



1 July 2018

15 June 2018

## Nuclear operator to close Wolsong-1, nullify construction plans

South Korea's nuclear power operator will close the Wolsong-1 unit before the end of its life cycle and nullify the construction plan of the four new plants, its chief executive said Friday.

Chung Jae-hoon, CEO of Korea Hydro & Nuclear Power (KHNP), said its board of directors approved the plans, in line with the government's nuclear phase-out plan.

The 30-year operational life cycle of Wolsong-1 in Gyeongju, 370 kilometers south of Seoul, ended in 2012, but it was extended for another 10 years to 2022. It is now the nation's oldest reactor, following the permanent shutdown of Kori-1 in June 2017, and has remained idle since May for maintenance. Its power generation accounts for a mere 0.6 percent of the total, according to the company.

The KHNP also approved abandoning plans to build four nuclear reactors on the southeastern coast. The Shin Hanul 3 and 4 units, which were scheduled to be built in Uljin, 330 kilometers southeast of Seoul, received construction approval in February 2017, while the process to push for the Cheonji 1 and 2 units in Yeongdeok, south of Uljin, did not proceed far.

The KHNP said it will ask the government to compensate its costs after conducting legal reviews. "The board of directors agreed that (the KHNP) should ask the government for compensation on legal and reasonable losses," Chung said. "The government said it will review our request based on related regulations."

The government has pledged to scrap new nuclear programs and won't extend the life cycle of existing facilities to decrease the number of reactors to 14 in 2038. It was included in the government's long-term energy supply plan in December.

South Korea currently has 24 nuclear reactors to generate about one-third of its electricity, and two more are under construction.

*Yonhap News Agency*  
<http://www.yonhapnews.co.kr>

15 June 2018

## Fortum wins EU, Russia antitrust approvals for Uniper stake buy

EU antitrust regulators cleared on Friday Finnish utility Fortum's (FORTUM.HE) bid to buy a 46.65 percent stake in German energy group Uniper (UN01.DE) from E.ON (EONGn.DE), saying the deal would not hurt competition.

In a separate statement, Fortum said it had also received merger clearance from the Russian Federal Antimonopoly Service (FAS) to acquire up to 50 percent of Uniper, in line with a previous decision disclosed at the end of April.

Fortum said the FAS decision would prohibit it from making unjustified price increases on the wholesale electricity market, adding that would not have a significant impact on its operations.

The approvals remove the remaining hurdles for Fortum to close the 3.8 billion euro (\$4.4 billion) transaction, which the Finnish group said would take place no later than June 27.



**1 July 2018**

The European Commission gave the green light without setting conditions, confirming a Reuters story earlier this week.

“We can approve their proposed merger, in particular because of the high level of interconnectivity between different countries in the Nordic area and because there is significant spare generation capacity in Sweden,” European Competition Commissioner Margrethe Vestager said.

Uniper has opposed the transaction, arguing the combination makes little sense given the energy group’s heavy exposure to gas and coal-fired power plants while Fortum’s focus is on clean technologies.

Last week, Uniper Chief Executive Klaus Schaefer said he would defend the energy group’s independence, suggesting a full takeover would not be possible with him in the driving seat.

*Reuters*

<http://www.reuters.com>

**18 June 2018**

## **TEPCO may decommission the Fukushima Daini nuclear units**

The facility includes four nuclear reactors, with a combined capacity of 4,268 MW.

The Japanese nuclear company TEPCO is mulling over the decommissioning of the Fukushima Daini nuclear power plant, located 11 km south of the Fukushima Daiichi power plant in the Fukushima prefecture of Japan.

Even if this proposition is strongly supported by Fukushima residents, no official decision has been taken so far and the plant’s status remains uncertain.

The Fukushima Daini facility includes four nuclear reactors, with a combined capacity of 4,268 MW (4,400 MW gross). Although located in the neighbourhood of the Fukushima Daiichi plant, they were not damaged by the March 2011 earthquake and tsunami. They have been maintained in cold shutdown since then.

*Enerdata*

<http://www.enerdata.net>

**18 June 2018**

## **Belgian outages rescheduled for concrete checks**

Belgium’s nuclear power plant operator Electrabel has revised the timetable for scheduled maintenance outages at three of its reactors to check for degradation of concrete in the ceilings of buildings housing back-up safety-related equipment. The extended outages will cost the company some EUR250 million (USD290 million).

During a planned outage at Doel unit 3, which began in October, Electrabel discovered the concrete ceiling of a building adjacent to the reactor building required repair. This building contains "second level security systems, which are only used if there is a problem with the first level systems". The ceiling of the Doel 3 building - in rooms housing the outlet nozzles of the steam exhaust valves - is being repaired and the reactor is scheduled to restart on 1 August.

"Analyses have shown that in these installations, located in the non-nuclear part of the plant, the state of the concrete could be weakened as a result of hot and humid



1 July 2018

conditions," Electrabel's parent company Engie said. "Since the safety requirements foresee that the bunker buildings need to withstand an external event, the operator of the plant must be able to demonstrate that this resistance is ensured at all times."

In consultation with Belgium's Federal Agency for Nuclear Control (FANC), Electrabel has decided to revise the timetable for planned outages at Doel 4 and Tihange units 2 and 3 to inspect the ceilings of such buildings at those units. At Tihange 3, a maintenance outage currently under way will be extended "by a few months" to September, FANC said. In April, Electrabel discovered a similar deterioration in the concrete of the ceiling of the rooms housing the outlet nozzles of the steam exhaust valves. It was concluded that this deterioration was caused by the release of steam during a specific test of one of the valves. Repairs to that ceiling are also under way.

FANC said inspections at Tihange 2 and Doel 4 will be made as soon as possible. The planned outage of Doel 4 will be brought forward from November to August, while the outage planned to start at Tihange 2 in August will be extended until the end of October.

"These dates have been set based on the information known today and could be adjusted depending on the results of the inspections and the work progress," Engie said. "These revisions represent the equivalent of more than seven additional cumulative non-operating months in 2018 for an equivalent second generation unit (with a capacity of about 1 GWe), with no impact on 2019. The impact of these revisions is a shortfall of around EUR250 million in group EBITDA [earnings before interest, taxes, depreciation, and amortisation] and the group's share of net recurring income. At the latest, the first half financial results publication on 27 July, the Group will be able to clarify and comment in more detail the financial impact resulting from these measures," Engie said.

*World Nuclear News*

<http://www.world-nuclear-news.org>

19 June 2018

## Vistra plans largest energy storage project in Texas

### *Dive Brief:*

- Vista Energy has revealed plans to develop a 10 MW, 42 MWh lithium-ion battery at a Texas solar plant. It would be the largest energy storage project in the state so far.

- The battery will be constructed at the Upton 2 Solar Plant, which can produce up to 200 MW during peak hours. Because the project's interconnect is for 180 MW, the battery will absorb some power that would have been lost while also charging with cheaper energy during the night.

- Vistra President and CEO Curtis Morgan said last week that the company is also looking to develop storage at two sites in Pacific Gas and Electric's territory in California.

### *Dive Insight:*

Vistra, which emerged from the bankruptcy of Energy Future Holdings and recently completed the acquisition of Dynegy, said last year that it will close 4.2 GW of Texas coal capacity. Despite that, the company has said it has no plans to build new plants and will instead look to optimize its remaining fleet. At a June 12 analyst meeting, Morgan said he is "happy with what we have in conventional generation."

The Upton 2 battery project is expected online in the fourth quarter of this year to soak up renewable energy that would have been wasted.



## 1 July 2018

### BATTERY PENETRATION ESTIMATES BY MARKET<sup>1</sup>

	MW			% Installed Generation		
	2018 Operating Storage Capacity	2018 Projects in Development	Potential 2028 Storage Capacity	2018 Operating Storage Capacity	2018 Projects in Development	Potential 2028 Storage Capacity
CAISO	234	610	4,450 - 8,804	0.45%	1.12%	8.6 - 16.9%
PJM	335	220	475 - 6,886	0.64%	0.42%	0.3 - 4.1%
NYISO	1	115	200 - 2,364	0.00%	0.22%	0.5 - 4.1%
ERCOT	103	10	250 - 2,125	0.20%	0.02%	0.3 - 2.8%
ISO-NE	46	43	160 - 954	0.09%	0.08%	0.5 - 2.7%

<sup>1</sup> Base case estimates developed using fundamental modeling of projected cost decline curves and value propositions by market; high case estimates assume solar-like growth in battery penetration, despite the lack of ITC availability, or other incentives in most locations, for standalone batteries.

"With batteries, some of this extra generation will be captured and discharged at peak times," the company explained in a presentation. "Batteries can also be charged from [the] grid at low power prices (i.e., at night) and discharged in the morning."

The project should have attractive returns because of its eligibility for the Investment Tax Credit and bonus depreciation, its ability to use excess solar generation, and energy arbitrage opportunities, Vistra told analysts. In the near term, batteries are "most likely to threaten investment in new peaking plants ... short duration storage may allow peaking plants to provide non-spinning reserves," Vistra noted in its presentation.

A GTM Research report released in March concluded a third of new gas peaker capacity will be at risk from four-hour energy storage by 2027. The report said 20 GW of new peaking capacity are forecast to come online by 2027.

*Utility Dive*  
<http://www.utilitydive.com>

### 19 June 2018

#### Europe's Cross-Border Intraday power market (XBID) comes online

*European Cross-Border Intraday (XBID) Solution and 10 Local Implementation Projects successful go-live*

Nominated Electricity Market Operators (NEMOs) and Transmission System Operators (TSOs) are pleased to announce that XBID was successfully launched on Tuesday 12th June. First deliveries were achieved on Wednesday 13th June. This marks a major milestone in the project and follows several years of complex and intensive development and testing.

Marking an important step towards creating a single integrated European intraday market, the go-live with the 10 Local Implementation Projects delivers continuous trading of electricity across the following countries: Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Latvia, Lithuania, Norway, The Netherlands, Portugal, Spain and Sweden. Most other European countries are due to take part in a second 'wave' go-live with XBID in 2019.

After initial trading on Tuesday and Wednesday, Project Parties are expecting trading opportunities to increase, since XBID has introduced the principle of a shared intraday order book. XBID brings the whole European intraday continuous market together and complements the existing day ahead market.



**1 July 2018**

The XBID solution is based on a common IT system with one Shared Order Book (SOB), a Capacity Management Module (CMM) and a Shipping Module (SM). It allows for orders entered by market participants for continuous matching in one bidding zone to be matched by orders similarly submitted by market participants in any other bidding zone within the XBID solution's reach, as long as transmission capacity is available. The intraday solution supports both explicit allocation on the German/French bidding zone border (as requested by the respective NRAs) and implicit continuous trading on all bidding zone borders taking part in the first go-live 'wave'. It is in line with the EU target model for an integrated intraday market.

European-wide intraday coupling is a key component for completing the European Internal Energy Market. With the rising share of intermittent generation in the European generation mix, connecting intraday markets through cross-border trading is an increasingly important tool for market parties to keep positions balanced. As the intraday market develops it will enable increased optimisation of the use of generation - especially variable Renewable Energy Sources (RES) – and will also enable demand response products to develop. It will also lead to welfare benefits. The purpose of the XBID initiative is to increase the overall efficiency of intraday trading.

*Enerdata*

<http://www.enerdata.net>

**19 June 2018**

## **Genkai unit 4 supplying power again**

Unit 4 of Kyushu Electric Power Company's Genkai nuclear power plant in Saga Prefecture today became the ninth Japanese reactor to resume power generation. The 1180 MWe pressurised water reactor is expected to re-enter commercial operation in mid-July. The utility began the process of extracting the control rods from the reactor on 16 June. Kyushu announced that the unit had resumed electricity generation at 2.00pm today.

"We will increase gradually the generator output and check the plant conditions at each output level," Kyushu said. "We will continue to make every effort to work with the Nuclear Regulation Authority's (NRA's) inspections, to carry out the remaining procedure carefully without [necessarily] sticking to the schedule, and putting the utmost priority on safety."

The utility expects Genkai 4 to resume commercial operation in mid-July.

Kyushu submitted applications to the NRA in July 2013 to restart Genkai 3 and 4, which had been offline since December 2010 and December 2011, respectively. In January 2017, the NRA confirmed the two 1180 MWe PWRs meet new regulatory standards. The Saga prefectural governor gave his approval three months later for the restart of the units, following the prefectural assembly's adoption of a resolution permitting their restart.

Following NRA pre-operation inspections of the units to confirm that the safety countermeasure equipment complies with the approved construction plan at the Genkai plant, Kyushu began loading fuel into the core of Genkai 3 on 16 February. The process to restart the unit began on 23 March and the reactor began generating electricity again on 18 April. That unit returned to commercial operation on 16 May.

Genkai 4 is the ninth of Japan's 39 operable reactors which have so far cleared inspections confirming they meet the new regulatory safety standards and have resumed



1 July 2018

operation. The others are: Kyushu's Sendai units 1 and 2 and Genkai unit 3; Shikoku's Ikata unit 3; and Kansai's Takahama units 3 and 4 and Ohi units 3 and 4. Another 16 reactors have applied to restart.

Nuclear energy is expected to account for 20-22% of Japan's power generation in 2030, with a similar portion coming from renewable sources. The remainder of the country's power generation will be met by coal (26%), LNG (27%) and oil (3%), according to Japan's latest energy policy. That policy supports "utilising nuclear power generation whose safety is confirmed".

*World Nuclear News*

<http://www.world-nuclear-news.org>

19 June 2018

## India plans to install 30 GW of offshore wind capacity by 2030

*MNRE sets 30 GW offshore wind energy target by 2030*

The Ministry of New and Renewable Energy (MNRE) today announced medium and long term offshore wind energy target of 5GW by 2022 and 30 GW by 2030, respectively, to provide confidence to the industry.

The MNRE recently invited Expressions of Interest (EoI) for the first 1 GW offshore wind project in India, which has evoked keen response from the industry, both global and Indian, the ministry said in a statement.

In order to give confidence to the wind industry, the ministry has declared medium and long term target for off-shore wind power capacity additions, which are 5 GW by 2022 and 30 GW by 2030, the statement said.

While this may look moderate in comparison to India's on-shore wind target of 60 GW and its achievement of 34 GW, and solar target of 100 GW by 2022, this would still be challenging considering the difficulties in installing large wind power turbines in open seas, it added.

It may be mentioned that offshore wind turbines are of much larger dimensions and capacities than onshore turbines. The offshore wind power will add a new element to the already existing basket of renewable energy for the country.

The MNRE had notified National Off-Shore Wind Policy in October 2015 to realise the offshore wind power potential in the country. Preliminary studies have indicated good wind potential for off-shore wind power both in southern tip of Indian peninsula and west coast.

Two regions where preliminary studies have been conducted are off coast of Gujarat and that of Tamil Nadu. For precise wind quality measurements one LiDAR has been installed near Gujarat coast, which is generating data about quality of off-shore wind since November, 2017.

Encouraged by quality of off-shore wind, a private sector player has also installed LiDAR in Gulf of Kutch in Gujarat for offshore wind resource measurements. Plans are afoot to install more of such equipment in Tamil Nadu and Gujarat. Surveys to understand the oceanographic and sea bed condition within identified zones off the coast of Gujarat and Tamil Nadu have been planned.



1 July 2018

Globally there has been installation of about 17 to 18 GW of off-shore wind power led by countries such as UK, Germany, Denmark, Netherlands & China. Recent years have witnessed fall in off-shore wind tariff in some of these markets, the statement said

*The Times of India*  
<https://timesofindia.indiatimes.com>

21 June 2018

## PG&E to record \$2.5B charge for California wildfires — and warns it could get worse

### *Dive Brief:*

- PG&E Corp. and its subsidiary, Pacific Gas and Electric, announced today in an 8-K filed with the U.S. Securities and Exchange Commission that it will record a \$2.5 billion pre-tax charge related to deadly wildfires in Northern California last year.

- The charge relates to the liability for the damage from 10 wildfires, but does not include potential government penalties or fines, or the impacts of seven other fires where PG&E does not believe it will take a loss.

- Earlier this month, Cal Fire, the state's fire management agency, said electric equipment owned by PG&E caused 12 wildfires that killed 18 people and burned hundreds of square miles. Some industry observers believe this could lead to bankruptcy for the utility.

### *Dive Insight:*

PG&E Corp. will take a charge on more than a dozen fires (10 by the utility's math, as several were combined), but it is not clear if more financial implications could be coming. The utility has been highly critical of California laws that allow for reverse condemnation — essentially finding the utility liable even if it met standards and regulations.

"Liability regardless of negligence undermines the financial health of the state's utilities, discourages investment in California and has the potential to materially impact the ability of utilities to access the capital markets to fund utility operations and California's bold clean energy vision," PG&E CEO and President Geisha Williams said in a statement.

PG&E explained that the charge is expected to be recorded in connection to these Northern California wildfires: La Porte; McCourtney; Lobo; Honey; Redwood; Sulphur; Cherokee; Blue; Pocket and the Sonoma/Napa merged fires (which include the Nuns, Norrbom, Adobe, Partrick and Pythian fires).

"The charge does not include any amounts for potential penalties or fines that may be imposed by governmental entities," the utility said. It also does not include amounts in connection to the Atlas, 37, Tubbs, Cascade, Maacama, Pressley and Point fires.

But "in the future it is possible that facts could emerge that lead PG&E Corporation and the utility to believe that a loss is probable, resulting in the accrual of a liability at that time, the amount of which could be significant," PG&E warned.

PG&E previously declared bankruptcy in 2001, amidst the 2000-2001 California electricity crisis, and state lawmakers have said the company is floating that possibility again.



1 July 2018

State Sen. Jerry Hill, D, said "they keep talking about the sky is falling, that they're going to go bankrupt and what are we going to do, and they're creating a lot of fear in the Capitol."

PG&E says extreme weather is increasing the danger from large wildfires. Last year, Cal Fire dealt with more than 7,000 wildfires — compared to less than 5,000, on average, in the five years before.

*Utility Dive*

<http://www.utilitydive.com>

**21 June 2018**

## **Greece establishes Hellenic Energy Exchange with EBRD's help**

Greece, in order to support the European Union's (EU) aim of a single European energy market, has launched the Hellenic Energy Exchange SA.

The Hellenic Energy Exchange will be owned by the state-owned electricity market operator Hellenic Electricity Market Operator S.A (LAGIE) with 22 per cent stake, the Athens Exchange Group with 31 per cent stake, the Hellenic Independent Power Transmission Operator (ADMIE) with 20 per cent stake, the European Bank for Reconstruction and Development (EBRD) with 20 per cent stake and the Hellenic Gas Transmission System Operator SA (DESFA) with 7 per cent stake.

As reported, the EBRD is investing EUR1 million for the 20 per cent stake, which is the bank's first ever investment in an energy exchange. According to the EBRD, the Hellenic Energy Exchange will organise and operate Greece's new electricity, natural gas and environmental markets by providing access to new energy markets and introducing new products on the domestic market.

In addition, the Exchange will provide access to new liquid energy markets and products that will, among others, support greater domestic competition, reduce barriers to entry for new energy market participants, and allow the effective participation of renewable energy producers in the electricity markets. It will also support regional integration by facilitating market coupling with Greece's neighbours; for instance, Italy and Bulgaria.

*Global Transmission*

<http://www.globaltransmission.info>

**26 June 2018**

## **EEHC selects contractor for 6 GW Hamrawein coal-fired project**

The Egyptian state-held power utility Egyptian Electricity Holding Company (EEHC) has selected a consortium including the Chinese engineering companies and turbine providers Dongfang Electric and Shanghai Electric, for the construction of the 6,000 MW Hamrawein supercritical coal-fired power plant project on the Egyptian Red Sea coast.

The two companies won the tender against a consortium of Orascom Construction, Elsewedy Electric, and Mitsubishi Hitachi Power Systems (MHPS) with a winning bidding price of US\$4.4bn. Egyptian Electricity Holding Company will sign the construction agreements with the consortium shortly and the power plant is scheduled to come onstream in 2023-2024.

*Enerdata*

<http://www.enerdata.net>





1 July 2018

26 June 2018

## Government says no to Swansea tidal lagoon

The British government will not back plans for Swansea's pioneering tidal lagoon power plant based on figures showing that nuclear and offshore wind can generate the same amount of electricity at a third of the cost.

Business secretary Greg Clark announced in a statement to the House of Commons yesterday (25 June) that developer Tidal Lagoon Power's plans for a programme of six new plants off the Welsh coast failed to meet the government's value for money requirements.

Clark said: "However novel and appealing the proposal that has been made is, even with these factors taken into account, the costs that would be incurred by consumers and taxpayers would be so much higher than alternative sources of low carbon power, that it would be irresponsible to enter into a contract with the provider."

He told MPs that offshore windfarms could generate the same amount of electricity for a third of the estimated £1.3 billion construction cost of TLP's plant even at today's prices, which are expected to fall further.

And the minister said the estimated cost of the six lagoons is £50 billion, around two-and-a-half times the cost of EDF's new nuclear power station at Hinkley that would generate a similar output of electricity. To provide the same level of generation through offshore wind would cost 'at least' £31.5 billion less to build, according to Clark.

He said he had received advice that the 30 TWh per year of electricity generated per annum by the full fleet of lagoons would cost up to £20 billion less if it were produced from a mix of offshore wind and nuclear, equating to an average additional £700 on the average British household's bill over a 20-year period.

Independent advice submitted to the government estimated that innovation and capital cost reduction would only reduce the cost of constructing subsequent lagoons after Swansea by five per cent. Clark also said the energy produced by the tidal lagoons would be relatively unreliable with a load factor of 19 per cent compared to around 50 per cent for offshore wind and 90 per cent for nuclear.

He said: "Securing our energy needs into the future has to be done seriously and, when much cheaper alternatives exist, no individual project, and no particular technology, can proceed at any price."

The government's decision was slammed as short-sighted by renewable energy groups and opposition parties.

Former Liberal Democrat energy and climate change secretary Ed Davey said: "This is a betrayal of Britain's energy and economic future – and will be particularly devastating in Wales. "Britain is an early leader in tidal power and has the potential to become the world champion. Tidal lagoons are the smartest way to take this opportunity. Yet the Conservatives are effectively killing it.

"The government is talking utter nonsense on the price of tidal and have failed to engage in the facts. Swansea Bay, as a pathfinder experiment, would add only 30 per cent a year to people's bills and the next lagoon would be 80-times cheaper than Hinkley Point C nuclear power station."



1 July 2018

RenewableUK's chief executive Hugh McNeal said: "This decision is deeply disappointing and shows a lack of vision. Tidal lagoons have massive potential to meet our national energy needs and create jobs, as well as bringing industrial-scale economic benefits to the UK – including opportunities to export worldwide.

"With supportive policy and continued investment, we can rapidly cut the cost of new technologies and build world-leading industries. But at present there is no financial support on offer from government for marine renewables – or any new, innovative technologies. These are high-value new technologies that the UK can export to markets across the globe."

Utility Week

<http://www.utilityweek.co.uk>

26 June 2018

## 'Virtual power station' to relieve pressure on London network

UK Power Networks has unveiled plans to create a "virtual power station" made up of solar panels and batteries to relieve pressure on the electricity network in London.

The company is teaming up with battery manufacturer Powervault to install a fleet of storage systems in 40 homes across the London borough of Barnet.

The batteries will be used to reduce the load on the power grid during the weekday evening peak in demand, helping UK Power Networks (UKPN) to cope with local constraints and thereby avoid the need for expensive reinforcements.

They will be remotely discharged during peak hours via Powervault's control software, which will also ensure they are fully charged beforehand using electricity generated by domestic solar panels. Participants will receive a payment each time the batteries are discharged.

The launch follows a successful trial of the technology in February, during which 45 Powervault batteries were installed in customer homes and operated remotely.

On average, the batteries were able to reduce the evening demand on the grid of participating households by 60 per cent.

Utility Week

<http://www.utilityweek.co.uk>

28 June 2018

## European solidarity on Energy: Synchronisation of the Baltic States' electricity network with the European system strengthens security of supply

*The President of the Commission Jean-Claude Juncker together with the Heads of State or Government of Lithuania, Latvia, Estonia and Poland today agreed on the Political Roadmap for synchronising the Baltic States' electricity grid with the continental European network by the target date of 2025.*

*The Leaders called for swift completion of the project.*

Today at a special ceremony in Brussels the President of the European Commission Jean-Claude Juncker, together with the President of Lithuania Dalia Grybauskaitė, the Prime Minister of Estonia Jüri Ratas, the Prime Minister of Latvia Māris Kučinskis and the Prime Minister of Poland Mateusz Morawiecki, has signed the Political



1 July 2018

Roadmap on the synchronisation of the Baltic States' electricity networks with the continental European network. This follows the meeting on 22 March 2018, where President Juncker and the same Leaders gave the synchronisation project a renewed impetus.

President Jean-Claude Juncker said: "Since the beginning of our mandate my Commission has been committed to have full integration of the Baltic States grids with the rest of Europe. It is our duty and a question of necessity for the Baltic States and for the Union. We have worked to build consensus, and have now signed such consensus. In this Roadmap we set the target date of 2025 for the full synchronisation. When people are in sync, things work out well. Today we are witnessing a project where we decided to work together and in sync towards a common goal. With patience, hard work and a spirit of compromise we managed to find European solutions that are built on solidarity and strengthen our Union."

The Heads of State or Government thanked all involved for the speedy progress of the preparatory work, conducted by Ministers of Energy of the respective countries in cooperation with Vice-President for the Energy Union Maroš Šefčovič and Commissioner for Climate Action and Energy, Miguel Arias Cañete. Leaders also reiterated that in order for the project to be successful, the support from Connecting Europe Facility funds will be crucial.

## *Background*

The Political Roadmap signed today sets the scene for the practical implementation by presenting a clear timetable of actions. The first of such action is the launch, this September, of the European Network of Transmission System Operators (ENTSO-E) procedure as a first technical step for extending the Continental European Network to the Baltic States. This project is a cornerstone and one of the most emblematic projects of the Energy Union and a concrete expression of solidarity in energy security. The synchronisation process is crucial to complete the integration of the Baltic States with the European energy system. It will constitute a major contribution to the unity and energy security of the European Union.

The Political Roadmap endorsed today defines the process and puts forward a concrete solution for synchronising the Baltic States' electricity system with the continental European Network by the target date of 2025. Under the Roadmap, upon the green light from the high-level group on Baltic Energy Market Integration Plan in September 2018, the Polish and Baltic States' Transmission System Operators (TSOs) will launch a formal procedure that will be managed by the European Network of Transmission System Operators (ENTSO-E).

Whilst formerly an "energy island", the Baltic States region is now connected with European partners through recently established electricity lines with Poland (LitPol Link), Sweden (NordBalt) and Finland (Estlink 1 and Estlink 2). These projects were made possible and built with EU support. For historical reasons, however, the Baltic States' electricity grid is still operated in a synchronous mode with the Russian and Belarusian systems.

The desynchronisation of the Baltic States' electricity grid from these systems and the synchronisation with the continental European network (CEN) is an essential political priority for the achievement of the Energy Union. The relevant grid reinforcements have been included in the third EU list of Projects of Common Interest (PCIs) adopted by the Commission on 23 November 2017. PCI are intended to help the EU achieve its energy



**1 July 2018**

policy and climate objectives: affordable, secure and sustainable energy for all citizens. Projects on the PCI list are also eligible to receive Connecting Europe Facility-Energy funding.

The European Commission is committed to facilitate decisive progress on the synchronisation and support the Baltic States in this mandate, working towards implementing strategic energy infrastructure projects and addressing the various aspects required to end the energy isolation of the Baltic Sea region. This goal was once again stated by the European Commission on 23 November 2017 in its Communication "on strengthening Europe's energy networks".

*European Commission*

<http://www.europa.eu>