Exploring benefits of regional integration: markets and institutions

Daivis Virbickas
CEO of Litgrid, Lithuanian transmission electricity system operator
Litgrid mission
Ensure reliable transmission of electricity and enable competition in the open electricity market

Litgrid vision
Full integration of the Lithuanian power system into the European power infrastructure and the common electricity market

Reliability of the electric power system

- Ensuring power system balance
- RES integration
- Strategic projects
- Integration into European grids
- Critical electric power infrastructure
- Baltic Region Energy Competence Centre
Interdependance within synchronous electricity systems

Working synchronously means complete interdependence, like riding a tandem bicycle.

Europe's synchronous power systems
The Baltic before and after 2016: from energy island to hub of power flows
The new power interconnections made the change

LitPol Link
Total investment € 580 million

NordBalt
Total investment € 552 million

In operation since 2016
Generation in the region: price makers and price takers

Installed capacity Nordic, 2014

- Others (39.4)
- Dong energy (5.4)
- Vattenfall (15.5)
- Fortum (10.4)
- PVO (3.2)
- Helsingin Energia (1.6)
- Statkraft (13.4)
- E.ON Sweden (6.7)
- Hydro (2)
- E-CE Energii (2.8)

Installed capacity Baltic, 2014

Total, GW

- 10 GW

Major producers

- Eesti Energia (EE)
- Latvenergo Group (LV)
- Lietuvos energijos Gambya, AB (LT)
- Others

Installed capacity Poland, 2013

- Others (16.5)
- PGE Capital (12.9)
- Enea Capital Group (3.2)
- Tauron Group (5.4)

Installed capacity: 38 GW*
• Less volatile prices on the Baltic-Nordic electricity market
• 13% average price drop in LT-LV in 2016 year-on-year
• Increased system reliability and security of supply
The stakeholders of energy sector: how to balance expectations

- Customers
- ACER

- TSOs
- NRAs

Paying the bill

Harmonizing investment & subsidies

Investing to grid

Regulating investment & subsidies
Regional benefits shall best be enhanced through cooperation of all stakeholders across Europe

Let’s discuss