

Ministry Seeks Control Over Power Investment

By [The Moscow Times](#)

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The Energy Ministry is pushing for broader powers to control private power-generating companies' investment programs.

The Energy Ministry is seeking the authority to control private power producers' investment programs, according to draft amendments to power industry legislation published on the Economic Development Ministry's website.

The government has been trying to reassert its control over the power industry after it was deregulated and partially privatized in the 2000s.

Currently, the investment programs of power producers with a government stake of at least 50 percent plus one share are subject to Energy Ministry approval, Interfax reported Wednesday. The same applies to programs that envisage partial or full government funding or construction of over 50 megawatts of capacities.

But the ministry has no power to monitor any other power producers' programs.

"Due to the privatization of stakes in generating companies founded as a result of UES' reform, the Energy Ministry lacks grounds to approve and monitor the implementation of these electricity companies' investment programs," the draft changes read.

That removes from the ministry's control roughly a third of the planned launches of generating capacities in 2012 to 2018.

Nor is the Rosenergoatom investment program, which will account for 30 percent of all capacity launches during that period, subject to Energy Ministry approval.

Power producers have previously coordinated their investment programs with the ministry but there was no legal framework for that, said Sergei Pikin, head of the Energy Development Foundation, adding that now the process would be enshrined in legislation.

The largest private generating companies in the country are E.ON Russia, which is controlled by German energy company E.ON, Enel OGK-5, which belongs to Italy's Enel, and OGK-2, which is controlled by Gazprom.

Meanwhile, the Energy Ministry also proposed introducing fines for energy companies and their executives for being unprepared for the winter season, according to draft amendments to the Code of Administrative Offenses published on the Economic Development Ministry's website, Interfax reported Thursday.

The amendments envisage fines of 20,000 rubles (\$635) to 50,000 rubles for executives and 500,000 rubles to 1 million rubles for legal entities.

BLOB

The Matkozhnen hydropower plant, which suffered a dam breach Wednesday, is preparing to restart regular operations, the facility's operator, TGK-1, said in a statement Thursday, Interfax reported.

A TGK-1 spokesperson did not specify the timeframe for the relaunch of the plant, which is located in the republic of Karelia, saying: "We are interested in providing capacity as soon as possible."

He added that property risks from the dam accident are insured by SOGAZ. However, the representative did not specify the scope of insurance coverage on these risks and the value of the damage.

SOGAZ confirmed that the plant was under insurance coverage.

"SOGAZ has not received any inquiries regarding mandatory risk insurance," the representative said. "We are studying the situation and hope SOGAZ specialists will participate in the commission investigating the causes of the incident."

The dam breached after water from the Matkozhnen stream flooded the plant's generator hall. The station's generating units were shut down and the local warning system was turned

on. Electricity supplies to the village of Sosnovets in the Belomorsky district — 274 homes where 1,500 people reside, as well as a school, preschool and a rest home — have been totally cut off.

According to the Emergency Situations Ministry, five people were at the station during the time of the breach.

"All people were evacuated. There are no fatalities or injuries," the ministry said.

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