



Evaluation and impact of the strategic plans on the electricity prices

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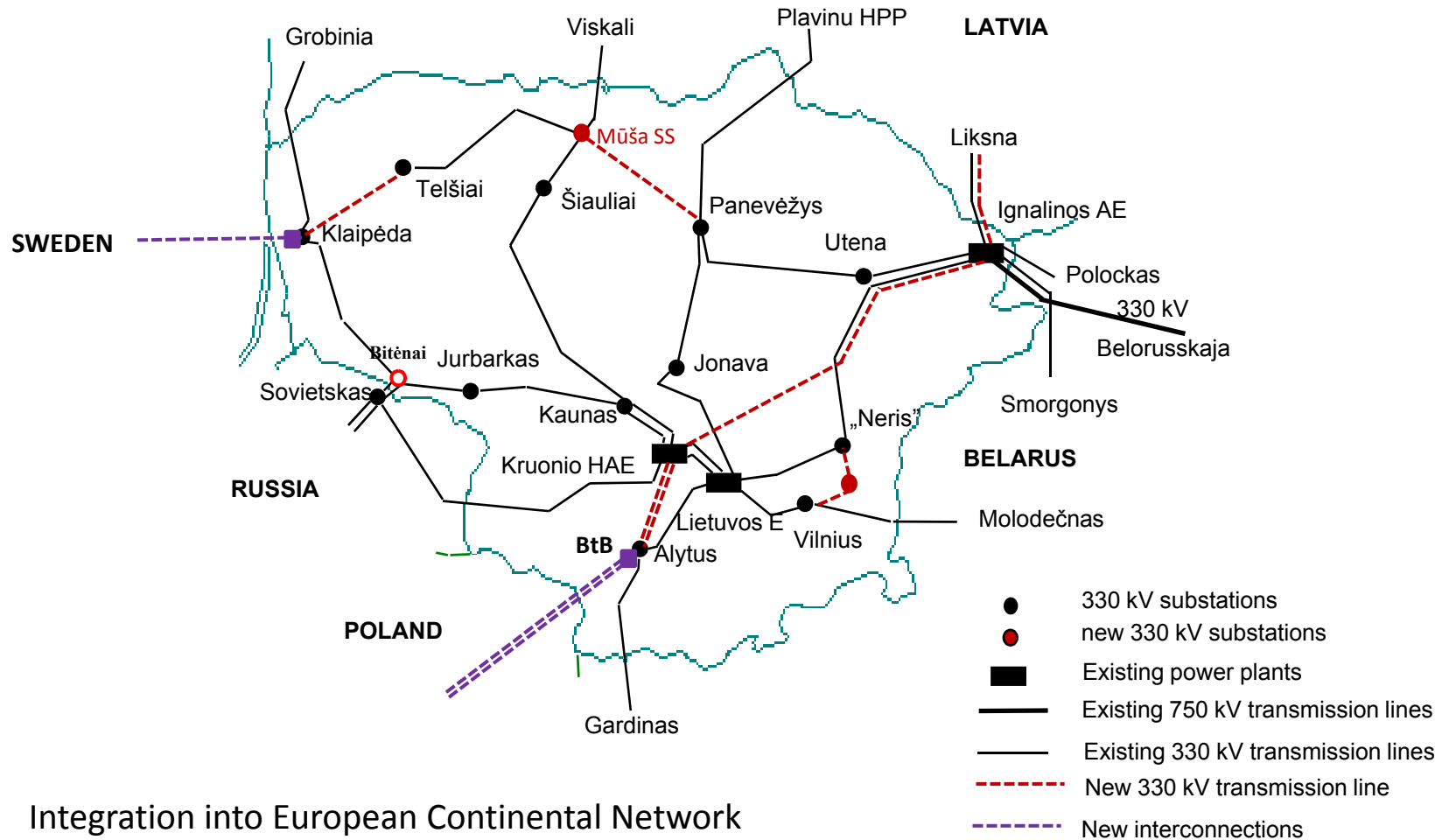
LITGRID – transmission system operator

Functions and responsibilities:

- Transmission of electricity
- Electricity system reliability and quality of electricity
- Electricity generation and consumption balance
- Grid development and system adequacy maintenance
- Public obligation services
- Electricity market development



Network development trends



- Integration into European Continental Network
- NordBalt project
- LitPol Link project
- Integration of Visaginas NPP
- Integration of Renewable Energy Sources

Launching of electricity interconnections



LitPol Link (Lithuania – Poland)

Capacity: 2x500 MW

Launching into operation:

2015 (500 MW)

2020 (1000 MW)

Planned investment: EUR 371 million



NordBalt (Lithuania – Sweden)

Capacity: 700 MW

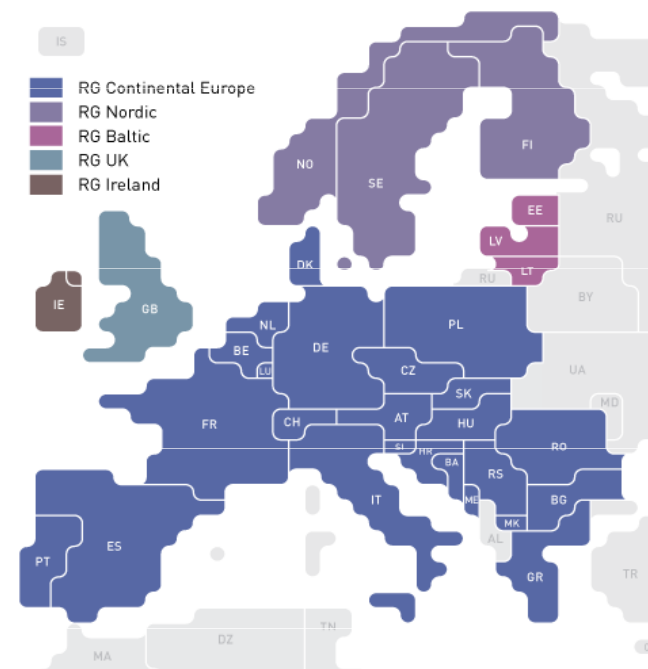
Launching into operation: 2016

Planned investment: EUR 552 million

New cross-border power links will require high capital investments during the period of 2011-2016

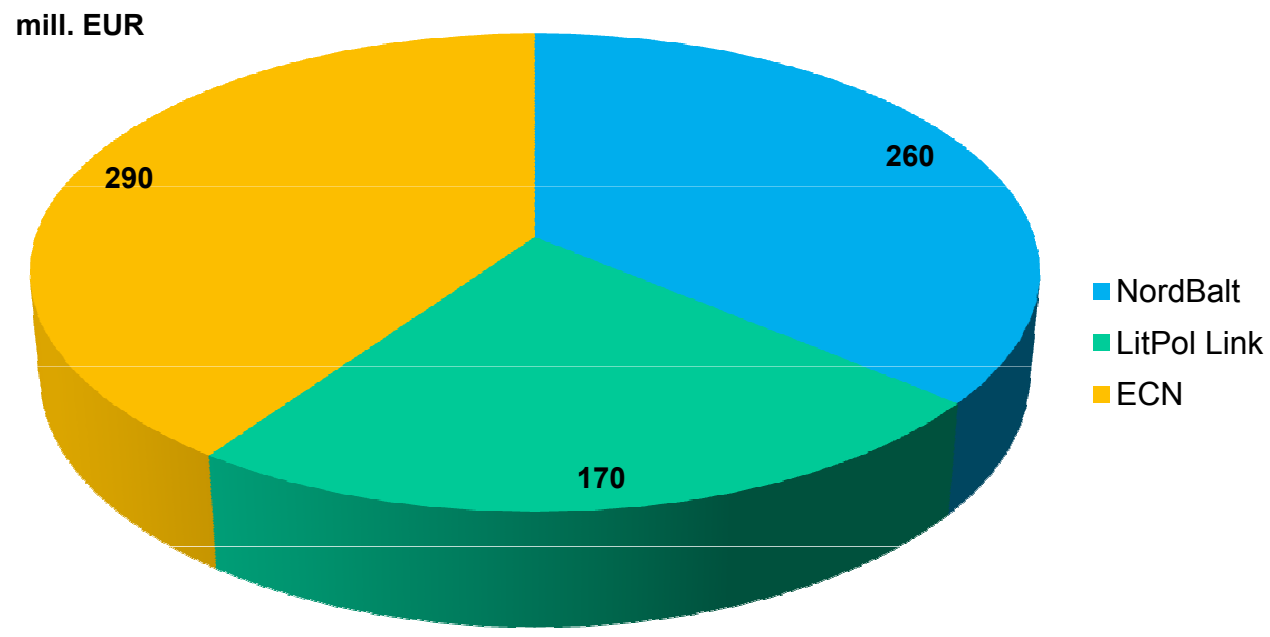
Synchronous interconnection with ECN

- On September 23rd, Y2010, grant from TEN-E funds for the Action „Feasibility study on interconnection variants for the integration of the Baltic States to the EU Internal Electricity Market“ unofficially was approved (applicants – Litgrid AB, Augstsprieguma tīkls AS, Elering OU). Grant sum- EUR 950 000 (50% from total sum of 1.9 mln. €)
- Feasibility study is planned to be finished by December, Y2012. The completed study should provide possible technical solutions regarding interconnection of the Baltic power systems for synchronous operation with ECN
- Ongoing EU-Russia dialog and BEMIP initiatives should bring more clarity on the precise process and timetable
- For synchronous connection additional lines with Poland should be built and disconnection from IPS/UPS performed



Integration into ECN will require high capital investments during the period of 2016-2020

Investments into strategic projects



Investments into strategic projects for Lithuania for 2011-2020 are ~720 mill.EUR



Impact for consumers

- Regulated asset base of TSO is 250 mill. EUR while investments into strategic projects for 2011-2010 – 720 mill. EUR
- Financing sources of the strategic projects:
 - EU grants
 - Loans
 - Tariff
- In the short term financing of strategic transmission projects will have an impact on the electricity price for consumers
- In the long term – interconnections will serve for security of supply, higher market liquidity, stronger competition – reasons for the prices to decrease
- Issues to be addressed:
How to share the costs of the projects, which provide benefits for several countries - Ongoing discussions on European Commission and ENTSO-E level

THANK YOU!

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