



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

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

The background of the slide is a faded, grayscale image of industrial machinery. It features several large vertical cylindrical tanks, a network of pipes with various valves and fittings, and several circular gauges or pressure meters. The overall scene suggests a complex industrial or manufacturing environment.

THANK YOU FOR ATTENTION!