

Stakeholder consultation on the allocation of network capacity at the Balticconnector interconnection point during 1.1.2020-31.12.2021

1 Background

In accordance with Natural Gas Market Act (587/2017), the Finnish natural gas market will be opened for competition in the beginning of next year. In the centre of the market opening is the construction of the Balticconnector pipeline that will connect the Finnish and Baltic gas markets. Upon the commissioning of the pipeline in the beginning of 2020, Balticconnector will enable bidirectional transportation of gas between Finland and Estonia.

2 Consultation

The relevant transmission system operators ('TSOs'), Gasum Oy and Elering AS are currently designing the capacity allocation method at the Balticconnector interconnection point to be applied during 1.1.2020-31.12.2021. Beyond the end of this period, the intention is to merge the Finnish market area to the Estonian – Latvian natural gas market area and establish a common FinEstLat market area. Upon the market integration the entire FinEstLat market area will adopt the implicit capacity allocation method and the interconnection point at the Balticconnector pipeline will be removed.

The capacity allocation method will be approved in cooperation by each national regulatory authority. Before any decision is made stakeholders must have an opportunity to express their views about the proposed method. Therefore, the Finnish Energy Authority publishes the TSOs' common proposal for review and welcomes comments regarding the proposed capacity allocation method as described in the attached document. A similar consultation will be carried out in Estonia by Elering AS.

The Finnish and Estonian energy authorities will use the results of the consultation to support their decision-making. Besides other relevant comments, the energy authorities encourage stakeholders to provide their views especially about:

- the implicit allocation method;
- underutilization fee (the necessity and amount);
- the acceptable level of renominations; and
- the type of capacity products proposed.

Any comments and feedback on the TSOs' proposal shall be submitted to the Energy Authority by email (kirjaamo@energiavirasto.fi) **by Friday 5 April 2019** at the latest. Should the submitted statement contain any confidential material, the submitting party shall mark this as confidential and, in addition, submit a public version where the confidential parts have been omitted.



12.3.2019

456/503/2019

For additional information, please contact Senior Advisor Meri-Katriina Pyhäranta, meri-katriina.pyharanta@energiavirasto.fi, tel. 029 505 0093.

Attachment Public consultation on Interconnection agreement on Balticconnector