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Seven weeks of lockdown have not interfered with construction of the GIPL

The lockdown and operating restrictions in place in Lithuania due to the COVID-19 pandemic have not affected construction of the Gas Interconnection Poland-Lithuania (GIPL) – work on this strategic energy project is in full swing. As planned, this interconnection, which will not only benefit Lithuania, but all of the gas market participants in the region as well, will be completed by the end of 2021, with almost two-thirds of the construction work planned for this year.

“One of the largest energy projects in Lithuania in recent time – construction of the GIPL gas pipeline between Lithuania and Poland – is proceeding according to schedule. By concentrating, organising work properly and adhering to all safety requirements, it has been possible to work without stopping for a single day during the seven weeks of lockdown. The goal therefore remains the same: two-thirds of this gas pipeline must be built this year,” says Minister of Energy Žygimantas Vaičiūnas, who visited the GIPL construction site near Kernavė today.

The GIPL will connect the Baltic and Finnish gas markets with Poland, as well as with the European Union, which is financing a significant part of the project. The new gas route is not just about ensuring energy supply security. Its benefits, together with all of the developed energy infrastructure, including the Klaipėda liquefied natural gas terminal, interconnections between countries, and opening of the Finnish gas market, will also bring economic benefits and be reflected in the price of gas.

As part of a huge gas market, aspects of commercial benefits become apparent, including opportunities to participate in the Polish and European markets, offer new instruments in gas trade and increase usage of the LNG terminal in Klaipėda. Under favourable conditions, the GIPL will allow gas to be transported to or from Poland and other EU countries; with the application of additional technical solutions, it will also be possible to supply it to Ukraine or Belarus.

According to EPSO-G CEO Rolandas Zukas, timely investment in the energy transmission and trading infrastructure allows market participants in all countries of the region to operate in a competitive environment and increases the attractiveness and liquidity of the market, and as a result, consumers will be able to directly feel the impact of the recently favourable gas prices on their wallets.

“We’re seeing that with the construction of the gas pipeline between Estonia and Finland and liberalisation of this country’s gas market, trading on the GET Baltic exchange is exceeding our expectations – in the first three months of this year, turnover was higher than we had planned for the entire first half. Therefore, we are now not only building, but also modelling what new services and new gas supply routes will be created, and what new opportunities will be presented by the gas pipeline between Lithuania and Poland once it begins operation,” noted Mr Zukas.

Construction of the GIPL, whose route length in Lithuania is 165 km, began at the beginning of this year. 85 km of steel pipes have already been delivered to Lithuania from Poland, 64 km of pipes have been welded, and the first 5 km of the gas pipeline have been laid in the excavated trench. Archaeological research is currently under way along the route of the gas pipeline.

“The most complex phase of this year’s work will begin in early June, when our German partners will begin horizontal directional drilling under the Neris. Work sites have already been set up at Kernavė on one side and at Kazokiškės on the other side of the river, and we are almost done welding a special pipe that will be drawn along the bottom of the Neris, at a depth of 20 metres,” said Amber Grid CEO Nemunas Biknius.

The GIPL will make it possible to transport up to 27 terawatt-hours (TWh) of gas per year to the Baltic States, and up to 21 TWh per year to Poland, and the Baltic gas markets will become part of the single EU gas market.

