

04.11.2020

## **Launching of non-binding market survey for development of services for new transmission capacity in the gas interconnection Poland-Lithuania GIPL**

Gas Transmission Operator GAZ-SYSTEM S.A. and AB Amber Grid decided to conduct non-binding Market Survey procedure searching for the market view on the development of the services for new transmission capacity in the Gas Interconnection Poland – Lithuania (GIPL).

The Polish and Lithuanian TSOs, i.e. Gas Transmission Operator GAZ-SYSTEM S.A. and AB Amber Grid believe that, in addition to the obvious Security of Supply function, the GIPL project demonstrates a high commercial potential and might provide high economic value for market players, that will support the development of a competitive energy market in the region and contribute to the process of regional gas market integration. Taking into account the value, that the GIPL may bring to the gas market in the region, both TSOs see the need to investigate the possibilities which can enhance commercial usage of GIPL and maximise its positive economic impact.

According to current status of works, the commissioning of GIPL project is planned so that GIPL will be operational since calendar year 2022 applying standard rules for the access to its capacity. However, Polish and Lithuanian TSOs are looking to investigate the needs to enhance the effectiveness of the rules for market participants in periods to come. Such potential changes to the tariff or the capacity allocation model, if applied by the TSOs, could be introduced already from calendar year 2023. The overall period concerned by the Market Survey is from the Gas Year 2022/2023 for the consecutive 15 Gas Years.

Through this Procedure, GAZ-SYSTEM and Amber Grid would like to obtain a better understanding of the key drivers for designing the optimal conditions for the access to GIPL interconnection point in both directions of the flow and provide higher value for our customers. In particular, the TSOs wish to focus on the pricing of the GIPL interconnection point, as well as the methods of capacity allocation. The market survey will also allow to estimate the market demand for new capacity in the Polish and Lithuanian Transmission Systems, which will be available as a result of the construction of GIPL, i.e. 274 000 Nm<sup>3</sup>/h (2,4 bcm/y) from Poland to Lithuania and 217 000 Nm<sup>3</sup>/h of (1,9 bcm/y) from Lithuania to Poland, in various pricing scenarios.

On 4 November 2020 both TSOs launch non-binding Market Survey for the development of the services for new transmission capacities, which will be made available as a result of implementation of the GIPL project and creating a physical interconnection point on the Polish/Lithuanian border (the Entry/Exit Point Poland – Lithuania of the GIPL in both directions of the gas flow).

The participants which are interested in participation in the Market Survey procedure should fill out and submit the Questionnaire in English language version until 7 December 2020 to each of the TSOs to the e-mail addresses: [badanierynku@gaz-system.pl](mailto:badanierynku@gaz-system.pl) and [consultation@ambergrid.lt](mailto:consultation@ambergrid.lt). Also on 25 November 2020 TSOs will organize a workshop for the market survey participants. Invitation to this workshop will be released separately in due time.

More information available [here](#).

Amber Grid, Lithuanian gas transmission system operator, ensures reliable and safe gas transmission by high pressure pipelines to the system users. We are responsible for operating, maintaining and developing the natural gas infrastructure of Lithuania which contains of more than 2100 km of pipes and 2 gas compressor stations. Well-developed Lithuanian gas infrastructure serves as regional hub for the gas transmission towards North in Latvia direction. We are implementing a strategic energy project GIPL, a natural gas infrastructure that will connect Polish and Lithuanian as well as Baltic and Finnish gas transmission systems with the European Union. The GIPL interconnection is designed to enhance gas market of the region and to deliver value for the market players and involved countries. Amber Grid shares are listed on the Baltic Secondary List of the NASDAQ Vilnius Stock Exchange. The controlling stake of Amber Grid is owned by the holding company EPSO-G, whose 100% of the shares are owned by the Ministry of Energy of the

Republic of Lithuania.

GAZ-SYSTEM plays a strategic role in the Polish economy. We are responsible for natural gas transmission and operate the most important gas pipelines in Poland. As part of the 2015-2025 investment programme, GAZ-SYSTEM plans to build over 2000 km of new gas pipelines in western, southern and eastern parts of Poland. Further development of the national transmission network, including the construction of new gas pipelines making part of the North-South Gas Corridor, as well as the construction of interconnections with the neighbouring countries, will strengthen Poland's energy security and make an important contribution to the development of the European transmission system.

The Company is implementing one of the most important infrastructural projects in Poland – the Baltic Pipe project, which consists in the construction of a bidirectional offshore gas pipeline connecting Poland and Denmark and the expansion of the local transmission network. GAZ-SYSTEM also owns Polskie LNG, the operator of the President Lech Kaczyński's LNG Terminal in Świnoujście.