

Main differences between proposed draft methodology "Terms, Conditions and Methodology on Cross-Zonal Capacity Calculation, Provision and Allocation with Russia" and existing methodology " Terms, Conditions and Methodology on Cross-Zonal Capacity Calculation, Provision and Allocation with the 3rd Countries" (from 13.12.2018) are as follows:

1. With the development of the new methodology, the Baltic electricity trade with 3rd countries (except for the Kaliningrad region of Russia) no longer exists as a single approach of all three Baltic TSOs. Separate approaches are being developed for Latvian and Estonian trade with Russia through LRI and LRE bidding zones, Lithuania with Russia (Kaliningrad region) through LKAL bidding zones, and Lithuania - Belarus through LBE and LBI bidding zones.
2. When methodology becomes effective, trading capacity is allocated to Latvian-Russian border. To Estonian-Russian border no trading capacity is allocated.
3. In the calculation of cross-zonal capacity, the volumes of electricity supplied to and from the Latvian power system are modeled, as opposed to the case in the currently effective methodology, when the largest part of the electricity supply changes is attributed to the Lithuanian power system in comparison to electricity supply to Latvian power system, which part is smaller.
4. In the new methodology for forecasting the balance of the Estonian power system in the modeling process it is analyzed a shorter historical time period – by the coefficient k , which more accurately reflects the balance of the Estonian power system and thus optimizes the cross-zonal capacity and at the same time considering the reliability of the power grid.
5. In the new methodology the maximum cap of the trading capacity with Russia will depend on the cross-border transmission capacity at Estonian-Russian border.