

02.01.2020

## **GIPL Construction Has Started**

On conclusion of a works contract at the end of December, Amber Grid – the Lithuanian natural gas transmission system operator has started preparatory works of the construction of the gas interconnection Poland – Lithuania (GIPL). Arrangements for the delivery of the pipes manufactured in Poland are underway.

The construction of the gas pipeline will start at Jauniūnai, Širvintos district, in the direction of the Lithuanian – Polish border in Lazdijai district. Tracing of the route, search for explosives in the construction area, archaeological investigations and other requisite works have already been started.

'Due to the prolonged procurement process our schedule is very tight, and each day is important. We have carefully planned works for each week, appointed responsible persons and put control mechanisms in place so that this project, which is of great significance for both Lithuania and all the Baltic States, is completed on time – by the end of 2021', says Nemunas Biknius, acting CEO of Amber Grid.

According to Nemunas Biknius, the company will focus on safety at work, project management quality and engineering supervision during the works.

It is also very important that the contractor does not delay in placing orders for the gas pipeline equipment and materials are received from European manufacturers on time. This is vital for the speed of implementation of the project.

In the first phase of the construction, efforts will be concentrated on the Jauniūnai – Alytus section, i. e. one hundred kilometres of the gas pipeline, to be followed by the remaining section of the pipeline to the Lithuanian – Polish border. The total length of the Lithuanian part of the GIPL is 165 km.

As strong competition was ensured in the tendering procedure, the implementation of the GIPL project will cost EUR 24 million less than estimated. Instead of EUR 136 m, the costs of the project (purchase of the pipes and construction works) will amount to EUR 112 m. The total value of the GIPL project is approx. EUR 500 m. Over 60% of the project costs are financed by the European Commission. Latvian and Estonian gas transmission system operators will also contribute to the funding of the project.

On completion of the gas interconnection at the end of 2021, capacities will be in place that will allow transportation of up to 27 terawatt hours (TWh) of natural gas in the direction of the Baltic States and up to 21 TWh of natural gas in the direction of Poland per year, and the gas markets of the Baltic States will become part of the common EU market for gas.



**Co-financed by the European Union**

**Connecting Europe Facility**