

Press release
20/05/2020

Amber Grid has set gas transmission services prices for 2021

Having regard to the revenue cap set by the National Energy Regulatory Council (NERC), the Board of Amber Grid set the natural gas transmission prices for 2021 and submitted it to NERC for evaluation.

In 2021, the average price of transmission services for the needs of Lithuanian consumers will amount to 1.40 EUR/MWh, and, compared to the average price applied in 2020 (1.22 EUR/MWh), will increase by approx. 15%, while compared to the average price in 2019 (1.46 EUR/MWh), will fall by approx. 4%. This year, transmission services are provided by 16% lower price than in last year. The price of transmission services amounts to approx. 5-7% of the final gas price, subject to fluctuations in the price of gas imports.

‘In 2020, gas transmission prices were particularly low due to one-off adjustments, returning to customers additional revenue earned and cost savings from previous years. In 2021, prices will basically return to the price level of 2019, but will still remain slightly lower than in 2019’, said Nemunas Biknius, the CEO of Amber Grid.

When considering the prices of services for the coming year, the planned investments in the construction of the gas interconnection with Poland and the costs of renewal and modernization of the transmission network in Lithuania were assessed. The volumes of gas transmission services, provided to Lithuanian consumers and in the direction of Latvia, were also assessed and the lost revenue due to the application of the discount at the entry point of Klaipėda LNG terminal in 2019 and in 2020 was redistributed between Lithuanian and Latvian exit points. Accordingly, it increased the price level at the Kiemėnai exit point to Latvia and reduced the price growth at the Lithuanian domestic exit point.

‘Due to additional gas flows in the direction of Latvia and more efficient operation of the company, we can amortize the impact of investments and maintain a stable overall price level by transmitting gas for the needs of Lithuanian consumers’, said N. Biknius.

Transmission services prices for 2021 were also influenced by the proposals from market participants received during the public consultation. In order to facilitate access of the market participants to Lithuania's Klaipėda LNG terminal, and thus increase competitive pressure on gas market prices, it is suggested to the NERC to approve (as in 2019 and in 2020) a 75% discount on the price of transmission services at the entry point in Klaipėda.

Prices at the entry points are planned to remain harmonized with the entry prices, applied in the neighboring tariff area covering Latvia, Estonia and Finland.

In agreement with the NERC, the prices of gas transmission services, which will become effective on 1 January 2021, will be made publicly available on the website of AB Amber Grid: www.ambergrid.lt.

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