

**PA Energy – Baltic Energy Market Interconnection Plan (BEMIP) Action Plan for competitive, secure and sustainable energy**

The European Commission's *Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy* sets out a vision for an integrated continent-wide energy system where energy flows freely across borders, based on competition, grid security and the best possible use of resources, and with effective regulation of energy markets at EU level where necessary. The *Clean Energy for All Europeans* package lays down the most advanced legal framework for implementing the Energy Union strategy and for enabling investments into the energy transition to create jobs and economic growth.

On 11 December 2019, the Commission presented the *Communication on The European Green Deal* to achieve climate-neutrality by 2050 and transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy. Several initiatives will set out the conditions for an effective and fair transition, provide predictability for investors, and ensure the irreversibility of the transition.

Regional cooperation remains instrumental in achieving these ambitious climate and energy targets across all five dimensions of the Energy Union.

Since its establishment in 2008, the Baltic Energy Market Interconnection Plan (BEMIP) High-level group became one of the long-standing pioneers in regional cooperation, working towards achieving an open and integrated regional electricity and gas market between EU countries in the Baltic Sea region and ending energy isolation.

The priorities under the BEMIP High-level group were established first in the Memorandum of Understanding (MoU) signed on 17 June 2009 by the President of the European Commission and the political leaders of eight participating Member States and subsequently reinforced in June 2015, extending its scope to security of supply, energy efficiency, renewable energy and the integration of the Baltic States' electricity network into the continental European network. The first BEMIP Action Plan was agreed in June 2009 and amended in March 2011 (West Baltic Task Force Action Plan) and in March 2013 (Roadmap for the Implementation of Natural Gas Projects in the Eastern Baltic Sea). A new BEMIP Action Plan was adopted in 2015. The scope of the Plan covers energy infrastructure, gas and electricity markets, power generation, security of energy supply, energy efficiency and renewable energy.

In pursuit of an integrated approach for addressing challenges and achieving synergies at regional level, the BEMIP Action Plan incorporated projects and processes implementing the European Union Strategy for the Baltic Sea Region (EUSBSR) in the area of energy. EUSBSR is the first macro-regional Strategy in Europe, approved by the European Council in 2009 that works towards enabling the Baltic Sea region to achieve a sustainable environment and optimal economic and social development.

Thanks to a coordinated approach through a comprehensive set of measures, the BEMIP Action Plan contributed to integrating the energy infrastructure in the Baltic Sea region and thus effectively ending the energy isolation of the Baltic States and connecting them with the

rest of Europe, helped increase the integration of renewables into the grid and the security of supply in the region.

Recent developments in the energy sector, including the revision of the European macro-regional strategies, the new EU Multi-Annual Financial Framework, the updated energy and climate targets for 2030 in accordance with the Climate Target Plan and the adoption of key documents<sup>1</sup> call for a review of the 2015 Action Plan and of its timeline. Concerted action would also respond as stimuli for the ongoing health crisis that has affected the European economy in 2020. The parties agreed on a renewed Action Plan with actions that should be completed by 2030 at the latest.

The objectives and corresponding indicators and targets are fully in line with and contribute to the attainment of the current 2030 climate and energy targets, as well as reflect the specificities and individual commitments of Member States in the Baltic Sea region (also called “*the Sides*”). These objectives will be implemented through concrete actions as set out in the table below. The specific roadmaps, measures, projects and studies necessary to achieve, effectively and in good time, the objectives agreed will be defined at a later stage.

The Sides express their intention to coordinate their cooperation under the BEMIP initiative in the above-mentioned energy priority areas and they agree to make best endeavours to meet the objectives defined for these areas.

### **(1) Energy efficiency**

The key priority for energy efficiency is the implementation of existing legislation with a view of achieving the headline EU energy efficiency targets for 2030 as underlined in the European Green Deal<sup>2</sup>.

In the context of the increasing energy consumption over the last years, the Commission has established in 2018 a dedicated Member States’ Task-Force to mobilise efforts to achieve the 2020 energy efficiency targets, which puts a great emphasis on exchanging best practices and building capacity in the Member States. This could be especially relevant for the implementation of measures to achieve the energy savings requirement under Article 7 of the Energy Efficiency Directive.

The cooperation between Member States on sharing best practices on how they have applied or plan to apply the energy efficiency first principle would help exchange the knowledge and facilitate prioritisation of energy efficiency in the context of the governance process, and in view of reaching the climate neutrality by 2050.

### **(2) Renewable energy**

The region made considerable contribution to achieving the national binding targets as part of the EU’s renewable energy target of 20% in 2020. Five out of the eight Sides are above their national targets. The shares of renewables in electricity, heating and cooling and transport have increased at regional level and in most BEMIP members. The aggregated share of renewables in the region grew by 8.6 percentage points since the adoption of the last Action

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<sup>1</sup> The 4<sup>th</sup> Union list of Projects of Common Interest and the integrated National Energy and Climate Plans, in the context of Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action

<sup>2</sup> COM (2019) 640 final

Plan. In 2017, the region produced a combined 13.7 percentage point surplus of renewable energy over their national targets<sup>3</sup>. All but one BEMIP member increased the total share of renewables and their share in electricity. Fuel switching in terms of renewables share increase in heating, in particular in district heating, advanced regionally and in all but two Sides. Transport proved the most difficult sector for the Sides, as progress was moderate and unevenly distributed in the region. Further efforts are needed to guarantee the attainment of the 10% sectoral target for 2020, reverse stagnation or decrease experienced in some of the BEMIP members and pave the way to implementing the 2030 transport target of 14%, including sub-targets on biofuels and increase the penetration of renewable electricity.

The Sides successfully initiated the new working group on renewable energies and engaged in regular discussions and regional cooperation. The renewable energies working group explored a wide range of cooperation issues from cross-border support schemes to modalities of cooperation on heating and transport, funds and financing possibilities from INTERREG and other EU funds and national contribution to the current EU's 2030 32% binding renewable energy target of its gross final consumption of energy and cooperation on the national energy and climate plans under the new Governance regulation.

The Sides commit to continuing and intensifying cooperation towards the collective achievement of the current binding 2030 EU target of at least 32% renewable energies (or higher as may be revised), as laid down in the recast Renewable Energy Directive (2018/2001/EU).

The Sides intend to strengthen cooperation to explore and facilitate the modalities of energy transition with a view of reaching climate neutrality in Europe by 2050.

The Sides intend to engage in enhanced best practice sharing on renewable energy communities and renewable self-consumption, the integration of renewables in the building, industry, district heating and cooling sectors, the promotion of advanced biofuels and electrification in transport. The Sides intend to discuss how sector integration and sector coupling may be used to help decarbonise the heating and cooling and transport sectors. In this context, the Sides intend to explore options and funding possibilities to engage in joint projects.

The Sides intend to continue their work on the integration of renewable electricity in the power system and to explore possibilities of cooperation on concrete solutions, including as regards grid investment and management, system services, the use of storage and sector integration or coupling.

The Sides intend to discuss possibilities and modalities to use cooperation mechanisms, such as cross-border and joint support schemes, joint projects, statistical transfers and the renewable development platform established under the recast Renewable Energy Directive to facilitate delivering their national targets and contributions and to move towards net zero-emission in the EU 2050.

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<sup>3</sup> Calculated as aggregate surplus versus the aggregate target of the region.

The Sides intend to work together in the area of research and development of renewable energy technologies within the SET-Plan framework, including renewable and related low-carbon technologies that could facilitate sector coupling and integration. The Sides intend to facilitate the further cooperation between the region's research centres, institutions and companies, which would result in a better and more cost-effective use of R&D infrastructure and capacity, and more effective use of EU financing instruments, including those designed for territorial cooperation. Such cooperation should exploit the innovation potential in the region to gradually decarbonise the electricity, heating and cooling and transport sectors, and enhance competitiveness contributing also to EU's global leadership in renewables.

### *Offshore wind*

On 19 November, the Commission adopted an EU wide Strategy to harness the potential of offshore renewable energy for a climate neutral future<sup>4</sup>. The Strategy proposes to increase Europe's offshore wind capacity from its current level of 12 GW to at least 60 GW by 2030 and to 300 GW by 2050 by tapping into the vast potential of all Europe's sea basins. A study on Baltic offshore wind energy cooperation under BEMIP, performed by the COWI-Thema-Ea Energy Analyses Consortium, established the potentials in the region and individually for each of the Sides, analysed market and grid impacts and laid down recommendations<sup>5</sup> for a roadmap and a work plan for the development of a regional offshore wind initiative in the Baltic Sea region.

In 2020, the Sides adopted a Joint Declaration of Intent on Baltic Sea Offshore Wind<sup>6</sup>, to this effect. The Declaration establishes a new offshore working group under the umbrella of the existing BEMIP High-Level Group to start work as soon as possible in order to deliver on the ambitions of the Declaration. In spring 2021, a work programme for offshore wind development taking into account national policy plans of every Baltic Sea Region country set in their National Energy and Climate Plans and the EU policy developments in relation to renewable energy production will set out the necessary actions to be carried out by the BEMIP Members to ensure i) *coordinated offshore grid and spatial planning*, ii) *cooperation on enabling appropriate financing*, iii) *acceleration of Baltic offshore projects, permitting and market conditions* and iv) *offshore technology research, demonstration & innovation*. The work programme and actions therein will represent a standalone chapter in this Action Plan.

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<sup>4</sup> COM(2020) 741 final

<sup>5</sup> Study on Baltic offshore wind energy cooperation under BEMIP, final report available <https://op.europa.eu/en/publication-detail/-/publication/9590cdee-cd30-11e9-992f-01aa75ed71a1/language-en>

<sup>6</sup> The declaration, together with press statements are available here: [https://ec.europa.eu/info/news/baltic-ministers-endorse-commitment-closer-cooperation-offshore-energy-2020-sep-30\\_en](https://ec.europa.eu/info/news/baltic-ministers-endorse-commitment-closer-cooperation-offshore-energy-2020-sep-30_en)

### **(3) Electricity and gas markets**

#### *a. Electricity markets*

The Sides will strive to cooperate in their implementation of the new regulatory framework of the Clean Energy for all Europeans Package also in view of the foreseen development of renewable energies in the Baltic Sea. Since the decarbonisation of the electricity system increases the need for flexibility, the Sides express their interest in coordinating efforts for the development of a regional flexibility market to enable distributed flexibility, an easy access to reserves and other markets.

The common goal of BEMIP is to have a well-functioning integrated electricity market in the region. All stakeholders should have access to the European markets and different market platforms. RES integration requires cooperation to promote and make use of flexibility and balancing services. European platforms MARI, and Picasso are necessary components for increased cooperation on these aspects. The Sides agree to work together towards the full integration of the Baltic and the Nordic balancing markets within European balancing platforms.

Consumers will play a central role in meeting the energy and climate targets and their participation in the energy transition should be facilitated. The Sides intend to engage in sharing information and best practices on demand-response, active customers, citizen energy communities as well as the roll-out of fit-for-purpose smart meters as provided in the new electricity market design set by the Clean Energy Package.

#### *b. Gas markets*

##### *Full implementation of the Third Energy Package, including the gas Network Codes*

Since 2014 a lot has been achieved as regards the integration of gas markets in the EU in the implementation of the Third Energy Package. There is still some work to be done, in particular in the isolated markets, such as Finland, which benefited from the derogation from the energy market legislation, but applies the Third Energy Package and network codes as of 1 January 2020.

In the process of further opening and developing the gas markets, a central role is played by the implementation and application of the gas network codes. It is, therefore, important that the Sides share best practices to ensure the highest possible liquidity of the gas markets.

##### *Further regional gas market integration*

Following the completion and commissioning of the Baltic Pipe, GIPL and Balticconnector, the region will be physically interconnected and enjoy access to gas from the North Sea as of 2022. In practice, the supply of gas from this additional source will be available to Denmark, Sweden, Poland, Lithuania, Latvia, Estonia and Finland.

With the development of gas PCI projects in the region, the Sides express their intention to ensure that the pipeline capacity is easily available for shippers with an interlinked booking system integrated with the wider EU market to ensure market liquidity.

The Regional Gas Market integration process started as a political process in which the Baltic States' Prime Ministers endorsed, in December 2015 in Riga, the Regional Gas Market Development Action Plan and invited Finland to take part in this process. The objective is to establish a competitive regional gas market in Estonia, Finland, Latvia and Lithuania, encompassing all four Member States, to improve market liquidity, integration and competitiveness ensuring affordable gas prices and high quality service, thus being attractive for existing and new market participants. Market integration is an opportunity for the Baltic States and Finland to best use the existing and future infrastructure like the gas storage facilities, the LNG terminals, the Balticconnector and the GIPL pipeline between Lithuania and Poland. It is also a chance to increase competition to the benefit of the end-consumers in the region and attract suppliers which otherwise would not come as the separate markets are relatively small.

In order to achieve timely implementation of the market merger, a clear Roadmap establishing a process for the future regional gas market integration plan towards a final agreement has been endorsed on 20 April 2020 by energy ministries, regulators and transmission system operators from Estonia, Finland, Latvia and Lithuania. This Roadmap ensures that the design of the common regional market is: (i) subject to clear and non-discriminatory rules that effectively facilitate competition, in-line with the EU legislation, in particular the network codes and (ii) based on the regional analysis assessing cost and benefits and agreed by all parties. The Roadmap would serve as guidelines for the final design of the gas market integration (common market zone) by 2022.

In addition, Denmark and Sweden have established a Joint Balancing Zone to enhance the efficiency of cross-border trade between the Swedish and Danish markets and harmonize balancing procedures. Denmark and Poland, as well as Lithuania and Poland, are also working to ensure market cooperation and provide the best possible framework for the operation of the Baltic Pipe and GIPL, respectively.

#### **(4) Electricity and gas infrastructure**

Since 2014, the implementation of the Trans-European Energy Networks (TEN-E) policy and Projects of Common Interest (PCIs) have allowed the implementation of the necessary infrastructure in the region, substantially increasing the interconnection level and effectively ending the isolation of the Baltic States both in electricity and gas<sup>7</sup>. In this respect, the objectives set in the 2015 Action Plan have been met. The higher interconnection level in gas and electricity has ended the state of isolation, helped the diversification of gas supplies and increased energy security of the region.

The diversification of gas supply in the region has also paved the way for the coal to gas switch allowing also, in the future, to move towards renewable and low-carbon gases contributing to the sustainable development of the economies of the BEMIP Member States.

Despite progress in increasing the electricity interconnection level between the Nordic countries and with the Baltic States, transmission capacity is still needed to ensure a well-functioning electricity market in the whole region. Existing projects, such as the third

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<sup>7</sup> Shortly after the completion of the key gas interconnectors between Estonia and Finland (known as the Balticconnector) at the end of 2019 and Poland-Lithuania (known as GIPL) by the end of 2021.

interconnection between Finland and Sweden and internal lines reinforcing the Nordic grid are expected to be implemented by 2025 and achieve this objective.

The remaining objective is to ensure that the projects delivering these benefits are being implemented without delays.

Nevertheless, the three Baltic States remain synchronously connected to the Russian/Belarusian IPS/UPS system hampering their full integration in the European electricity market and grid. Flagship project of the Energy Union and political priority of the Commission, the synchronisation of the Baltic States with the continental European network by the target date 2025 is key to ensuring secure, affordable and sustainable energy for the Eastern Baltic Sea region, in line with EU's energy policy objectives, particularly regarding the well-functioning of the EU internal electricity market and energy security.

On 28 June 2018, the Heads of State and Government of the three Baltic States, Poland and the President of the European Commission agreed on a Political Roadmap that defined the process and put forward a concrete solution for synchronising the Baltic States' electricity system with the continental European network by the target date of 2025. The Heads of State and Government agreed on a scenario and a process for the synchronisation through the existing interconnector between Lithuania and Poland (known as "LitPol Link"), complemented by a new submarine high-voltage cable between Lithuania and Poland (known as "Harmony Link") and additional optimisation measures (synchronous condensers). A follow-up Political Implementing Roadmap, signed in June 2019, sets an ambitious timetable and specific milestones in order to achieve the timely completion of the project by 2025. Due to the complexity of the synchronisation, the infrastructure investments have been split in phases and their implementation is well underway. The first phase of the synchronisation regards the necessary reinforcements in the three Baltic States and has received financial support under the Connecting Europe Facility that amounts to EUR 323 million. Further EUR 720 million were granted in 2020 to the three Baltic States and Poland to co-finance the second phase of the synchronisation project covering the construction of the Harmony Link undersea cable, synchronous condensers, grid reinforcement in all four countries and upgrade of IT control systems required for synchronisation.

### *Smart Energy System Integration*

The Commission, in its November 2018 Communication on 'A Clean Planet for all – A European strategic long-term vision for a prosperous, modern, competitive and climate-neutral economy' analysed a wide range of technology options to achieve net-zero greenhouse gas emission by 2050. Smart energy system integration is expected to play a key role in the decarbonisation of the sector for being the most cost-effective pathway to climate-neutrality.

In June 2020, the Commission adopted an EU-wide strategy for accelerating the energy transition through smart energy system integration. The Strategy facilitates the deep, timely and cost-effective net-zero emission reduction of the entire economy. This is to be achieved by further integrating the different sectors where decarbonisation is particularly difficult or where emission reduction efforts have not been equally successful to date and designing a smart energy system that fully supports the ambitions of the European Green Deal

The Sides agree that a more holistic planning of different energy infrastructure is needed, as well as infrastructure development to accommodate renewable and low-carbon gases (such as biomethane, hydrogen, synthetic methane) offering solutions allowing to store the energy produced from variable renewable sources, exploiting synergies between the electricity sector, gas sector and end-use sectors.

### **(5) Security of supply**

The Union rules on security of gas and electricity supply emphasize the importance of regional cooperation in preventing and mitigating crisis.

The implementation of the Risk Preparedness Regulation (Regulation (EU) 2019/941), in force since 4 July 2019, will enhance the resilience in the BEMIP region and in the EU overall through the identification of regional electricity crisis scenarios and the preparation of national risk preparedness plans by all Member States. Those plans should include regional and bilateral measures to ensure that electricity crisis with a cross-border impact are properly prevented and managed. Therefore, in order to ensure the timely and accurate implementation of the Risk Preparedness Regulation in the BEMIP region, the Sides are encouraged to work closely during the drafting of their respective national risk preparedness plans. A timetable of actions should be developed in line with the provisions of the Regulation.

As regards gas, the Sides have worked together within the North-Eastern regional risk group established under Regulation (EU) 2017/1938 to put in place a consistent regional preventive strategy and appropriate emergency response mechanisms. They analysed jointly 12 major supply disruption scenarios and identified relevant preventive measures, mainly related to existing or upcoming interconnections and the potential of the Klaipėda LNG terminal and the Inčukalns UGS, after the entry into operation of the Balticconnector, GIPL and the upcoming Enhancement of the Latvia-Lithuania Interconnection (ELLI), expected by 2023. This joint work served as a basis for the preparation of the national Risk Assessments, Preventive Action Plans and Emergency Plans. In August 2020, the Sides set up an *ad hoc* working group and agreed on a Roadmap for the preparation and signature of bilateral agreements, as provided for in the gas SoS Regulation. Intensive work was done to prepare a common template to be used by the Sides in their bilateral Solidarity Arrangements, expected in the course of 2021.

Additionally, the energy system is witnessing a continuously increasing degree of digitalisation, moving towards smarter grids and connecting to the Internet of Things through smart devices. With all its advantages, it also brings new challenges such as cybersecurity. In this context it is utmost important to look at the particularities of the energy sector that create challenges in terms of cyber security, notably real-time requirements, cascading effects and the mix of legacy technologies with smart/state of the art technology.

### **Review of the Action Plan**

The Plan foresees the possibility for a mid-term review in 2025, in particular to take into account relevant developments in the energy sector, following agreement on the necessity for the review between the Member States of the Baltic Sea region and the European Commission



**Table: Overview of the specific objectives and timetable per policy area**

Objective	Sub-objective	Baseline	Indicator	Target/ deadline	Implementing body
<b>Energy efficiency</b>					
<b>Applying energy efficiency first principle across sectors</b>	Put in place processes to facilitate the application of the “ <i>energy efficiency first</i> ” principle in policy planning and investment decisions	Information from the NECPs	Reporting <sup>8</sup> on implementation and best practices	2021-2030	BEMIP members
<b>Achieving energy efficiency targets for 2020 and 2030</b>	Implementation of policies and measures by sharing best practices	Policies and measures in the NECPs	Reporting on best practices on each focus area: assessment of energy savings potential, planning of measures, specific sectors, monitoring progress	2021-2030	BEMIP members
	Attracting private finance for energy efficiency investments by using innovative financing		Reporting on best practices on attracting private finance for energy efficiency investments, also in the context of the implementation of the National Long Term Renovation Strategies	2021-2030	BEMIP members

<sup>8</sup> The reporting, as indicated throughout the Action Plan, should be considered a voluntary exercise in the meetings of the HLG at any level.

<b>Streamlining efforts on energy efficiency in the region by deepening regional cooperation</b>	Flagship project on cooperation on energy efficiency: Baltic Leadership Programme - collaboration on energy efficiency, experience sharing, best practices, pilot projects, regular meetings.		Reporting	2023, 2025, 2027 and 2030	BEMIP members
<b>Renewable energy sources</b>					
<b>Progressively decarbonise the energy sector by increasing RES shares in all sectors</b>					
	Cooperation on statistical transfers <sup>9</sup>	2021	Reporting on transferred RES shares	2023, 2025, 2027, 2030	BEMIP members
<b>Empower consumers</b>					
	Develop and expand renewable self-consumption, including by addressing enablers	2021	Report on number and/or percentage of self-consumers	2023, 2025, 2027, 2030	BEMIP members, municipalities, citizens
	Develop and expand renewable energy communities (REC)	2021	Report on number and/or percentage of REC	2023, 2025, 2027, 2030	BEMIP members, municipalities, DSOs, citizens
	Enable power purchase agreements (PAA)	2021	Report on number of PAAs	2023, 2025, 2027, 2030	BEMIP members

<sup>9</sup> Where indicated in the Action Plan, reporting on statistics will be done for the most recent year for which such national data is available.

<b>Effective measures to reach RES heating and cooling targets and seamless transition to decarbonisation by 2050</b>					
	Undertake measures to achieve an indicative 1.3 ppt (utilizing waste heat) OR 1.1 ppt (not utilizing waste heat/cold) average annual increase of RES in heating and cooling and undertake measures to achieve an indicative 1 ppt average annual increase of RES and/or waste heat/cold in district heating and cooling	2021	Report on RES share	2023, 2025, 2027 and 2030	BEMIP members
	Best practice sharing, including on sector integration, district heating and cooling, energy storage	2021	Number of projects	2023, 2025, 2027, 2030	BEMIP members, industry, citizens
	Common projects and exploring EU financing		Number of projects	2023, 2025, 2027, 2030	BEMIP members, industry
	Facilitate the use of RES in buildings, including through		RES share – reports by the BEMIP members	2023, 2025, 2027, 2030	BEMIP members, industry, citizens

	addressing refurbishment parameters and financing enablers				
	Cooperation on regional biomass trading platform and related sustainability schemes		Number of members in trading platform	2023, 2025, 2027, 2030	BEMIP members, industry, trading platform
<b>Effective measures to reach RES Transport targets and seamless transition to decarbonisation by 2050</b>					
	Cooperation towards a common blending obligation for the achievement of the advanced biofuel target	2021	Report	2025	BEMIP Members
	Common projects and exploring EU financing	2021	Report on number of projects	2023, 2025, 2027, 2030	BEMIP members, industry
	Develop and expand the use of advanced biofuels and other renewable transport fuels	2021	Report on RES share	2023, 2025, 2027 and 2030	BEMIP members, industry
	Develop and expand electromobility, and other alternative transport infrastructure, including through cooperation on charging points	2021	Report on number of charging and filling stations	2023, 2025, 2027 and 2030	BEMIP members, industry

	and filling stations				
<b>Regional integration of renewable and low-carbon gases</b>					
	Develop a regional strategy for decarbonizing the gas system and promoting sector coupling		Report on best practices and experiences	2030	Interested BEMIP members, TSOs
	Increase the use of hydrogen particularly from renewable sources and biomethane in gas systems	2021	Reports	2025	BEMIP members, NRAs, TSOs
	Promotion of biomethane and biogases in the market, including through cooperation on GOs	2021	Flagship project	2025	BEMIP members, industry
	Promotion of hydrogen in the market, particularly from renewable sources		A regional roadmap	2025	BEMIP members, industry
<b>NECP coordination and cooperation with regard to RES</b>					
	Possible common chapter on BEMIP cooperation (updated plans)	2021	Common chapter	2025	BEMIP members
	Regular discussions on NECP	2021	Regular meetings	2022 - 2030	BEMIP members

<b>Offshore cross-border renewable energy and grid development</b>					
<b>Develop a framework for joint and hybrid offshore wind power projects</b>					
	Establish a Baltic Leadership Programme on offshore wind for collaboration, experience sharing, best practices, pilot projects, regular meetings etc to deepen the regional cooperation	2021		2023, 2025, 2027, 2030	Interested BEMIP members
	Adopt a Work Programme for cooperation on offshore wind development	2021	Work programme	2021, 2025	Interested BEMIP members
	Submit projects for offshore production and grid development in the Baltic Sea into the 2022 ENTSOE TYNDP and subsequent PCI processes	2021	Integrated Baltic offshore grid with 2022 TYNDP and PCI status	2022/ 2023	Interested BEMIP members, project promoters, ENTSO-E
	Cooperate with North Seas Energy Cooperation	2021	Cooperation arrangements	2022	Interested BEMIP members
	Fully operationalize the Baltic Sea offshore grid initiative with a view to conduct pre-feasibility studies for a joint	2021	Pre-feasibility studies realised with priority on interconnection related to flagship projects, feasibility	2023, 2025, 2027	Interested BEMIP members, TSOs and project promoters

	Baltic Sea offshore power network to connect joint flagship projects		studies, network planning		
<b>Electricity and gas markets</b>					
<b>Improve market integration</b>	Strive to maintain electricity price difference in day-ahead markets lower than 30%			2025	BEMIP members
	Improve hedging possibilities in Baltic market			2025	BEMIP members
	Consolidation of EE/LV/LT bidding areas into single Baltic bidding area			2024	BEMIP members, TSOs, NRAs
<b>Balancing market integration</b>	Full integration of the Baltic and the Nordic balancing markets within European balancing platforms (i.e. PICASSO and MARI)		Joining the European balancing platforms	When the EU platforms become operational	BEMIP members, TSOs, NRAs
<b>Balancing markets integration</b>	Joint procurement (market) of Frequency Containment Reserves and other balancing services (i.e. sharing exchange of balancing capacity – FCR (Frequency Containment Reserve), aFRR (automatic Frequency Restoration Reserve), mFRR		Joint concept and decision by the relevant TSOs/NRAs by 2024	2023 with finalisation in 2026 - As of synchronisation with Continental Europe	BEMIP members of synchronous area of Continental Europe

	(manual Frequency Restoration Reserve) or integration within existing regional initiatives for procurement				
<b>Optimized system operation</b>					
	Setting up single LFC Block for LT, LV and EE for sizing of balancing reserves		Joint concept and decision by the relevant TSO/NRAs by 2024	2026 - As of synchronisation with Continental Europe	LT, LV and EE
<b>Balancing markets integration</b>	Removal of price caps for balancing energy (electricity)		No price caps other than technical price limits in accordance with EB GL.		BEMIP members
	Introduction of 15 min imbalance settlement period			2021	LT, LV and EE
<b>EU retail market integration and consumer empowerment</b>					
	Consumer consent for third-party cross-border access to smart meter energy data Standardized access to smart meter energy data		Implementation of a common data bridge and consent solution	2022	BEMIP members, NRAs, TSOs, market participants
	Develop and facilitate active customers, including addressing enablers (e.g. aggregators)		Number and/or percentage of active customers who participate in self-generation, storage or	2021, 2025 and 2030	BEMIP members, TSOs, DSOs, NRAs)



			demand-response and level of consumer satisfaction		
	Develop and expand Citizen Energy Communities (CEC)		Number of CEC and/or number of members in each CEC and level of consumer satisfaction	2021, 2025 and 2030	BEMIP members, municipalities, DSOs, citizens
	Ensure the large scale deployment of smart meters with the right set of functionalities in line with Article 20 of the Electricity Directive (EU) 2019/944		Percentage of smart electricity meters as indicated in Annex II of the Electricity Directive (EU) 2019/944	2024 and 2030	BEMIP members, DSOs, NRAs
<b>Further regional gas market integration</b>	Update of the Roadmap for the next steps (based on the integration model chosen) and governance of the integrated market			Q1 2021	LT and FI-EE-LV, European Commission with TSOs, and NRAs
	Gas market integration between LT and FI-EE-LV (common market zone)			2022	LT and FI-EE-LV, TSOs, NRAs
	Explore the possibility of further gas market integration (with Poland)			2022	
	Regional gas market integration projects – exchange on best practices		Report	2022, 2024, 2026	Interested BEMIP members

<b>Electricity and gas infrastructure</b>					
<b>Implementation of the necessary infrastructure for ending gas and electricity isolation and ensure the functionality of the internal energy market</b>					
	Further development of the electricity cross-border connections to ensure well-functioning market and alleviate future congestion situation in view of the deployment of RES			As per their specific timeline	BEMIP members
	Better interconnected electricity market		Achievement of at least 15 % interconnection target	2030	BEMIP members
	Well-developed gas infrastructure for increased use of renewable and low-carbon gases	2021 levels	Report	2020, 2022, 2025	BEMIP members, NRAs, TSOs
<b>Deepening the integration of the Baltic States with continental European Network, inter alia by synchronisation</b>					
	Implement necessary infrastructure investments			2025	Baltic States and Poland
	Achieve			2021	Baltic States

	minimum system inertia				
	Commissioning of 400/330 kV autotransformers in Alytus			2021	Baltic States
	Launch of tendering and start of construction of the Harmony Link			2021/2023	Baltic States and Poland
	Elaboration of principles of operation of the high-voltage submarine cables between the Nordic and Baltic regions		HVDC links support to withstand the frequency collapse or deviations in emergency mode.	2021	Baltic States, Finland and Sweden
	Implementation of a number of measures under the Connection Agreement ensuring frequency stability in Baltic States			2025	Baltic States
<b>Sector coupling</b>	Develop a regional roadmap for deployment of sector coupling for the purposes of emission reduction in the BEMIP region including financing aspects			2023	BEMIP members, NRAs, TSOs, market participants
	Couple the heat market and heat storage to the electricity market		Report	2022, 2025, 2027 and 2030	BEMIP members, NRAs, TSOs, market participants
	Data access and sharing across sectors (power, gas, heat): ability		Report	2025	BEMIP members, NRAs, TSOs, market

	for consumers to access and share their data from all sectors				participants
	Common grid planning for electricity, gas and hydrogen		Report from BEMIP members	2025	BEMIP members, NRAs, TSOs,
<b>Security of supply</b>					
<b>Improve Regional generation adequacy and risk preparedness</b>	Development of regional and bilateral measures for the risk preparedness plans			January 2022	Competent Authorities (as defined in Regulation (EU) 2019/941)
	Develop a specific BEMIP cooperation on generation adequacy – once a year discuss the regional results of ENTSO-E generation adequacy studies in the BEMIP WG.	2020 levels of the ENTSO-E generation adequacy study	Report on regional generation adequacy issues and solutions	yearly	BEMIP members, European Commission
	Follow-up of the ENTSO-E generation adequacy study on 2020 and consideration of regional implications for the BEMIP region		Report on regional implications of the ENTSO-E generation adequacy study	2021	BEMIP members
<b>Enhance regional coordination to improve resilience to gas supply disruptions</b>	Finalise preparatory work and agree on the solidarity arrangements			2021 (asap)	BEMIP members
<b>Address cybersecurity</b>	Share best practices as regards cybersecurity developments, including		Reports by BEMIP Members and TSOs	yearly	BEMIP members, TSOs

	through the implementation of IT-standards and network codes				
	Create platform for sharing information on incidents and threats to grid infrastructure;		Platform	2023	Interested BEMIP members, TSOs
	Assess possibility and scope of joint cybersecurity exercises for electricity grids		Report	2023	Interested BEMIP members, TSOs
<b>Strengthened Energy Research Cooperation</b>	Coordinated/joint energy research projects facilitating regional approach to common challenges	2021	The development of 2-3 pilot projects of coordinated energy research.	2023/2025	BEMIP members