



**The Next 40 Years:  
Advancing EU Energy Objectives in East Central Europe**

Budapest, Hungary  
October 4-5, 2012

*Venue*  
Intercontinental Hotel  
Apaczai Csere J. u. 12-14.  
Budapest H-1052

**Day I – Public Session**

- 12:00 pm**    **Welcome lunch**
- 1:15 pm**    **Co-chairmen Opening Statements**  
John Lyman, Director, Energy and Environment Program, Atlantic Council  
Peter Kaderjak, Director, Regional Centre for Energy Policy Research
- 1: 30 pm**    **Keynote speech: Robert Ichord Jr, Deputy Assistant Secretary, Bureau of Energy Resources, U.S. Department of State**
- 2:00 pm**    **European Energy Policy: Competitive Visions**
- ✓ The tradeoffs between the common European policy and national approaches
    - Security of supply
    - Competitiveness
    - Sustainable development
  - ✓ The shifts/lack of consistency in European objectives and the balance between the three pillars
    - Impact of shift from market driven approach to policy objectives
- Peter Kaderjak, Director, Regional Centre for Energy Policy Research  
Branko Terzic, Executive Director of the Deloitte Center for Energy Solutions  
Friedbert Pflüger, Executive Director, European Centre for Energy and Resource Security, King's College London  
Moderator: Frank Kramer, Distinguished Fellow, Atlantic Council
- 3:30 pm**    **Coffee Break**
- 3.45 pm**    **Strategic Advantages of Regional Integration: A Path to EU Energy Security**  
Pál Kovács, Minister of State for Climate Change and Energy, Ministry of National Development Hungary  
Szabolcs Ferencz, Senior Vice-President, Corporate Affairs, MOL  
Ambassador Vladimir Rakhmanin, Deputy Secretary General, Energy Charter  
Ambassador William Ramsay, Former Deputy Executive Director, IEA, Senior Advisor, Center for Energy at IFRI  
Moderator: Frank Kramer, Distinguished Fellow, Atlantic Council
- 5:30 pm**    **Reception**

6:00 pm Dinner – Keynote speaker  
Eleni Tsakopoulos Kounalakis, Ambassador, U.S. Department of State  
Welcome remarks:  
David Koranyi, Deputy Director, Eurasia Center, Atlantic Council

### Day II – Chatham House Rules

*Building a diversified regional portfolio that creates a sustainable and cleaner energy economy.*

8:00 am Registration and coffee

8:15 am Welcome remarks

John Lyman, Director, Energy and Environment Program, Atlantic Council  
Peter Kaderjak, Director, Regional Centre for Energy Policy Research

#### Day II Overview

Mihaela Carstei, Associate Director, Energy and Environment Program, Atlantic Council

8:30 am Session I: Strategic considerations in building a cleaner regional energy portfolio.

Branko Terzic, Executive Director of the Deloitte Center for Energy Solutions

- ✓ **Capital and time requirements to transition to a low carbon portfolio**
  - The magnitude of the energy sector
  - Implications for the timescale of capital projects
  - New technologies are continuously being developed
  - Scale of costs and implications for expansion of renewables

Sami Andoura, Senior Research Fellow, European Energy Policy, Notre Europe

- ✓ **Lower cost solutions require maintaining a diversified portfolio - “all of the above” option**
  - Industrial requirements for fossil fuel byproducts (petrochemical industry, steel, cement...etc) – any solution must accommodate other requirements for fossil resources
  - To reach 85% or 95% reduction in carbon emissions will require CCUS and nuclear, increased utilization of gas as single solution will not meet long term stated objectives

Peter Kaderjak, Director, Regional Centre for Energy Policy Research

- ✓ **Political pressures in the transformation of the energy sector**
  - Political pressures for specific solutions often don't recognize their unintended consequences
    - Adverse impact on neighbors; Outsourcing emissions and increasing the overall global emission output
    - Increased cost on consumers and industry, leading in the possible migration of industry
  - Is the focus on renewables limiting innovative and cost effective solutions to reach a competitive low carbon economy?
  - Clarifying the strategy: Emphasis on *Carbon free vs renewable energy*
  - All transitions will raise public acceptance issues

Chris Littlecott, Senior Policy Advisor, E3G - Third Generation Environmentalism

- ✓ **Do national energy policies support regional integration?**
- ✓ **Massive shift to renewables will require restructuring of energy infrastructure especially for electric power and deeper penetration of IT and smart grids. New requirements will raise new issues, i.e. public acceptance of infrastructure redevelopment, security of infrastructure.**

Moderator: Ambassador William Ramsay, Former Deputy Executive Director, IEA, Senior Advisor, Center for

Energy at IFRI  
Open discussion (45 min)

**10:15 am Coffee Break**

**10:30 am Session II: Implications of a regional energy mix and objectives on infrastructure requirements**

[The Regional Environmental Center for Central and Eastern Europe](#)

- ✓ **Revised regional outlook for 20/20/20 goals**
  - Missing the target on energy efficiency
  - Deeper penetration of renewables with lower overall demand
  - The impact of renewables and energy efficiency on the energy infrastructure
    - Transmission and distribution capabilities
    - Limitations for CEE adopting the 100% renewables goals; Cost and infrastructure issues
  - Given the scale of renewables and energy efficiency improvements viewed as economic what are the implications for baseload power requirements
    - Implications for location and size of baseload power requirements
- ✓ **Impacts on the current and expected energy options for energy sourcing**

[Agata Hinc, Managing Director, Demos Europa](#)

- ✓ **Coal - a lasting reality in the region's energy mix**
  - Can clean coal technologies be economic in the region?

[Jacques de Jong, Senior Fellow, Clingendael](#)

- ✓ **Nuclear power – growing role in regional developments**
  - Cooperation on nuclear power regional developments

[Frank Umbach, Senior Fellow, Atlantic Council](#)

- ✓ **Gas – the impact of new supplies and the potential impact of unconventional gas supplies**
  - Changing requirements for regional gas imports

**Moderator:** Ambassador William Ramsay, Former Deputy Executive Director, IEA, Senior Advisor, Center for Energy at IFRI  
Open discussion (45 minutes)

**12:15 pm Networking Lunch**

**1:15 pm Session III: How to support investments to achieve long term objectives given economic risk and financial limitations?**

[István Salgó, CEO, ING Hungary](#)

- ✓ **What are the risks in the current economic, financial and political environment?**
  - Banking perspective; Investors currently focused on shorter term returns while projects mature over the long term
  - What financial mechanisms such as public-private partnerships should be considered

[Razvan Nicolescu, Director of Regulatory and Public Affairs, Petrom](#)

- ✓ **What are the risks in the current economic, financial and political environment?**
  - What are the project risks and corporate risks?
  - What mechanisms will be required to alleviate the risks?

[András Péntek, Head of Strategy, MOL](#)

- ✓ **What are the risks in the current economic, financial and political environment?**

- Industry perspective
- Bottlenecks and enablers in the upstream, midstream and downstream sectors

[Andrea Testi, Head of International Power Investments, Edison S.p.a.](#)

- ✓ **Key success factors for effective investments in power generation: Edison views on East Central and South East Europe**
  - Risks and mitigations in power sector investments; Key success factors;
  - Main options and key decision criteria

[Sandor Nagy, Deputy CEO for Generation, MVM](#)

- ✓ **Does the financing exist for new energy infrastructure?**
  - Given the current global and European financial constraints which projects should be prioritized?

**Moderator:** Peter Kaderjak, Director, Regional Centre for Energy Policy Research

Open Discussion (45 minutes)

**3:00 pm Coffee Break**

**3:15 pm Session IV: Advancing European Energy Policies**

[Anita Orban, Ambassador-at-Large for Energy Security, Ministry of Foreign Affairs](#)

- ✓ **Regional cooperation to improve regional energy market integration under mainstream EU rules**
  - The impact of EU vs Member States regulatory authorities creates uncertainty for needed investments in the energy sector
  - Member States maintain sovereignty over energy policy - The EU creates broad frameworks and objectives
  - Magnitude of investments in the energy sector cannot be undertaken without clear and coordinated regulations
- ✓ **Cooperation in infrastructure development under the new Energy Infrastructure Package.**
  - What projects currently support regional integration?
  - Gas – pipeline connections and access rights
  - Electricity – infrastructure developments and smart grid

[Carolyn Oebel, Senior Advisor to the Secretary General, International Gas Union](#)

- ✓ **Global Vision for Gas**
  - Balancing the need for energy security, job creation and economic development.

[Dan Milstein, International Relations Specialist, Office of Policy and International Affairs, U.S. Department of Energy](#)

- ✓ **Cross regional regulatory cooperation in e.g. implementing EU regulation highly relevant for the region,**
  - What are the benefits to Europe of supporting Central and Eastern European infrastructures investments?
  - Political and economic roadblocks to achieving an integrated European energy infrastructure

**Moderator:** Peter Kaderjak, Director, Regional Centre for Energy Policy Research

Open Discussion (45 minutes)

**4:45 pm Closing Statements – Co-Chairmen**

[John Lyman, Director, Energy and Environment Program, Atlantic Council](#)

[Peter Kaderjak, Director, Regional Centre for Energy Policy Research](#)

**5.00 pm Ajourn**