INTEGRATION OF THE BALTIC GAS MARKET: CURRENT STATUS AND THE WAY FORWARD

February 20, 2019, Riga
Baltic Gas market: first integration step

- Integration model - stepwise trading zone merger
- Depth of merger – Wholesale
- Start of operations – 01.01.2020
- Full merger – EE and LV, FI – joining the single entry tariff area in 2020
  - Client-centric model of operations
  - No tariffs on the borders between countries, including FI
  - «Base case» nDMS forecasting model
  - Storage (Inčukalns UGS) as virtual storage point
  - Single VTP serving wholesale/balancing/storage operations
  - Virtual exit points to national markets
  - Initially two VTPs/balancing zones – EE+LV and FI separate with following merger into one in 2022
Baltic Gas market: current achievements

_tick_ First step towards integration of the markets – Memorandum of Understanding signed on October 8, 2018, by TSOs from Estonia, Finland and Latvia

_tick_ Based on the principles agreed in MoU – the Agreement on inter-TSO compensation mechanism signed on February 14, 2019, foreseeing the abolishment of commercial interconnection points between bordering countries

_tick_ On February 15, 2019, public consultations and announcements on the regional entry tariff published in three countries
Baltic Gas market: Next steps

- Development, public consultation and approval of TPA and balancing rules for commercially merged Estonian/Latvian transmission systems and single balancing area for the use from 01.01.2020

- Development of the central IT platform for communication with market participants

- Tariff approval according to the national procedures with the aim to have single set of entry tariffs on external borders of Finland, Estonia and Latvia
THANK YOU FOR ATTENTION!