

Interview with Nataša Vujec, Croatian Energy Minister



In January 2010 Nataša was appointed as a State Secretary in the Ministry of Economy, Labour and Entrepreneurship, responsible for mining and energy areas. She often participates at professional conferences as an author and lecturer due to her extensive background in the energy sector, in particular the Gas sector. She is a member of the Croatian Gas Union and the International Gas Union-IGU.

What are the major concerns for the Croatian energy sector at the current time when Croatia is preparing to join the EU family?

During the pre-accession negotiations referring to Chapter 15 – Energy, the Republic of Croatia had a challenging task, in particular with respect to implementation of Directives referring to the second, and currently to the third package of energy acts. The strict defining and diversification of energy activities, opening of the energy market and introducing of the new standards and relations between the energy companies and the buyers has not been always simple and easy to explain. Although the necessity of strengthening competitiveness was mentioned during the whole process, we are currently faced with the price increase in the energy sector. In such circumstances the communication of the changes resulting from EU Directives implementation is not an easy task. However, we are aware of the fact that we are not an exemption and that the neighbouring member states, having the similar history, are faced with the similar challenges. On the other hand we are satisfied since we, as the Ministry, were seriously engaged in indicating the necessity of adjustment associated with entering in the integrated European energy market to our companies. Significant efforts have been made to adopt the legal framework which will provide for implementation of all determinants of the third EU energy package.

How should the Croatian energy mix look in 2020?

Croatia will be generating a great part of its energy from hydro power plants, but also from other renewable energy sources. To reach the 20-20-20 goals the greatest actions will be on the side of consumption. Transport sector will have a significant share in realisation of energy goals, but without energy management in towns or activities on local and regional levels it will not be possible to achieve the goals. Solar technologies' prices are expected to be reduced in order to become available for wider use in households. Our goal is to increase the usage of hydro power and renewable energy as much as possible and to reduce the use of fossil fuels primarily oil in electricity production.

Will the current nuclear accident in Fukushima have an impact on public opinion and policy making in future decisions about the nuclear option?

In the future without nuclear energy use it would be difficult to generate sufficient electric energy freed from CO2 emissions.

We have to know how to use discoveries, knowledge and technology. Rules exist, safety requirements exist, it is well known how the location for nuclear power plant construction or nuclear waste repository must look like, but nevertheless very often the profession and prescribed rules are ignored by the influence of politics or profits. Nuclear energy knows no bounds and we are determined in our efforts to establish Croatian Nuclear Programme to preserve the acquired knowledge, educate new generations of those who will be able to ensure peaceful coexistence in the future in the proximity of two power plants or 5 nuclear reactors. We are expecting that the future discussion on safe usage of nuclear energy will take this direction and that set standards will be unconditionally respected.

We should not forget that electric power generation from nuclear power plants is competitive. Therefore, we consider that the Krško NEK is the model of nuclear power plant where the electric power price is formed on the basis of labour costs, funding to repay loans, future waste management and permanent investment in security system is one of possible answers.

Full article can be found on the WEC Website:

http://www.worldenergy.org/news_events/wec_inside/3161.asp

WEC Debrief

Clean Fossil Fuels Systems Knowledge Network meets in London

The first meeting of the CFFS KN after the Montreal Congress was held on 13-14 April in London. The main objective of the meeting was to discuss and agree the Terms of Reference and the work plan for 2011. WEC has received over 20 new nominations for the CFFS KN, and together with the existing members, the total KN membership is well over 50 experts, which makes it one of the most popular WEC activities. Nearly 20 experts from 9 countries participated in the London meeting. The majority of new members are from the WEC Committees in developing countries. This emphasises the growing interest in cleaner fossil fuels technologies all over the world. The agreed ToR include organisation of forums for energy experts, decision makers and diverse stakeholders to facilitate dialogue about clean and efficient utilisation of fossil fuels, including improved efficiency and carbon capture and storage; provision of information for inclusion on the WEC website and input into WEC studies and reports. Among the activities planned for 2011 are workshops in Brazil and in the USA, and participation in the meeting of Stakeholders at the Carbon Sequestration Leadership Forum Ministerial in Beijing in September.

WEC Agenda

We invite our members to attend the following events:

May 19; Istanbul, Turkey

- "Youth and Energy" Conference 2011
 To discuss "Innovation and Energy"
 -Contact: wectnc@tr.net

May 23-24; Moscow, Russia

-WEC PGP Knowledge Network Meeting & Workshop
 -Contact: nurse@worldenergy.org

May 24; Tehran, Iran

-The 8th International Energy Conference
 -Supported by WEC Iran Member Committee
 -Contact: iranenergycommittee@moe.org.ir

May 26; Bucharest, Romania

-WEC Romanian National Committee Conference:
 'Future Smart Grids for Utilities'
 -Contact: ghbalan@cnr-cme.ro

June 2-3; Thessaloniki, Greece

-The 5th South East European Energy Dialogue & WEC-Europe Regional Workshop
 -Contact: info@iene.gr

June 17; London, UK

-Bulgarian Energy Day 2011
 -Contact: office@wec-bulgaria.org

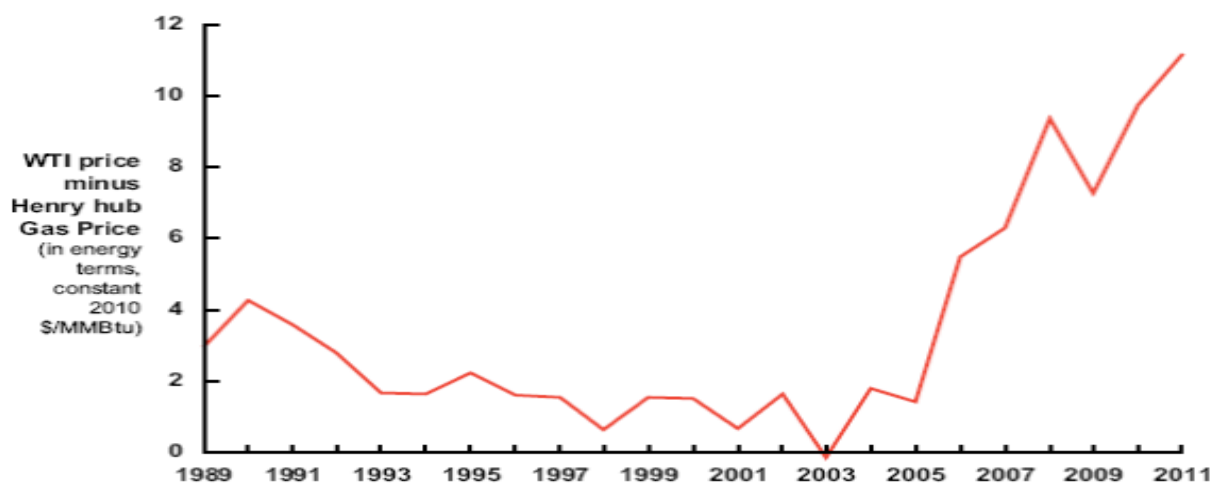
Sept 14-16: Save the date for the World Energy Leaders' Summit Rio 2011!

For further events and more details, please check the Events page on the WEC website...

http://www.worldenergy.org/news_events/18.asp

Inside Insight

Figure 1
WTI Crude Oil and Henry Hub Spot Gas Prices:
Differential and Ratio



The price spread between crude oil and natural gas hit a historic record.

The price differential between natural gas and the oil is now well over \$10 per MMBtu according to the analysis of the Henry Hub natural gas price and the WTI crude oil price. The current price gap of oil and gas may not be a short-term phenomenon. Diverging oil and natural gas production costs has been a key driver in the price spread. The "shale gas" in North America have created a long, flat cost curve for natural gas at \$4-5 per MMBtu. Meanwhile the cost of producing oil has risen significantly.

Christoph Frei, Secretary General, World Energy Council

Regency House, 1-4 Warwick Street, London, W1B 5LT, UK

Tel: (+44)2077345996, Fax: (+44)2077345926, Skype: christoph-frei, Twitter: @chwfri

Copyright 2011. World Energy Council. All rights reserved.