



PRESS RELEASE
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Amber Grid: NERC has approved a forward-looking 10-year gas transmission network development plan

The ten-year gas transmission network development plan prepared by the Lithuanian gas transmission system operator Amber Grid was approved today by the National Energy Regulatory Council (NERC). During 2020-2029 there are plans to implement gas transmission system development investment projects aimed at diversifying gas supply sources in Lithuania and the region and ensuring the reliability of the gas transmission system.

Among the most important Amber Grid projects included in the ten-year development plan of European gas operators to complete the GIPL gas interconnection project between Lithuania and Poland by the end of 2021. The project is important for Lithuania and the Baltic States and Finland. Another important task for the development of the common gas market in the region is to increase gas transmission capacity between Lithuania and Latvia. The greatest benefits of this project will be revealed during the operation of the GIPL, when gas market participants will be able to use the created capacities and gas will flow through the Lithuanian-Latvian connection both from Klaipėda LNG terminal and European gas markets. The ten-year plan also focuses on upgrading and digitizing the Lithuania's gas transmission network.

Investments in the gas transmission network are expected to reach approximately EUR 229 million over the next five years, of which half will be for completing the gas pipeline interconnection between Lithuania and Poland.

'Ensuring the reliability of the Lithuania's gas transmission system, we must think about the future, when the gas infrastructure, developed according to consumer needs and integrated into the European gas transmission system, will serve the transportation of renewable energy resources - biomethane and hydrogen. In order to achieve the goals of green energy, we plan to use the existing and developing gas transmission infrastructure to ensure energy transformation,' said Amber Grid CEO Nemunas Biknius.

In line with the directions of sustainable development set out in the European Green Deal, a growing demand for green gas is expected in Europe. In contributing to the promotion of green energy development in Lithuania, biomethane production systems are already planned to be connected to the common gas transmission network. The possible introduction of hydrogen transportation technologies through natural gas pipelines is also being assessed. Hydrogen or synthetic methane produced by Power-to-Gas (P2G) systems can be fed into the gas transmission infrastructure and mixed with conventional natural gas.

According to Amber Grid, the infrastructure that has been developed ensures flows that meet the needs of gas system users, is capable to transmit it, and is resistant to adverse conditions. Specialists estimate that gas consumption in Lithuania will stabilise in the coming years and reach 21 TWh per year.

With strong competition in the LNG market, it is forecasted that higher volumes of gas will continue to reach Lithuania and the other Baltic States through the Klaipėda LNG terminal, compared to the gas flow supplied from Belarus. It is projected that in 2020, approximately 65 per cent of gas will come in through the Klaipėda LNG terminal, while 31 per cent will come through the Belarusian border point and 4 per cent – through the

Latvian border point. Last year, the largest amount of natural gas ever was transmitted to Latvia due to extremely favourable LNG prices. This year it will be even higher and will amount to about 8-9 TWh.

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