

# **Political Roadmap on implementing the synchronisation of the Baltic States' electricity networks with the Continental European Network via Poland**

Sides:

**the European Commission**

**the Republic of Lithuania**

**the Republic of Estonia**

**the Republic of Poland**

**the Republic of Latvia**

*HAVING REGARD TO:*

The „*European Energy Security Strategy*”, COM (2014) 330, of May 2014, which identifies the Synchronisation of Baltic States as one of the key security of supply infrastructure projects;

The *Conclusions of the meetings of the European Council* of 23 and 24 October 2014 and of 19 and 20 March 2015, which express commitment to building the Energy Union, reiterate the need to achieve a fully functioning and connected internal energy market while establishing adequate interconnections of Member States with the European gas and electricity networks and ensuring synchronous operation of Member States within the European Continental Networks as foreseen in the European Energy Security Strategy, and highlight the essential role that such synchronous operation has in increasing the energy security of the Baltic States;

The *Memorandum of Understanding on the reinforced Baltic Energy Market Interconnection Plan ('BEMIP')* of 8 June 2015, which acknowledges the synchronisation of the Baltic States with the continental European networks as a self-standing objective that contributes to achieving a fully functioning and connected internal energy market and to increasing energy security in the electricity sector of the Baltic States;

The *Joint Declaration by the Heads of State or Government of Estonia, Latvia, Lithuania, Poland and the President of the European Commission on Ending the Gas Isolation of the Baltic Sea Region* of 15 October 2015, which reaffirms their commitment to further strengthening their strategic cooperation on the Union's energy policy objectives and to work together towards reinforcing the integration of the Baltic Sea region into the internal European

Union energy market, including the objective to ensure the synchronisation of the electricity grids of the Baltic States;

*The Joint Statement by the Energy Ministers of Estonia, Latvia, Lithuania, Poland, the Vice-President for Energy Union and the Commissioner for Climate Action and Energy of 18 December 2017*, which expresses political commitment to find solution on the best way to synchronise the Baltic States' electricity networks with the continental European networks and reiterates the importance of the technical studies in this process;

*The Joint Statement of the Prime Ministers' Council of the Baltic Council of Ministers of 18 December 2017*, which welcomes the launch of technical studies and emphasises the necessity to provide comprehensive information to ensure the making of an informed political decision by summer 2018 and moving forward with the most feasible, reliable and time- and cost-efficient synchronisation scenario;

*The Joint Statement by the Heads of State or Government of Estonia, Latvia, Lithuania, Poland and the President of the European Commission of 22 March 2018*, which reaffirms the strong commitment to synchronising the Baltic States' electricity grid with the continental European networks by 2025 while ensuring high level of security of supply and solidarity and includes the commitment to conclude by June 2018 a political agreement on the preferred way of synchronising the Baltic States with the continental European networks;

*The Commission Delegated Regulation (EU) No 2018/540 of 23 November 2017 amending Regulation (EU) No 347/2013 of the European Parliament and of the Council on guidelines for trans-European energy infrastructure as regards the Union list of projects of common interest*, which recognises the synchronisation of the Baltic States' electricity system with the European networks as one of these European strategic projects;

*The Political Roadmap on the synchronisation of the Baltic States' electricity networks with the Continental European Network via Poland (the "Political Roadmap")* signed on 28 June 2018 between the European Commission, the Baltic States and Poland and the actions that have already been implemented.

#### *RECOGNISING THE PROGRESS ACHIEVED IN THE IMPLEMENTATION OF THE POLITICAL ROADMAP INCLUDING:*

The completion of the *extended Dynamic and Frequency Stability Studies* in August 2018 enabling the choice of the technical solution for the synchronisation process;

The green light received on 14 September 2018 for the project for the synchronisation of the Baltic States' power grids with the Continental European system from the Baltic Energy Market Interconnection Plan (BEMIP) High-Level Group in Brussels;

On 21 September 2018, the Polish electricity transmission system operator, acting as a supporting party approached ENTSO-E Regional Group Continental Europe for an *extension of Synchronous Area Continental Europe for Baltic States' transmission systems*;

On 19 March 2019, the *Connecting Europe Facility grant agreement* was signed for the €323 million financing for the 1st phase investments of the synchronisation process, covering 75% of the investment needs for this phase, by the three Baltic transmission system operators (TSOs) and the Innovations and Networks Agency;

On 9 May 2019, the *Agreement on the Conditions of the Future Synchronous Interconnection of power system of the Baltic States and power system of Continental Europe containing the Catalogue of Measures* ('*Connection Agreement*') was adopted and entered into force on 27 May following the endorsement of ENTSO-E Regional Group Continental Europe defining formal rights and obligations with respect to the steps and measures for the synchronisation process of the Baltic States with the continental European grid;

On 14 May 2019, a *Memorandum of Understanding Concerning the Process of the Synchronisation of the Baltic States' Electricity System with the Continental Europe Electricity System* has been signed by the Polish, Lithuanian, Latvian and Estonian national regulatory authorities in the field of energy. The objective of the *Memorandum* is to facilitate cooperation and coordination among the regulatory authorities in order to ensure the implementation of the synchronisation project successfully and in due time;

The submission of a study proposal for co-financing under the Connecting Europe Facility energy call of spring 2019, as well as the progress in the preparation for the investment request by way of completion of the cost-benefit analysis in the perspective of the Connecting Europe Facility energy call for proposals in 2020 regarding the high-voltage submarine cable between Poland and Lithuania ('*Harmony Link*') and related network reinforcements;

The commencement of technical discussions regarding the de-synchronisation process of the Baltic States from the IPS/UPS system in the context of the process instituted by the agreement between the system operators from the Baltic States, the Russian Federation and Belarus from 7 February 2001;

#### *THE SIDES AGREE:*

To continue the political commitment and support to proceed at full speed with the implementation of synchronisation of the Baltic States' electricity system with the continental European network via Poland at the latest in 2025;

To continue close political supervision of the practical implementation of the project via the *BEMIP High Level Group* at political and technical levels;

To mandate the Baltic States' and the Polish TSOs, to implement all necessary measures within their respective responsibilities and competence, that means to:

- a) maintain a strong cooperation and coordination, including with ENTSO-E, as regards all aspects of the synchronisation process and ensure system readiness to react in all situations;
- b) act in a common framework and to organise the necessary consultations with shareholders on any other matters that arise in the scope of synchronisation;
- c) implement the infrastructure and operational measures in the Baltic States and Poland as required under the *Connection Agreement* in close coordination with ENTSO-E at the latest in 2025, notably by ensuring the timely completion of the following intermediate milestones:
  - Ensuring an adequate amount of *system services* (inertia) in the Baltics, including via an adequate number of *synchronous condensers* by 2021;
  - Commissioning of 400/330 kV *autotransformers in Alytus* by 2021;
  - Completion of the investment request and submission of a financing proposal for the *Connecting Europe Facility* call in 2020 for the high-voltage submarine Harmony Link cable and related internal grid reinforcements in Poland and Lithuania,
  - Launch of tendering and start of construction of the *Harmony Link* in 2021 and 2023 respectively;
  - Elaboration of *principles of operation of the high-voltage submarine cables* between the Nordic and Baltic regions;
  - Implementation of a number of measures under the *Connection Agreement* ensuring *frequency stability* in Baltic States.

To mandate the Baltic States' system operators – with assistance of the European Commission and ENTSO-E – to aim at finalising the technical de-synchronisation agreement with Russian and Belorussian system operators, and identifying required measures, if any, to ensure the continued security of the Kaliningrad region electricity system and necessary system services, in a scenario of no cross-border transmission capacity available for trade flows after the de-synchronisation process, as already officially communicated by the Baltic TSOs to the Russian and Belorussian system operators in March 2019.

That the European Commission and the Baltic States will continue necessary procedures in order to finalise the discussion with the Russian and Belorussian sides, so that the de-synchronisation process from the Russian, including Kaliningrad region, and Belorussian systems can be managed without additional risks for the security of their systems, as already agreed in the Political Roadmap of 28 June 2018.

This Implementation Roadmap records a political intent alone. It does not establish any new legal commitments and does not replace or modify any existing legal obligations with regard to the Sides or any third persons.

Signed in Brussels on 20 June 2019 in five originals in the English language.


**For the European Commission**



**For the Republic of Lithuania**



**For the Republic of Estonia**



**For the Republic of Poland**

M. Morawiecki

**For the Republic of Latvia**

