation and extension of interconnections of electric power systems in their respective countries and related legal and regulatory aspects in the context of the opening up of the electricity market and institutional changes.

10. The representative of Romania provided information on the preparatory work and electrical tests for the synchronous interconnection of the Bulgarian and Romanian electricity grids to the UCTE system. He pointed out that privatization of the electricity generation system was under way. Privatization of the distribution system would start next year.

11. The representative of Bosnia and Herzegovina underlined the importance of the reconnection of the southern ring of the UCTE system and in this context presented the rehabilitation projects in his country concerning 400 kV transmission lines and transformer substations, including the project regarding the establishment of new telecommunication and SCADA systems.

12. The representative of Lithuania informed the Ad Hoc Group on the Baltic Ring.
13. The Ad Hoc Group of Experts:
 - (i) took note of the information provided;
 - (ii) invited the representative of Lithuania to transmit a report to the secretariat on the “Baltic Ring” by 15 June 2001;
 - (iii) invited the representative of Turkey to transmit a report to the secretariat on “Financing models for energy projects in Turkey” by 15 June 2001;
 - (iv) requested the secretariat to publish these reports so that they could be considered and discussed at the next session in November 2001.

(b) Development of the Interconnection of Electric Power Systems of Southeast European Cooperative Initiative (SECI) Countries

14. The Ad Hoc Group of Experts was informed by the secretariat of the participation of ECE in providing technical assistance and support to the SECI project on “Development of Interconnection of Electric Power Systems of the SECI Countries for Better Integration into the European System”.

15. The representative of the World Energy Council presented a report on “Restructuring and Regulation of Grid Based Energies in Southeast Europe (SEE) and Black Sea Economic Cooperation (BSEC) Countries, Evolution, Status and Issues”.

16. The Ad Hoc Group of Experts took note of the information provided, expressed its wish to be kept informed of the progress on the extension of European Interconnections and expressed its gratitude to the United States Government for the proposed US AID support in this regard.

VII. CIS INTERCONNECTION; RELEVANT LEGAL AND REGULATORY ISSUES; AND POSSIBILITY OF CREATING AN OPEN ELECTRICITY MARKET BETWEEN CIS AND BALTIC COUNTRIES (Agenda item 5)

17. The representative of the Interstate Economic Committee of the Economic Union of the Commonwealth of Independent States (CIS) introduced the subject and briefed the Ad Hoc Group of Experts on the present situation of electric power interconnections among CIS countries.

18. The Ad Hoc Group of Experts took note of the information provided and expressed the wish to discuss this item at its next session, including the possibility of creating an open electricity market between CIS and Baltic countries.

VIII. OTHER BUSINESS (Agenda item 6)

19. None.

IX. ADOPTION OF THE REPORT (Agenda item 7)

20. The Ad Hoc Group decided that the meeting report be drafted in consultation with members of the Bureau and approved by the Bureau and then circulated to countries.