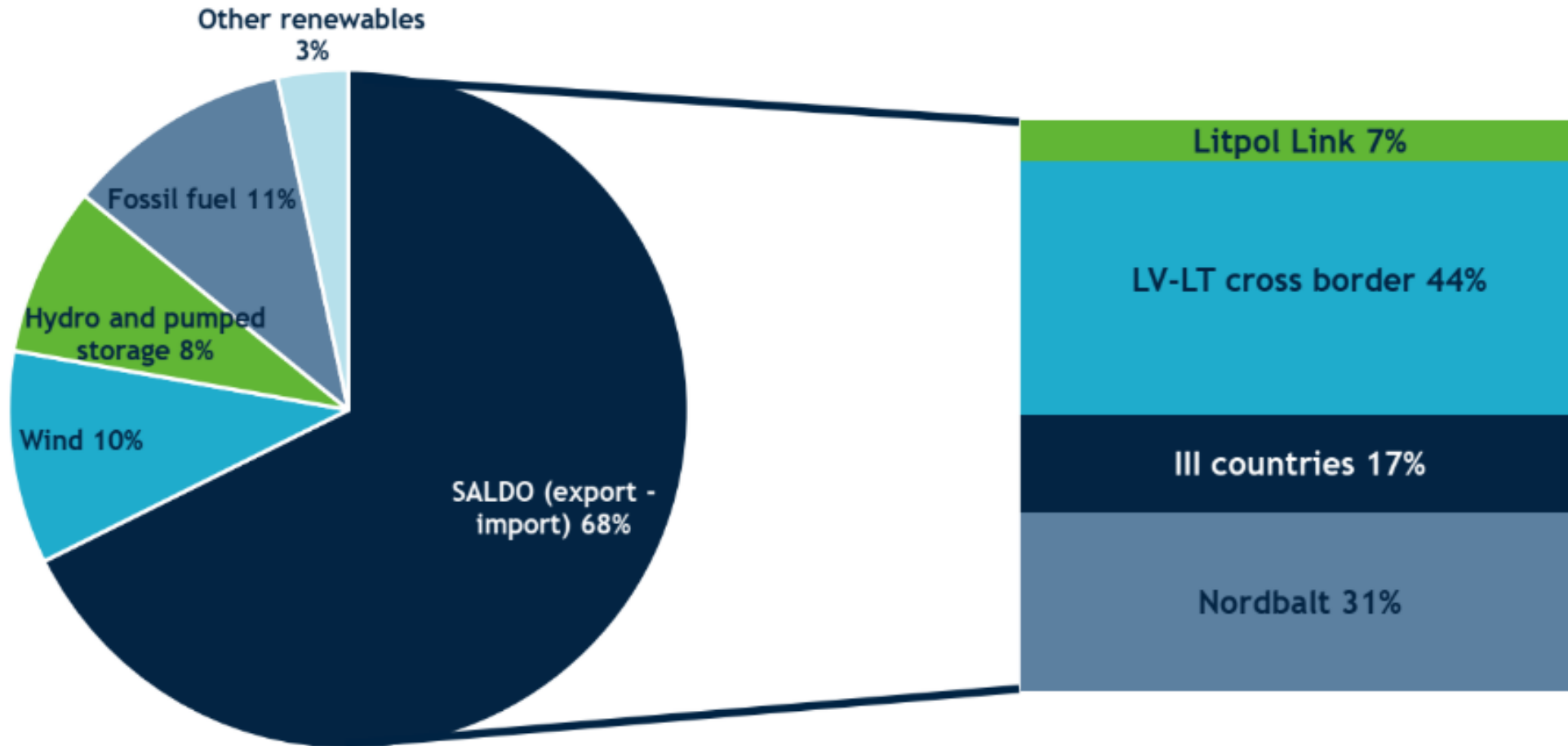


Electricity trading with third countries issues

National Energy Regulatory Council of the Republic of Lithuania

Jurga Grudzinskaitė-Gainovskė
Director of Gas and Electricity Department

Lithuania electricity mix (actual 2021 data)



Total consumption in 2021 was 13.74 TWh
Source: LITGRID AB

Introduction

- Third country is a country which is not considered as a Member State of the European Union
- Different trading rules are applicable when distinguishing among member states and third countries
- Legally „import“ is considered only as a trading with third countries, i. e. trading among Member States is not considered as an import

Market design

- Cross border trade is only allowed through power exchange (nominated electricity market operator, NEMO)
- This method ensures optimal market welfare because capacity calculation, allocation and congestion management of interconnectors are organized in a centralized matter with equal treatment of market participants orders to trade (bids, asks)
- Procedures are carried out regarding CACM and it's implementing acts (*CACM - Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management*) (as in all MS)
- Only day-ahead market is organized with third countries (there is no intraday market)
- Specific national legislation is applicable in case of third countries

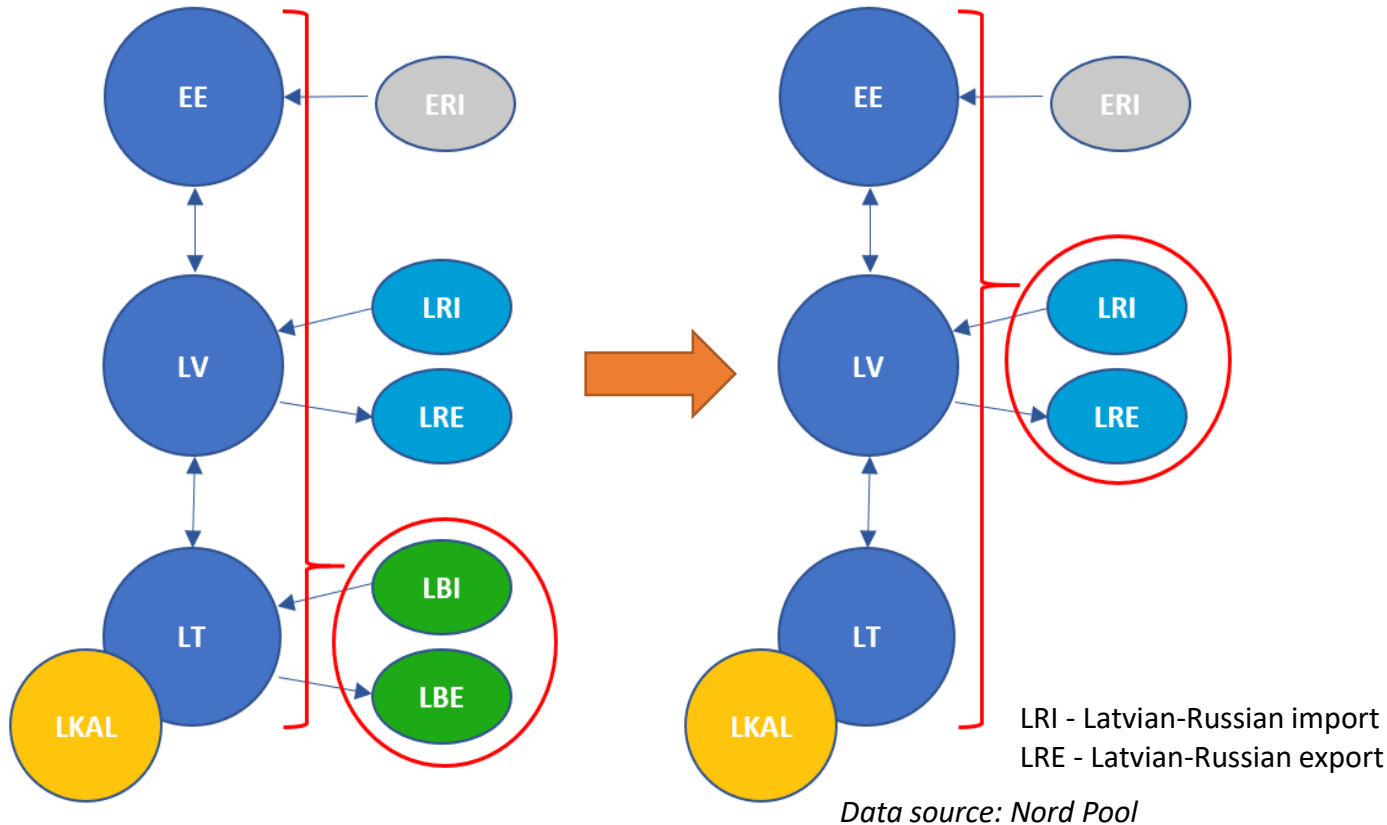
Specific national legislation is applicable in case of third countries

- Different trading conditions were applied:
 - Until 2020-11-03
 - From 2020-11-03
 - From 2021-09-15
 - From 2022-03-03
 - From 2022-05-22
- From 3rd of Nov 2020 Lithuania stopped power trading with Belarus, where unsafe Astravyets NPP operates by eliminating usage of LT-BY infrastructure for commercial trading with third countries as required by *Law on Necessary Measures of Protection against the Threats Posed by Unsafe Nuclear Power Plants in Third Countries of the Republic of Lithuania*

Changes in import/export bidding zones

Until 3rd November 2020

From 5th November 2020



Max TTC: RU->LV+EE = 1150 MW

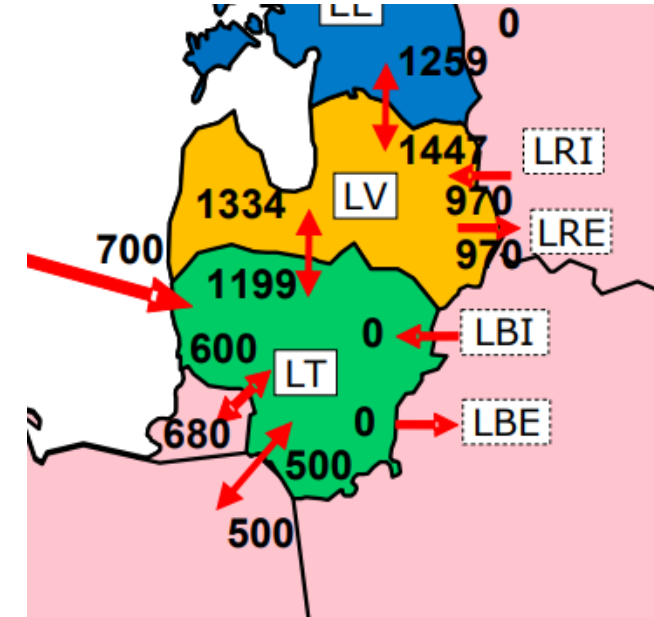
(there is no LV-RU section in the BRELL, only general section Estonia, Russia (Pskov) – Latvia)

TTC: BY-> LT = 1300 MW

- 3rd November 2020: LBI->LT and LT->LBE interconnections max NTC changed

From 1250 MW to 0 MW

- 5th November 2020: LV-LRE and LRI-LV max NTC changed from **From 323 MW to 970 MW**



Source:

<https://www.nordpoolgroup.com/globalassets/download-center/tso/max-ntc.pdf>

From 15 Sep 2021 - capacity calculation with third countries

- On 15 Sep 2021, NERC approved Methodology, which has defined the principles for calculating the technical flow (TTC) between Belarus and Lithuania to eliminate possibility to use LT-BY infrastructure for commercial trading with third countries. Methodology provisions:
- Net Transfer Capacity (NTC) for LT-BY was set to 0 MW;
- Lithuanian electricity transmission system operator (TSO) AB Litgrid has started to determine the maximum Total Transfer Capacity (TTC) for the LT-BY interconnection only for necessary technical flows;
- Determining the total transfer capacity of the LT-BY interconnector has not restricted electricity trade between Latvia and Russia;
- New amendments of methodology entered into force from 1st of Feb 2022 in order to solve technical and editorial issues.
- <https://www.regula.lt/en/Pages/Updates/2021/nerc-approved-methodology-on-cross-zonal-capacity-calculation-and-allocation-with-third-countries.aspx>

Latest updates regarding trading with third countries

- From 3rd of March 2022 maximum NTC was reduced:
 - KAL-LT to 150 MW
 - RU-LV to 150 MW
- From 22nd of May 2022 „Nord Pool“ power exchange issued a decision to suspend trading of Russia related companies.
 - Respectively NERC issued a decision to suspend import/export/supply licenses.
 - Trading with 3rd countries was terminated.

Applicable infrastructure fees

- Inter-transmission system operator compensation fee (**0,7 Eur/MWh**) published by ENTSO-E is applicable for all importers and exporters from third countries regarding EU ITC regulation (*Commission Regulation (EU) No 838/2010 of 23 September 2010 on laying down guidelines relating to the inter-transmission system operator compensation mechanism and a common regulatory approach to transmission charging*)
- Additional cost-based service to access to interconnection lines fee are applicable for exporters in order to cover TSOs cost – **6,84 Eur/MWh**.

Applicable infrastructure fees (only for export to 3rd countries)

Period of application	Price (EUR/MWh)
2016.03.01 – 2016.12.31	5,27
2017.01.01 – 2017.12.31	5,23
2018.01.01 – 2018.12.31	5,72
2019.01.01 – 2019.12.31	5,71
2020.01.01 – 2020.12.31	5,87
2021.01.01 – 2021.12.31	5,76
2022.01.01-...	6,84



THANK YOU FOR YOUR ATTENTION!

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