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Halfway reached in the implementation of the GIPL project which will connect the Baltic region and Europe

Strategic energy project important for Lithuania and the Baltic region - the construction of the gas interconnection in the territory of Lithuania has already been completed at almost 50 percent planned works. The GIPL project has been presented to the representatives from state embassies of the region: Poland, Baltic countries, Finland and USA.

Over 100 km of steel pipes have been welded and 65 km of the pipeline has been laid into trenches in the GIPL project. The works have been performed in Alytus district and in November the gas pipeline will be laid beyond Alytus towards the Lithuanian-Polish border. The most complicated project part – laying the gas pipeline under the largest Lithuanian rivers – has been mainly implemented and allows continuing the planned works.

'The international GIPL gas pipeline will not be just a pipeline between Lithuania and Poland, but rather it will become the main artery connecting the gas markets of the entire EU, the Baltic countries and Finland. Thus the process of developing the single European gas market will be accomplished in our region, and Lithuania as well as other Baltic countries will have complete freedom of choice with regard to gas supply. The most important thing today is keeping to the pre-defined schedule with the rapidly ongoing construction works and finishing the project by the end of 2021, as planned', said Minister of Energy Žygimantas Vaičiūnas.

The GIPL project with the value of almost EUR 500 million is implemented by the Lithuanian and Polish gas transmission system operators Amber Grid and Gaz-System. The major share of GIPL project funding – EUR 306 million – has been allocated by the European Union within the framework of the Connecting Europe Facility. The investment budget in Lithuania is EUR 136 million, yet savings are expected. This June, the European Investment Bank granted a loan of up to EUR 65 million for the implementation of GIPL. The project is financed not only by the EU, Lithuania and Poland, but also by Latvia and Estonia.

'Lately we have been transmitting big flows of gas via the Lithuanian network to Latvia, Estonia and Finland. According to the data of August, gas flows directed to Latvia exceeded the quantity of gas transported to Kaliningrad and Lithuania. It means that trade in gas is intensive, the market takes advantage of favourable global gas prices and is concerned with having alternative corridors for the development of gas business,' said Nemunas Biknius, CEO of Amber Grid.

The gas pipeline between Lithuania and Poland is targeted at elimination of Baltic energy isolation from the EU and at securing competition on the gas market. The GIPL gas pipeline which will be launched at the end of 2021 will enable import of gas from different sources, open up opportunities for gas supply from Poland, to Poland, Ukraine and other states. The new international gas pipeline will enable a more efficient use of the Lithuanian gas transmission system and Klaipėda LNG Terminal.

Built capacities will lead to transportation of approx. 27 Terawatt Hours (TWh) of gas from Poland to Lithuania per year, which is more than Lithuania's annual gas consumption indicator (22 TWh). The capacities to Poland and other countries connected to Poland will allow to transport 21 TWh of gas annually. That is about half the capacities of Klaipėda LNG Terminal, leading to its wider use possibilities. After the GIPL project is implemented, the Baltic and Finnish gas markets will be integrated in the single EU gas market.

