

Estonian, Latvian and Finnish TSOs continue discussions about harmonizing the regional gas markets

The transmission system operators (TSOs) in Estonia, Latvia and Finland - Elering, Conexus Baltic Grid, Gasum and Baltic Connector – have signed a Memorandum of Understanding on the matters to be solved, if the countries decide to harmonize the regional gas markets in the future. The first steps for harmonization between Baltic and Finnish gas markets become possible in 2020 when the Balticconnector pipeline connects the Estonian and Finnish gas markets. Even before the possible harmonization takes place, the regular discussions between the TSOs bring new possibilities for co-operation in developing cleaner, effective gas markets in the region.

The TSOs have signed a joint Memorandum of Understanding to illustrate their willingness to continue co-operation in the future to improve the functioning of their respective national gas markets, and to ensure gas is a competitive alternative for users in industry and transport. The memorandum is open and foresees the option for other TSOs to join the discussions at a later stage.

The memorandum of understanding discusses the matters, terms and definitions which need to be solved if the Baltic countries and Finland decide to proceed with market integration in the future. This integration requires a separate political decision from the countries involved. Estonia and Latvia have already set a goal to fully integrate their gas markets from the beginning of 2020.

Gas increases its importance as a cleaner alternative for industry and transport, as the need for climate change mitigation becomes more urgent. Co-operation between regional TSOs is an important channel for exchanging ideas, thoughts and concepts to improve the effectiveness of the gas markets, and to find shared opportunities for providing cleaner, cost-competitive alternatives for energy users in the Baltic countries and Finland.

Based on the memorandum, the TSOs will now continue dialogue on pre-conditions for increased co-operation between the operators, to improve the functioning of the existing national markets and to create a basis for discussing possible further market integration in the future.

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