

Press Release February 11, 2009

To newsrooms

Grid plan shared by the Nordic countries and the Baltic region completed

The transmission system operators (TSOs) in the area of the Baltic Sea have drawn up a shared transmission grid plan, which examines the linking of the Baltic countries to the electricity market in the Nordic countries and Continental Europe. The plans include a new electricity transmission connection Estlink 2 between Finland and Estonia, and an interconnection between Poland and Lithuania.

TSOs in the Baltic countries, Poland, Sweden and Finland participated in the review. Interconnections from the Baltic countries to Finland, Poland and Sweden were studied. The study assessed the benefits brought by the new electricity transmission interconnections from the point of view of the electricity market. The analysis was done for several alternative scenarios, each describing a possible supply and consumption situation in the Baltic Sea region in 2025. A long-term perspective was chosen due to the long lead time of the implementation of the alternative interconnections and to the long life time of the investments.

Based on the simulated market benefits, the best solution would be to implement two interconnections, namely Finland-Estonia (Estlink 2) and Lithuania-Poland. The second best market-based alternative would be to implement the Lithuania-Poland link only. The third most viable option would be to implement both the Lithuania-Poland and Sweden-Baltic countries interconnections. The fourth best option in view of market benefits would be to build all three interconnections examined.

However, taking into account the pressing aspects of security of supply and market integration, a set of the three proposed interconnections is the most sensible solution in the long run. The execution of the three projects would mean a great leap forward in the establishment of a shared electricity grid in the area of the Baltic Sea.

The construction of the interconnections, including the permit processes, will take several years, so the new connections will not provide immediate relief to the Baltic region. It has been decided that co-operation between the TSOs in the region will continue through security of supply analyses concerning the near future. Also, the implementation schedule of the new interconnection projects will be ascertained by the end of May 2009.

“After the summer, the work will continue in the form of Baltic Sea regional planning co-operation within ENTSO-E (European Network of Transmission System Operators – Electricity). The first European-wide ten-year network development statement of ENTSO-E will be published in 2010,” says Fingrid’s President & CEO **Jukka Ruusunen**.

100 million euros from the EU

A new interconnection between Finland and Estonia, Estlink 2, has been proposed to receive financial assistance worth of 100 million euros from the European Union. This is part of a broader programme aiming to aid economic recovery and to promote the strategic objectives of the EU’s energy policy, such as improved security of energy supply in the Baltic countries.

The subsidy could help accelerating the schedule of the project worth some 280 million euros so that it could potentially be completed before 2015.

“So that Fingrid can make an investment decision, the Baltic states – especially Estonia – need to commit themselves to establishing a well-functioning electricity market with a credible and transparent

area price. Accelerating the project schedule would mean that the schedule of market liberalisation in Estonia would have to be hastened considerably,” Jukka Ruusunen says.

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