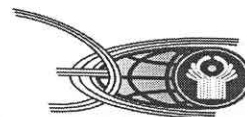


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CIS ELECTRIC POWER
COUNCIL



MINUTES
of the 10th Meeting
of the Presidents of EURELECTRIC and the CIS Electric Power Council
Moscow, March 20, 2009

Present:

EURELECTRIC Delegation:

Lars G JOSEFSSON, President of EURELECTRIC
Hans TEN BERGE, Secretary General of EURELECTRIC
Olga Mikhailova, Advisor, International Relations, Market Unit
Cecilia Bladh, Advisor to EURELECTRIC President

CIS EPC Delegation:

Sergey SHMATKO, President of CIS EPC
Evgeny MISHUK, Chairman of the CIS EPC Executive Committee
Boris AYUEV, Chief Executive Officer, System Operator of the United Power Systems, JSC
Evgeny DOD, Chairman of the Management Board, INTER RAO UES
Dmitry PONOMAREV, Chairman of the Board, NP "Market Council"
Maxim BALASHOV, Deputy Director of Energy Industry Department, Ministry of Energy
Vladimir VOLOSSKIY, Director of the External Relations Department, CIS EPC Executive Committee

Objectives of the meeting:

- * To discuss and assess the results of mutual cooperation and accomplishment of the decisions taken at the previous 8th (Antwerp, June 12, 2007) and 9th (Rome, November 13, 2007) Meetings of the Presidents.
- * To discuss and agree upon further joint activities.

The Parties noted the following:

The present meeting is a regular 10th Meeting of the Presidents of EURELECTRIC and the CIS EPC.

1. Item 1 of the Agenda: Exchange of news from EURELECTRIC and CIS EPC.

The participants exchanged views on the current situation in the EU and CIS electricity sectors.

The Presidents took note of the conclusions of the joint "Feasibility Study: Synchronous Interconnection of IPS/UPS power system with UCTE." The Presidents

exchanged views on the impact of the interconnections on the market integration. EURELECTRIC expressed its support for the continuation of the cooperation between the two involved parties and welcomed the increase of a number of interconnectors to facilitate the electricity market integration and cross border trade.

2. Item 2 of the Agenda: Roadmaps on Markets and Environment: history of development and prospects.

The Presidents discussed the current situation around the Roadmaps and pointed out to the lack of substantial advance in the issue of the EU and CIS common electricity market creation and in the implementation of the Roadmap "Way to establishment of compatible electricity markets in the EU and CIS states". The Presidents admitted that the main reasons for the delay are as follows: lack of a consolidated standpoint of the countries in both regions in respect to the electricity markets formation and in respect to the idea of the establishment of the common EU-CIS electricity market itself; lack of motives for the main electricity markets stakeholders; lack of the governmental support to the Roadmaps implementation and to the power systems and markets integration in the EU and CIS states, lack of the legal basis for cooperation of the two regional governmental entities and integration of the power systems and markets (agreements on partnership and cooperation between the EU and CIS likewise the valid ones between the EU and non-EU members).

The Presidents took note of on-going monitoring of the Environmental Roadmap implementation. The joint report on environmental monitoring on the basis of 2007 statistics is being under completion.

Having taken into account the institutional and regulatory changes in the Russian electricity industry during the year 2008, including the dissolving of RAO UES, the Presidents acknowledged the necessity to conduct a review of the past agreements, including the Markets and Environmental Roadmaps, and to develop a new common understanding of future priorities and projects.

3. Item 3 of the Agenda: Progress made since the 8th and 9th Presidents' Meetings.

The Presidents discussed the situation on the common cooperation bodies already established and those to be established; also on the joint Task Forces on cross-border investment climate and principles of the cross-border electricity trade and on EURELECTRIC and CIS EPC Joint Working Group "Environment".

The Presidents pointed out that the relevance of the common cooperation bodies will have to be determined in conjunction with the conclusions of the Roadmaps' review.

Parties agreed that the political support is crucial for the successful resuming of the consultations. EURELECTRIC expressed satisfaction about political support of the Russian Minister of Energy. It was proposed to consult with the European Commission with the purpose to obtain similar support on the European side.

4. Item 4 of the Agenda: Further steps – prospects of EURELECTRIC and CIS EPC cooperation.

The Presidents exchanged views on potential areas for future cooperation.

EURELECTRIC proposed to introduce the issue of the climate change (post-Kyoto regulation, Copenhagen conference) into the agenda for EURELECTRIC – CIS EPC cooperation on environmental issues.

5. **Item 5 of the Agenda:** Miscellaneous.

6. **Item 6 of the Agenda:** Date and place of the next Presidents' Meeting.

The Presidents discussed the issue of the date and place of their next Meeting.

The Parties agreed upon as follows:

1. **On Item 1 of the Agenda:** *Exchange of news from EURELECTRIC and CIS EPC.*

To take the information on the market development presented at the Meeting into consideration.

2. **On Item 2 of the Agenda:** *Roadmaps on Markets and Environment: history of development and prospects.*

2.1. To assign to EURELECTRIC and CIS EPC the task of conducting a review of the Markets and Environmental Roadmaps and outlining the future priority areas for cooperation.

2.2. To assign to the Secretariats of EURELECTRIC and CIS EPC preparation of the joint meeting within the framework of the review analysis of the Roadmaps.

2.3. Subsequently to the review of the Roadmaps, to hold a seminar or a round table in order to summarize and discuss the conclusions of the review.

3. **On Item 3 of the Agenda:** *Progress made since the 8th and 9th Presidents' Meetings.*

3.1. To assign to EURELECTRIC and CIS EPC a task of conducting a review of the decisions with regard to setting up common cooperation bodies, including the Common Regulatory Council, High Level Advisory Commission, High Level Consultancy Group, as well as joint Task Forces.

3.2. To approve the work accomplished by EURELECTRIC and CIS EPC Joint Working Group "Environment" in 2007 on preparation of the Report on monitoring of the "Roadmap on Key Environmental Issues of EU and CIS Electricity Markets Interconnection".

3.3. To assign to the EURELECTRIC - CIS EPC Joint Working Group "Environment" preparation of the Report on monitoring of the Roadmap on Environment on the basis of 2008 statistics. The preparation of the report should take into account the conclusions of the Roadmaps' review.

4. **On Item 4 of the Agenda: Further steps – prospects of EURELECTRIC and CIS EPC cooperation.**

4.1. To involve representatives of the Russian System Operator into the work of EURELECTRIC and UCTE Joint Working Group SYSTINT to facilitate the dialogue with regard to market aspects of the interconnections between the EU and CIS.

4.2. To assign to the Joint EURELECTRIC – CIS EPC Working Group “Environment” the assessment of scenario of the electricity sector evolution in the CIS countries in post-2012 period (post-Kyoto) in respect of greenhouse gases emissions within the framework of the CIS and EU electricity markets compatibility requirements.

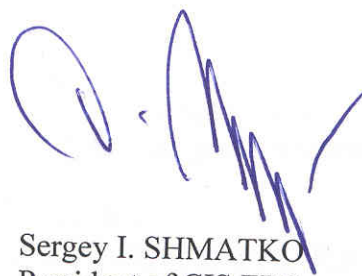
5. **On Item 5 of the Agenda: Miscellaneous**

6. **On Item 6 of the Agenda: Place and Date and of the next Presidents’ Meeting.**

To hold the next Meeting of EURELECTRIC and CIS EPC Presidents in Bucharest, Romania on June 16, 2009, or at a later date.



Lars G. JOSEFSSON
President of EURELECTRIC



Sergey I. SHMATKO
President of CIS EPC