

EU endorsed a support for the second phase projects of the Baltic States' synchronisation

Konstancin-Jeziorna, January 27th 2022

On Wednesday, January 26, the coordinating committee of the key EU fund for infrastructure Connecting Europe Facility (CEF) evaluated in its final selection process and approved the proposal submitted by the Baltic and Polish transmission system operators, granting EUR 170 million financial assistance to a range of projects as part of the synchronisation of the Baltic States with the Continental European Synchronous Area (CESA).



**Co-financed by the Connecting Europe
Facility of the European Union**

Four transmission system operators - PSE (Poland), AST (Latvia), Elering AS (Estonia), and Litgrid (Lithuania) - applied for a support from CEF to finance the planned investments under the project Phase 2 part II of the Baltic Synchronisation. The proposal was selected among top 5 projects for grants in the field of trans-European energy infrastructure under the CEF for the period 2021-2027 and has received the highest evaluation score.

The total costs of the Phase 2 Part II projects are assumed EUR 238 million of which CEF grant will cover -EUR 170 million. Thus, the project partners will receive contributions of following amounts: Polish PSE – EUR 111 million, Latvian AST - EUR 49 million, Lithuanian Litgrid - EUR 41 million and Estonian Elering AS to receive EUR 37 million.

The sources will be spent on grid reinforcements, frequency regulation equipment, and upgrading of IT control systems enabling the Baltic states to desynchronise from the Russian and Belarussian grid and start operating in synchronous mode with the CESA. The additional infrastructure in the second stage of the synchronisation will increase the security of supply in the region and contribute to the development of the internal European energy market by helping to sustain the economic growth and creating new business opportunities.

The Baltic synchronisation project has been granted more than EUR 1 billion from CEF funds in 2019 and 2020 together. The funds have been used on national grid reinforcements, construction of submarine HVDC cable Harmony Link and installation of synchronous condensers in the Baltic States. The synchronisation of the Baltic States' power system with the CESA is planned to be finalised by the end of 2025.

CEF is the key EU funding instrument, established to promote growth, jobs, and competitiveness through targeted infrastructure investment at the European level. It supports the development of high-performing, sustainable, and efficiently interconnected trans-European energy networks.

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PSE is a power transmission system operator (TSO) in Poland. PSE is a State Treasury company of a particular importance for the Poland's economy. Its scope of responsibilities is specified in the Energy Law Act. PSE deals with the transmission of electricity to all regions of the country. The Company is responsible for the power system balancing, and for the maintenance and development of the network infrastructure and cross-border connections. The Company also provides on market conditions its transmission capacities for the purpose of cross-border exchange. PSE is the owner of more than 15 000 kilometres of power lines and 109 power substations.