

Presentation on the situation after the start of operation of the Belarusian NPP

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Objective

- The capacity issued by the Baltic countries for trade with Russia directly and indirectly must ensure that electricity produced in Belarus does not enter the EU market
- Preference is given for electricity production within EU and maximum use of interconnectors with EU countries

In order to achieve this objective, a package of measures must be implemented:

- **Common Baltic Capacity Calculation Methodology**
- Efficient and reliable system of certificates of origin
- Introduction of a tariff based on costs of transmission system infrastructure

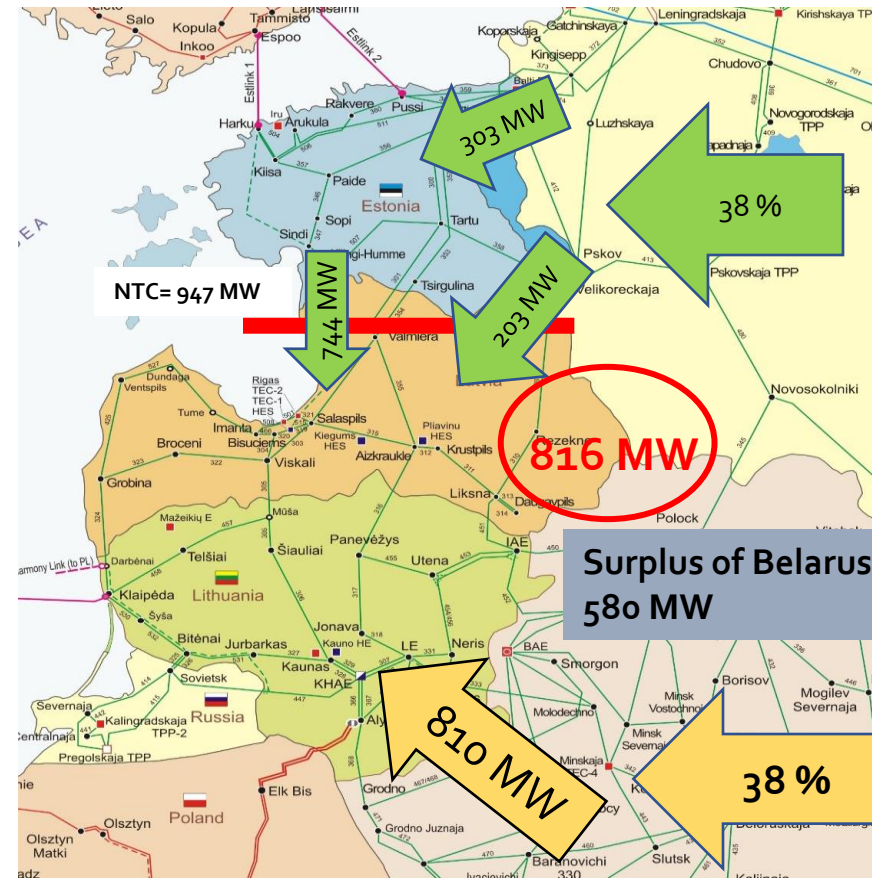
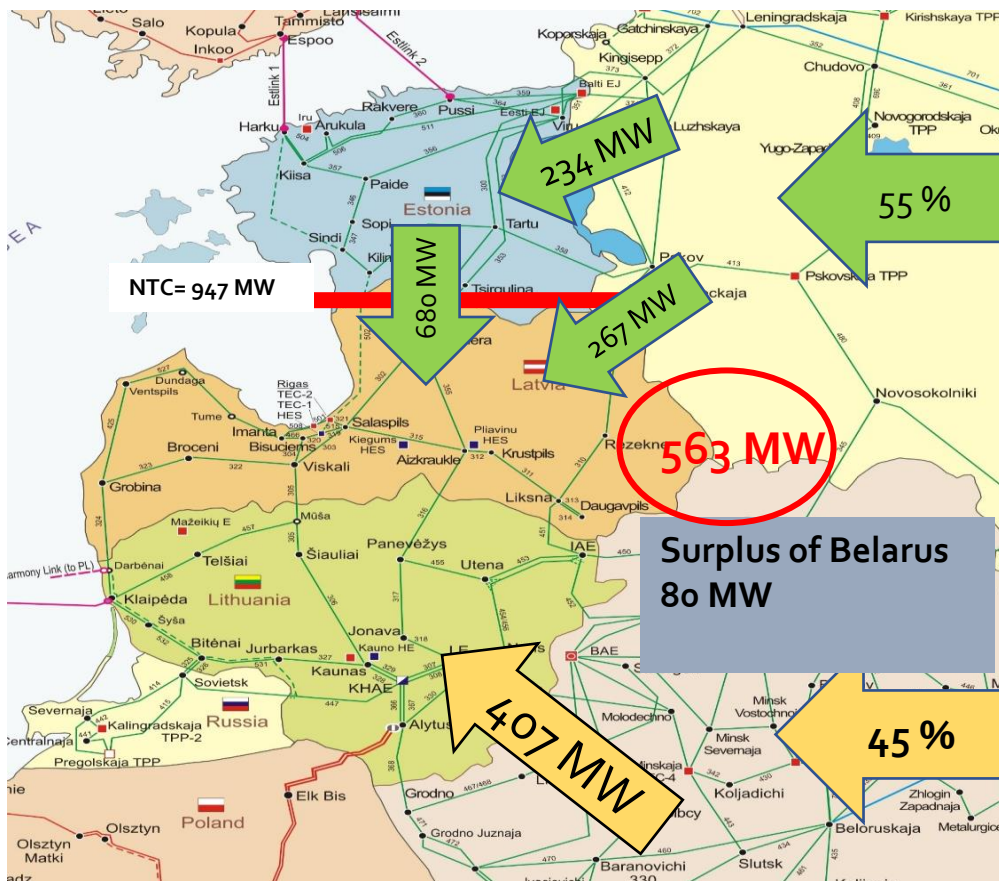
Bilateral methodology of Latvia and Estonia

- NERC has not approved the bilateral draft methodology of Latvia and Estonia, as the results of the Modelling have showed that this methodology does not ensure that Belarusian electricity will not enter the EU market
- The modelling conducted by NERC/LITGRID in October 2020 even before the start of operation of the Astravets NPP demonstrated **a direct link** that with the increase of the Belarusian balance (*by generating more electricity*) the physical flow through the BY-LT infrastructure and the volume of issued LV-RU capacity for trade **significantly increases**
- The bilateral draft methodology of Latvia and Estonia was prepared **without taking into account** the planned changes after the start of operation of Astravets NPP
- NERC/LITGRID submitted proposals and presented them to the Baltic TSOs, NRAs and the European Commission

Direct relationship between BY balance and impact for physical flow/import

If the Belarusian electricity balance accounts for +80 MW
 Estimated capacity from Russia according to the methodology
563 MW.

If the Belarusian electricity balance accounts for +580 MW
Other assumptions remaining unchanged, capacity from Russia according to the methodology
816 MW. Increase accounting for +45 %



- According to the 2019 statistical information, the capacity calculation analysis does not evaluate possible changes in the Belarusian balance after the start of operation of the Astravets NPP.
- The analysis performed shows that the impact of Astravets NPP on the capacity calculation results can be significant.

Source: LITGRID / NERC



Conclusions

- The actual data shows that the draft methodology of trade with third countries is not effective (**the objective of the political agreement has not been reached**) to prevent the import of Belarusian electricity into the EU market, i.e. electricity produced in Belarus enters the Baltic electricity market
- The Belarusian balance surplus directly results in the increase of physical flows through BY-LT and capacity allocation for trade with third countries under the unilaterally approved bilateral capacity calculation methodology of Latvia and Estonia
- Further discussions with colleagues of Baltic countries and the European Commission are necessary to achieve the objective in order to improve the Capacity Methodology based on the evaluation of the actual data of the transmission system operator (LITGRID)