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Vattenfall supports a joint European Energy Policy

Vattenfall welcomes the European Commission's initiative to establish a joint European Energy Policy.

In an open response to the European Commission on its initiative "An Energy Policy for Europe", presented on 10 January 2007, Vattenfall agrees to the importance of creating a single European energy market.

Vattenfall is confident that the Internal Market for Energy is necessary to make the European economy competitive and to create sustainable development, balancing economic growth with environmental and social responsibility.

"Vattenfall supports this important initiative for Europe and we are pleased to take part in the ongoing dialogue and share our views on the Commission's proposed Energy Policy," says Lars G. Josefsson, President and CEO of Vattenfall AB.

"We welcome especially that the EU has taken the initiative in the climate change quest. Finding cost efficient measures to combat climate change is challenging but possible. However, we urge the EU to continue its efforts to bring about international agreements to reduce CO2 emissions, and to establish a system for a global pricing of greenhouse gas emissions leading to incentives and cost reductions in abatement measures," Lars Josefsson says.

With regard to the future European transmission grid, Vattenfall prefers the idea of Independent System Operators (ISO) to mere ownership unbundling, which, in Vattenfall's view, will not create sufficient incentives to invest in new cross border capacity. Setting up regional ISOs, instead of allowing national structures, is the best way to create the regional markets, and ultimately a pan-European market.

Vattenfall's full memo can be downloaded at www.vattenfall.com

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