

ACER adopts a decision on the allocation of costs for the Lithuanian part of the Electricity Interconnection between Lithuania and Poland

Ljubljana, 27 April 2015

ACER's [decision on the allocation of costs for the Lithuanian part of the Electricity interconnection between Lithuania and Poland](#) (LitPol link), published today, indicates that, although this interconnection provides benefits to several Member States beyond Lithuania, the latter, as a net beneficiary of the project, does not need financial compensations for the investment from the other Member States benefiting from the project under the Cross-Border Cost Allocation (CBCA) framework. LitPol is one of the Projects of Common Interest (PCIs) identified by the EU to strengthen the continent's energy infrastructure. PCIs benefit from an improved regulatory regime, including the possibility for Project Promoters to submit a CBCA request. ACER decides on the allocation of costs (CBCA decisions) for a given PCI when the National Regulatory Authorities (NRAs) of the concerned Member States are unable to reach an agreement within six months of the request¹.

On 28 November 2014, ACER was informed that no agreement had been reached on CBCA for the LitPol Link among the NRAs of Finland, Germany, Latvia, Lithuania, Norway, Poland and Sweden, to which the Project Promoter, Litgrid AB, submitted an investment request, including a request for CBCA. ACER's decision is based on a thorough review of the cost-benefit analysis and the identified impacts of the project (including on tariffs) provided by the Project Promoter, and on further information received from the Project Promoter and the NRAs and TSOs of the involved Member States in response to ACER requests and during ACER's hearings.

What is the project about?

The LitPol Link connects the Lithuanian town of Alytus to the border with Poland (PCI 4.5.1) with 500 MW transfer capacity. Together with some related investments on the Polish side, LitPol aims at connecting the Lithuanian and Polish electricity systems, as well as the Baltic power system to Continental Europe, enabling energy transfer between these regions. By doing so, LitPol Link facilitates market integration and efficient market functioning, enhances energy security, and overall contributes to the stability and economic growth of Member States in the Baltic region.

Litgrid AB, the Project Promoter of the LitPol link, is the Transmission System Operator (TSO) of Lithuania. The company operates the Lithuanian electricity transmission network and is in charge of the transmission of electricity.

Note for Editors

1. The Decision has been taken by the Agency pursuant to Article 12(6) of Regulation (EU) No 347/2013, which foresees, in cases where the NRAs concerned have not reached an agreement on the investment request within six months of the date on which the request was received by the last of the National Regulatory Authorities concerned, the decision to be taken by the Agency within three months of the date of referral to the Agency, with a possible further extension of the deadline by an additional period of two months where further information is sought by the Agency. That additional period shall begin on the day following receipt of the complete information.

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