On 13th of August 2019 the Cabinet of Ministers of the Republic of Latvia has invited electricity transmission system operator (TSO) Augstsprieguma Tīkls AS to develop new methodology on cross-zonal capacity calculation to enable electricity trade via Latvian-Russian border after Lithuania will discontinue electricity trade with Belarus.

At the same time, the Cabinet of Ministers instructed the Ministry of Economics of the Republic of Latvia to start work on the necessary amendments to the regulatory enactments so that the Latvian transmission system operator, in coordination with the Estonian transmission system operator, could develop a methodology for transmission tariff implementation for trade with third countries. The transmission service tariff covering the transmission costs of electricity import from Russia is subject to approval from relevant regulatory authorities

Augstsprieguma Tīkls AS and Estonian TSO Elering AS have in cooperation developed a proposal for a new common "Terms, Conditions and Methodology on Cross-Zonal Capacity Calculation, Provision and Allocation with Russia" (Methodology).

The Methodology will take effect at the time when Lithuania will discontinue electricity trade via Belarussian-Lithuanian border. Both the new methodology on cross-zonal capacity calculation and the methodology for transmission tariff implementation for trade with third countries are intended to take effect simultaneously, provided timely amendments to the regulatory enactments.

Before the submission of the Methodology to Latvian and Estonian regulators for approval, TSOs kindly invite interested parties to share their opinions, by submitting comments and suggestions on Methodology via e-mail until 18th of October 2019.

Comments and suggestions should be sent to following contacts:

- AST Mr. Andris Eglītis (<u>Andris.Eglitis@ast.lv</u>)
- Elering Mr. Gunnar Pallas (Gunnar.Pallas@elering.ee)