

**Public consultation completed on April 3, 2017. The stakeholders provided no comments.**

## Public Consultation on Amendment of Network Access Rules and Provisions of Interconnection Agreement for the Interconnection Point between Lithuania and Latvia

Gas transmission system operators (TSOs) of Baltic States, AB Amber Grid, Elering AS and AS Conexus Baltic Grid are seeking for measures for closer integration of the national gas markets of Lithuania, Latvia and Estonia, which would foster the cross-border trade and development of a competitive regional market. With this in mind, the TSOs are implementing implicit capacity allocation method for short-term cross-border capacity and trading. When this method is applied both cross-border transmission capacity and a corresponding quantity of purchased gas are allocated at the same time through the trading platform of gas exchange.

All three national regulatory authorities of the Baltic States approved the implicit capacity allocation model on January 2017 and on 23 January 2017, the TSOs signed a Cooperation Agreement on the Implementation of the Implicit Capacity Allocation Model. To implement this model in Lithuania, amongst other tasks, Amber Grid will need to amend the Rules for the Use of the Transmission System.

AB Amber Grid prepared and submitted to National Commission for Energy Control and Prices (NCC) the draft amendments to AB Amber Grid Rules for Access to the Natural Gas Transmission System (hereinafter – Access Rules). NCC on March 21, 2017 announced a public consultation on amendment of Access Rules and invited to provide comments and opinions until April 3 (link to public consultation <http://www.regula.lt>). The main changes in the amendment of Access Rules are:

- It is foreseen to reserve 10% of interconnection point between Lithuania and Latvia technical capacity for booking of short term capacity products (day-ahead and within-day);
- The provisions on capacity allocation are extended – the provisions on implicit capacity allocation are included;
- The gas quantity allocation provisions on interconnection point with Latvia are revised, so that allocation is equal to confirmed nomination

Amendments to the Access Rules should enter into force on May 1, 2017.

Also with implementation of the implicit capacity allocation model, it is foreseen to sign the interconnection agreement between AB Amber Grid and AS

Conexus Baltic Grid with the revised provisions than those currently applicable for the interconnection point between Lithuania and Latvia. Its foreseen to determine that:

- rules for the matching process, used to coordinate between TSOs the confirmation of nominations and re-nominations provided by network users, are:
  - The main matching rule shall be *lesser rule*. TSOs may apply other rule for matching of re-nominations in case of limitations stipulated by network rules of any of TSOs;
  - Initiating TSO shall be AB Amber Grid and matching TSO shall be AS Conexus Baltic Grid;
  - The matching process for nominations shall start at 15.00 EET (EEST) on D-1;
  - TSOs shall send confirmed nominations to network users no later than 17.00 EET (EEST) on D-1;
  - The re-nomination cycle starts on every hour within the re-nomination period;
  - TSOs shall send confirmed re-nominations to network users within two hours from the start of each re-nomination cycle.
  
- rules for the allocation of gas quantities are:
  - TSOs shall ensure the consistency between the allocated quantities at both sides of the interconnection points;
  - Gas volume allocated to network user for a specific day shall be equal to the volume according to nominations confirmed by the TSOs for the network user;
  - Difference between confirmed nominations for network users and measured gas volumes (steering difference) shall be allocated to an operational balancing account administered by both TSOs;
  - The both TSOs shall endeavour to maintain at all times an operational balancing account balance that is as close to zero as possible during agreed period depending on operational regimes agreed by TSOs.
  
- communication procedures in case of exceptional events are:
  - TSOs shall ensure that communication procedures which facilitate fast and simultaneous communication in cases of exceptional events are in place;
  - Communication between TSOs shall be performed by oral communication for information, followed by an electronic written confirmation unless agreed otherwise;
  - TSO affected by an exceptional event shall be required, as a minimum, to inform its network users if there is a potential impact on their confirmed quantities and to provide all necessary

- information about:
- the possible impact on the confirmed quantities for network users active at the concerned interconnection point;
  - the expected and actual end of the exceptional event.
- TSO affected by an exceptional event shall be required, as a minimum, to inform the adjacent TSO of the occurrence of such exceptional event and to provide all necessary information about:
- the possible impact on the quantities and quality of gas that can be transported through the interconnection point;
  - the expected and actual end of the exceptional event.

AB Amber Grid invites to provide comments and opinions on amended Access Rules and on draft provisions of Interconnection Agreement until April 3, 2017 to Amber Grid by email [consultation@ambergid.lt](mailto:consultation@ambergid.lt). Comments and opinions on amended Access Rules also can be submitted to NCC by email [rastine@regula.lt](mailto:rastine@regula.lt). Should you have any questions please contact AB Amber Grid Head of Sales Division Mr. Mindaugas Beržanskis by email [m.berzanskis@ambergid.lt](mailto:m.berzanskis@ambergid.lt).