

## **Energy Security of Supply declaration**

**January 14, 2015, Riga**

We, the Ministers responsible for Energy Policy in the three Baltic States – Lithuania, Latvia and Estonia, jointly state that:

We share the same values and are profoundly committed to elaborating solutions for enhancing energy security in our region.

We welcome the European Commission's communication on European Energy Security Strategy and we will channel all our efforts into its implementation, especially to ensure timely completion of key security of supply infrastructure projects.

We are committed to strengthening regional cooperation in the Baltic region and making sure that sufficient interconnectors, synchronization of Baltic States with the European Continental Networks, balancing arrangements between the Baltic States, capacity mechanisms and market integration are contributing to energy security at the same time ensuring the right balance between costs and overall benefits of these developments.

We are committed to developing liberal, transparent, competitive and fully functioning regional gas and electricity markets. In light of the October 2014 European Council conclusions, all efforts will be mobilised to achieve a fully functioning and connected internal EU energy market.

The Baltic States' synchronization with the European Continental Network is an essential condition to increase energy security in the electricity sector. We consider it important to establish the necessary strategic infrastructure within the borders of the European Union, therefore the synchronization through direct interconnections between Lithuania and Poland is a prerequisite. This was also recognized in a Joint Statement of our Prime Ministers during their meeting on the 5<sup>th</sup> of December 2014, in Tallinn.

The specific nature of the project determines wide reaching effects not only beyond the borders of the Baltic States, but also the EU. Therefore, this will require specific efforts and involvement of all related parties. Support from the European Commission and intensive cooperation with Poland will be crucial.

In order to ensure well-streamlined further processes for timely Baltic States' synchronization with the European Continental Network, we will strive to agree on and begin pursuing the Action Plan based on the roadmap prepared jointly by Baltic States Transmission System Operators in the first half of 2015, emphasizing the key outstanding issues concerning further necessary political, financing and third countries arrangements.

Following the decisions made by the Prime Ministers of the Baltic States in Tallinn on the 5<sup>th</sup> of December 2014 with regards to the creation of the effectively functioning regional gas market, a

Regional Gas Market Coordination Group (ministries, regulators, and operators) shall be established with a primary mandate to develop an Action Plan on regional gas market development and to complement where necessary ongoing Pan-European process (Madrid Forum, ENTSO-G, ACER) of European Union internal gas market development including expected modifications of Gas Target model and providing safe and efficient supply to the customers. Representatives from Finland's respective stakeholders will be invited to join the Regional Gas Market Coordination Group.

We welcome the adoption of the European Commission's communication on the short term resilience of the European gas system and we are fully committed to developing energy security measures for winter 2014-2015 and beyond at a regional level.

We support the intensified regional co-operation in risk assessment and emergency preparedness on a more systematic and regular basis and we are committed to developing an updated regional Preventive Action Plan and Emergency Plan. Based on principles of solidarity, we work closely together to put in place emergency response systems including: natural gas reserves, and measures to counter the effects of a gas disruption in the power sector and the district heating sector, in case of major energy disruptions. As much as possible market-based ways will be used to secure supplies. Our countries will work closely together to ensure the supply of gas for protected customers.

It is of crucial importance to ensure the implementation of the EU Third energy package together with clear, transparent and competitive rules for third party access to the gas system throughout the Baltic States. We will commit ourselves to result-based cooperation on electricity and gas market functionality and Baltic Energy Market Integration Plan (BEMIP) High-Level Group will remain a key platform for these questions. We support the diversification of energy supplies, sources and routes alike, as well as the modernization of our energy infrastructure. We aim at creating a regional integrated gas market, through the enhancement of new supplies and the development of LNG terminals, interconnections, transport infrastructures, and storage capabilities.

The recent changes in the geopolitical situation in Europe have resulted in the ever so pressing need to adopt new measures urgently, so to reduce our external energy dependence and increase energy security for both electricity and gas. We are committed to ending the isolation of Baltic markets and to fully integrating it to the European energy market.

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