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Experts will analyse on how to expand commercial use of GIPL interconnection in Europe

Given the changes in gas markets and energy as a whole that are taking place in Europe, as well as integration processes, taking reference to the latest data, experts started analysing the perspective of the economic and commercial benefits of the international GIPL gas pipeline in a pan-European context.

Lithuanian and Polish gas transmission system operators Amber Grid and GAZ-SYSTEM have signed an agreement with the international consulting and engineering company AFRY for the preparation of an independent study to find solutions on how to ensure the commercially optimal use of the gas pipeline that will connect both countries. The agreement worth 121 thousand euros was signed after AFRY won the public tender. The operators of both countries will finance the consultancy services in equal parts. The results of the study must be presented by August.

The aim is that the GIPL gas interconnection, which will start operating from 2022, would create the greatest possible economic benefits for consumers in Lithuania, Poland and other Member States of the European Union, and would be used intensively for transporting gas on various routes and for the needs of many countries.

According to Nemunas Biknius, the CEO of Amber Grid, GIPL is not just a two-way gas pipeline, which will connect the Lithuanian and Polish gas transmission systems, but also it will allow integrating into the European Union gas market a region that is currently isolated from other EU markets, consisting of Lithuania, Latvia, Estonia and Finland. Apart from the fact that GIPL will increase security of supply in the region, the new interconnection also has significant commercial potential and can be of significant economic benefit to the gas market participants.

'This study should provide an objective answer to a fundamental question - what additional benefit we can create for the European gas market participants with help of this interconnection. It is important for us to assess the latest trends of energy economy and needs of security to make decisions on how this interconnection, which is beneficial to the Baltic region, could be used as effectively as possible', says N. Biknius.

The study will provide guidelines on how GIPL could contribute in the further development of the regional market, what should be the optimal access to the GIPL connection point, what impact the opportunities created by the GIPL may have on other transmission infrastructure.

Experts will analyse the development of the regulation of gas market in European countries, integration processes of the markets, the development of gas transmission services in the most developed European markets, and will present analysis of business opportunities and economic benefit of using GIPL gas pipeline. The results of the study will be taken into consideration in determining the conditions for the use of the interconnection. Furthermore, the possibilities and perspectives of using the interconnection will be actively communicated to the market participants, public authorities and other persons concerned.

Whereas the construction of the GIPL gas pipeline in Lithuania is actively in progress, there are plans to build in 2020 two thirds or 100 km of the pipeline out of 164 km in the territory of Lithuania. Within four months of the start of the construction, 95 km of steel pipes were brought to Lithuania from Poland, 69 km of pipes were welded into strands. Archaeological explorations are currently being carried out in the route of the gas pipeline. Later this year, complex works of directional horizontal drilling are planned, they will be carried out in building the gas pipeline under the largest rivers in Lithuania - Neris and Nemunas.

The interconnection of gas pipelines, that will be completed at the end of 2021, will create a capacity to transport up to 27 terawatt hours (TWh) of natural gas per year in the direction of the Baltic States, in the direction of Poland - up to 21 TWh per year, and the Baltic gas markets will

become part of the overall EU gas market.