

**National Energy Regulatory Council of Lithuania**

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**Public consultation regarding methodology on cross-zonal capacity calculation and allocation with third countries**

Dear Sirs,

With reference to the public consultation initiated by Lithuanian Regulator regarding methodology on cross-zonal capacity calculation and allocation with third countries<sup>1</sup>, we would hereby like to extend to you the following.

Eesti Energia has studied the proposed methodology and found that the proposed methodology is rather unique in the context of the EU legislation. However, as far as the EU legislation is not directly regulating allocation of transfer capacity between the EU member states and third countries, then we consider this methodology as technically applicable.

Since the application of new capacity calculation methodology with Russia by Latvia and Estonia, which was implemented on November 5, 2020, we have observed that this newly applied methodology has significantly hampered trading between the EU member states (Baltic states) thereby violating the principles stipulated by ACER<sup>2</sup>. Based on our analysis, we believe that application of the methodology, which was put on public consultation by Lithuanian Regulator, enables to bring an end to such negative practice where trading between the EU member states is hampered by third country imports.

Despite of this positive prospect, we would like to underline that the Regulators in the Baltic states should do their utmost to ensure that the methodology, which is currently applied by Latvia and Estonia, and the methodology, which will be applied by Lithuania starting from 15 September 2021, will be applied in the coordinated manner without causing any conflicts between these two methodologies.

Best regards



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Head of Regulatory Affairs Department  
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<sup>1</sup> <https://www.vert.lt/en/Pages/Updates/Public-Consultation-Regarding-Methodology-on-Cross-Zonal-Capacity-Calculation-and-Allocation-with-Third-Countries.aspx>

<sup>2</sup> Principles according to which trading with third countries should be conducted was discussed at BEMIP High Level Group meeting on 24 May 2018 in Brussels. At this meeting ACER clearly stated that trading between the EU member states should always be given priority and trading with the third countries should not hamper cross-border trading between the EU member states. These principles were accepted by all participating parties.