

Press release
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By planning ten-year investments, ESO promises a simpler and more convenient life for electricity and gas consumers

The electricity and gas distribution company Energijos Skirstymo Operatorius (ESO) will make investments into the enhancement of reliability, security and smartness of the electricity and gas grid in the near future. The investments planned have been described by the company in the investment plan for 2018-2027 published today.

The intended investments will create value for consumers and the whole Lithuania. They will help ensure more effective energy consumption, considerably fewer failures of supply and their fixing in a much shorter time span. The infrastructure of the energy sector will become more attractive for local business and foreign investors

“We diligently plan renewal of the electricity and gas grid being aware that our customers want higher quality already today and expect smartness, new possibilities of effective and convenient energy consumption tomorrow. By announcing this plan we state openly and confidently that this our promise is the assurance of these needs to the present and future customer”, told Ms. Dalia Andrulionienė, chairwoman of ESO Board and CEO.

The level of investments was established in the ESO investment plan for 2018–2027 aspiring towards other quality indicators – the reduction of the system average interruption duration index (SAIDI), the system average interruption frequency index (SAIFI) and maximum duration of fault repair. These indicators have been set with consideration to stakeholders’ expectations for the quality of services and Western European good practices. It is anticipated that after implementing all the intended investments, SAIDI and SAIFI will decline twice.

The aims of the ESO 10 – year investment plan coincide with the aims set in the national strategy for energy independence. The investment plan reflects an ambition to ensure the best customer experience, price and quality, as well as aims and indicators that have been raised in the new strategy LE2030 of Lietuvos Energija Group that manages ESO. It has been established in the direction “Quality and Effectiveness” of the strategy that the main investments will be directed namely to reliability and digitalisation of the grid.

In 2018–2027, ESO plans to make investments in three directions. The first one – reliable grid resilient to climatic events. By replacing overhead lines with underground ones, eliminating unreliable and frequently breaking down equipment, an uninterrupted and quality energy distribution through the environmentally friendly electricity and gas grid will be sought. The value of investments in this field may amount up to EUR 640 million.

The aim of investments into the second direction – creation of the remote-controlled grid – is to speed up the restoration of energy supply in case of power cuts, to establish premises for taking decisions on the grid management on the basis of real information, as well as to facilitate the integration of renewable energy resources. It has been planned to install remote dispatcher-

Energijos skirstymo operatorius, AB

Energijos Skirstymo Operatorius AB (in short – ESO) became operational on 1 January 2016 after the merger of LESTO AB and the public company Lietuvos Dujos. ESO serves 1.6 million customers in the entire Lithuania. The Company belongs to Lietuvos Energija group of state-controlled companies, one of the largest energy companies in the Baltic States

controlled and self-healing grid equipment, solutions for monitoring operation of the grid. The planned value of investments – approximately EUR 582 million.

The third direction – the smart grid. Its aim is to improve the quality of ESO services, to provide customers with the conditions for precise monitoring of energy consumption, precise billing, as well as to save energy by using it rationally. Therefore, plans have been made to install smart meters, to renew information systems. An investment of EUR 336 will be made in this direction.

Besides, ESO estimates that for connection of new consumers, EUR 538 million will be necessary over a 10-year period, thus, ESO may invest up to EUR 2.1 billion in total during 2018–2027.

“Electricity and gas grids are a very long serving asset. Decisions made now will have an effect on grid reliability and service flexibility for the nearest several decades. The biggest value from that will be felt by customers who will be able to consume energy even simpler,” the Head of ESO is convinced.

According to her, during storms ESO customers will not have to fear that power outage will last long; besides, they will have to forget the way to an electricity meter at all, as all necessary data will be sent to their smart devices. By managing these data, customers will be able to decide themselves how to maximise an effective energy consumption.

By implementing the intended projects, ESO will invest its funds. As an alternative, a possibility to increase the share of the borrowed capital will be evaluated. It is also planned to cover a part of investments from the European Union funds.

The ESO investment plan for 2018–2027 is not a pledge to invest. The acceptance and implementation of specific decisions on the aims defined in the investment plan (including the project scope, time, financing method and other aspects) will depend on external and internal economic, legal and other actions. All decisions will be accepted only after assessing all significant circumstances and in compliance with requirements and procedures of legal acts.

The investment plan will be renewed on an annual basis.

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