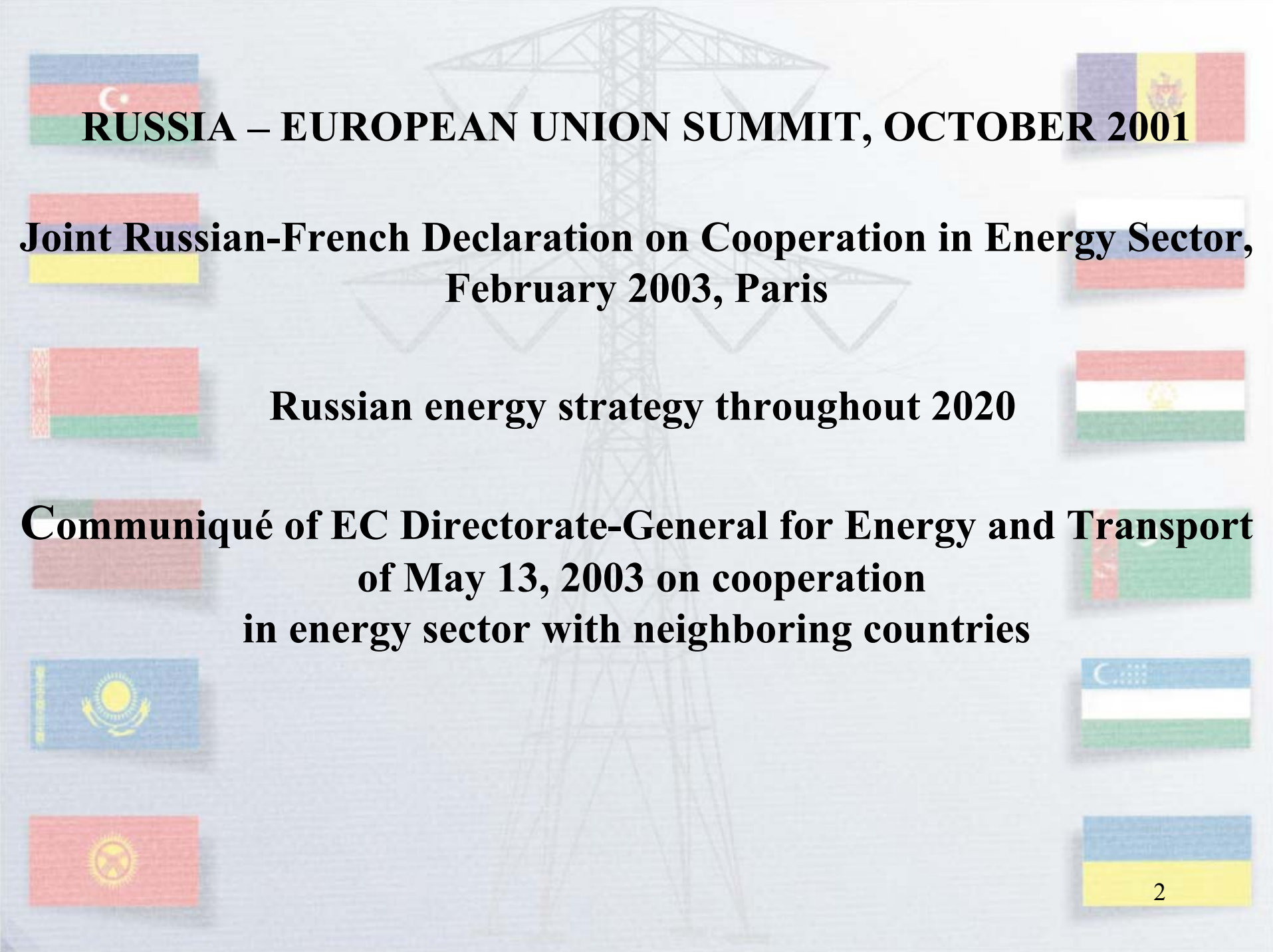


THE PERSPECTIVES OF RUSSIAN AND EUROPEAN ELECTRICITY MARKETS INTEGRATION

A. ZELINSKY

CHAIRMAN OF WORKING GROUP

**MEMBER OF BOARD
RAO “EES ROSSII”**



RUSSIA – EUROPEAN UNION SUMMIT, OCTOBER 2001



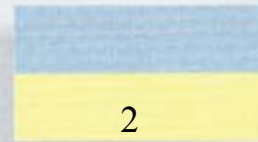
**Joint Russian-French Declaration on Cooperation in Energy Sector,
February 2003, Paris**



Russian energy strategy throughout 2020



**Communiqué of EC Directorate-General for Energy and Transport
of May 13, 2003 on cooperation
in energy sector with neighboring countries**



- Advantages of integrated energy systems:

Better employment of the existing capacities and primary energy resources;

- Using differences in peak loads;

Increasing reliability of electric power systems of the neighboring countries;

- Assistance in emergency situations;

- Network expansion cost cutting;

- Stability increase;

- Harmonization of technical and ecological standards and nuclear safety requirements.

- Transfer of new technologies.

Dialogue within the framework of the CIS Electric Power Council (CIS EPC)

Dialogue between the Russian Federation Government and the European Union Committee

Resolutions of the 21st session of CIS EPC:

A strategically important objective for CIS EPC is to promote concurrent operation for the purpose of integrating TESIS with CIS energy systems and Integrated Baltic Energy System.

Establishing the CIS working committee on promotion of concurrent operation

Warsaw, March 20, 2002

**Joint conference of CIS EPC and EURELECTRIC
Protocol on cooperation**

**Conference “Towards All-European Partnership
in Energy Sector”**

Warsaw, March 21-22, 2002

**The 7th session of the Joint Coordination Committee
of CIS EPC and EURELECTRIC**

Moscow, October 24, 2002

The 3rd session of the Working Committee

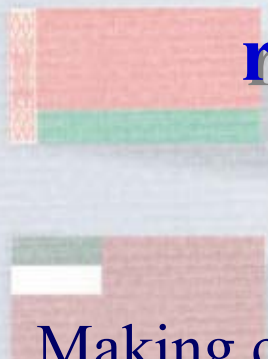
Appeal of the CIS Council of Heads of Government to the European Communities Committee

Assigning technical regulation functions to CIS EPC in the course of concurrent operation and coordination of integration of the CIS energy systems with other energy systems

The second meeting of the CIS EPC
and EURELECTRIC Presidents

Brussels, November 21, 2002

**Establishing two joint working groups on market
regulation and environmental problems**



Making comparison reports on environmental legislation and politics
and energy market reforms in the CIS

The third meeting of the CIS EPC
and EURELECTRIC Presidents

Prague, June 23, 2003



Preliminary study by UCTE

UCTE General Assembly

May 07, 2003

A decision to conduct a two-year comprehensive feasibility study

**Dialogue between the RF Government
and European Union Committee:**

Working Committee

The first session - March 2003

The second session -
late September – early October 2003

Round table discussions are scheduled for October 2003

Establishing the CIS energy market

The 19th session of CIS EPC

Working group on establishing and developing of the CIS energy market

Protocol

Warsaw, March 2002

Basic principles for establishing the CIS energy market

Market members and principles of their economic relations,
principles of opening the market to consumers, principles of
technological cooperation
and conditions of energy transit

Establishing regulatory framework for the CIS energy market

Creating a conceptual model and establishing market rules.

European Union Committee directive

Opening of the energy market to industrial users in 2004

Housing sector – in 2007

the CIS countries

**A sole consumer model,
an open access model (for a third party),
energy pools.**

World Trade Organization - WTO

Energy trade in conformity with WTO rules

No dumping on the part of CIS companies

Energy Charter Secretariat

Study of electric energy systems in the member states
of the Energy Charter Treaty

Energy trade and its development opportunities.

Energy exchange in the volume of 2% of the total
electric energy production

Price differences promote trade

Trade liberalization and market integration encourage price lining

Synchronous integration or DC links

Events in the US energy system

Issues of energy systems safety and reliability

Diversification of energy sources import

Creating more favorable conditions for foreign investment
in the energy sector

Further steps

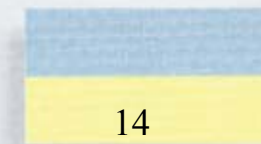
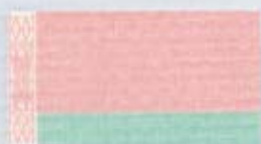
Establishing a joint working group with UCTE

Agreement on implementation of concurrent operation with the aim to integrate the CIS energy systems and Integrated Baltic Energy System with TESIS .

Drawing up technical specifications for making a Feasibility study.

Conducting a Feasibility study

Drawing up a catalogue of measures



**Thank you very much
for your kind attention!**