

## BALTIC ENERGY LAW NEWSLETTER

November 2013

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Dear Reader,

You are reading Baltic Energy Law Newsletter of regional law firm TARK GRUNTE SUTKIENE. In this publication you will find the most relevant news on energy legislation of recent years in Lithuania, Latvia and Estonia.

The Baltic States are facing serious challenges in the energy sector. Some of the challenges are associated with the integration of the isolated market into the European market, while others include modern energy development trends which are relevant to all European countries, such as tightening of environmental regulations, promotion of consumption of energy from renewable sources, etc.

Our Energy experts identify several trends in the Baltic States based on TARK GRUNTE SUTKIENE recent work advising on LitPol Link project and the study of integration of the Baltic States into the EU Internal Electricity Market. One of the most important steps to speed up the integration of the Baltic energy markets is a list of key energy infrastructure projects which has just been adopted by the European Commission and which allows Lithuania, Latvia and Estonia implementing essential energy infrastructure projects. The list of Projects of Common Interest (PCI) includes energy infrastructure projects of regional importance. In the proposed list, the Baltic Energy Market Interconnection Plan (BEMIP) is highlighted as one of the regional initiatives. The list of Projects of Common Interest includes several BEMIP energy infrastructure projects in the electricity and gas sector that are implemented with the involvement of the Baltic countries: the Lithuania–Poland interconnection LitPol Link, the Estonian, Latvian and Lithuanian synchronous interconnection with the Continental European networks, enhancement of Latvia-Lithuania gas interconnection, etc. These projects are expected to accelerate the development of the European Union's internal market, ensure the security of gas supply and alternative sources of natural gas supplies in the Baltic region.

Other energy projects that will have a significant impact on the assurance of safe and reliable environment for market participants are developed with equal success. An example of such projects is Lithuania's initiative to build a liquefied natural gas terminal in Klaipėda. The project is already under way. It is expected that the terminal will stimulate the trade of natural gas from alternative sources throughout the region.

The experience of the Baltic countries in developing the use of renewable energy sources encourages the elaboration of the legal environment in this area. The legislation is developed not only through taking into account the provisions of the EU law, but also through dealing with the problems encountered in promoting the use of renewable energy resources. The tendency to change the mechanisms for support of the energy production from renewable resources, often involving changes in existing incentive schemes, has been emerging in order to avoid an unreasonable increase of the electricity price. Due to these processes, problems relating to the implementation of rights of existing producers, who have already made use of support measures, are inevitable and may be observed both when considering changes in legislation, and implementing the revised regulation.

Thus, the Baltic energy market is evolving and encouraging market participants to take advantage of opportunities to carry out various projects in the field of energy.



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# LEGISLATIVE NEWS

## LITHUANIA

### **Solar Light Energy Power Plant Projects that were not Started to Develop till 1 July Lose Support**

After the Law on Energy from Renewable Sources was adopted in Lithuania, there was a lot of interest in the development of solar light energy power plants with the capacity up to 30 kW. Thousands of permits for development of power plants of this type were issued till the end of 2012. In case all the planned solar plant projects were implemented and the power produced in such power plants were purchased at the regulated tariff, this would result in the significant increase of the electricity price for consumers.

In order to avoid increase in electricity prices due to support of the development of power plants and in order to balance development of renewable sources, relevant amendments to the Law were passed at the beginning of the year. According to these amendments, persons who had obtained permits to develop electricity production capacities by building solar light energy power plants, but did not start the implementation of such projects till 1 July, lost such a possibility. Legal acts provided for the mechanism of compensation for project preparation expenses incurred by such persons.

In addition, development restrictions were provided for power plants with the capacity up to 30 kW, which were not included into the total target capacity of wind and solar power plants, and it was established that in case the total capacities of power plants determined in the Law are reached, distribution of supported capacities by auction and acceptance of applications for connection of new power plants are to be stopped.

The amendments dropped exclusive conditions for development of power plants with installed capacity up to 30 kW and established the procedure, according to which all power plants with the installed capacity above 10 kW are to compete in an auction, creating a possibility for development of most economically efficient projects.

In the middle of this year important decisions were also taken regarding supporting electricity producers that use bio-fuel. The supported capacities for all bio-fuel power plants were reduced from 355 to 105 MW. Taking into account that the reduced supported capacities have been already divided among biogas and biomass power plants, all auctions for supported capacities started by the National Control Commission for Prices and Energy but not yet performed were terminated.

### **“25% rule” Abolished as State Regulated Electricity and Heat Businesses will Purchase Natural Gas through the LNG Terminal**

New legislative regulation was established in summer this year, which will ensure legal, financial, organisational conditions for fulfilment of the LNG terminal project. The amendments to the Law on the Liquefied Natural Gas Terminal reduced the burden of implementation of the LNG terminal project on natural gas market participants.

From 2012 the said Law provided for the “25 percent rule”, according to which natural gas companies, which import gas by connecting pipelines and other pipelines of the natural gas transmission system, were obligated to purchase at least 25 percent of the total natural gas volume supplied to the natural gas system through the LNG terminal. The amendments to the Law replaced this rule with a new model, according to which the necessary activities of the LNG terminal are ensured so that companies engaged in state-regulated electricity and/or heat production business are to purchase natural gas through the LNG terminal. According to the established regulation, the said companies will have to purchase natural gas in the volumes determined by the Government through the LNG terminal, whereas a supplier appointed under the competitive procedure will ensure proper implementation of this obligation. Such a natural gas purchasing procedure will be in effect for 10 years after the start of the operation of the LNG terminal. This period can be shortened if the natural gas market is sufficiently developed and integrated in order to ensure safety and efficiency of natural gas supply.

### **Energy Companies will have the Duty to Acquire Energy Resources via Exchange as the Priority**

Amendments to the Law on the Market in Energy Resources, that create favourable conditions for the development of trade in bio-fuel on market conditions, were adopted. Such a decision was necessary because the bio-fuel market participants do not tend to conduct transactions on the exchange but trade in bio-fuels by conducting direct bilateral transactions.

When energy companies specified in the Law acquire energy resources for production of electricity and/or thermal energy, they have a duty to give priority to acquisition of such resources on the exchange of energy resources. The amendments provide for a transitional period, during which the volumes of bio-fuel to be purchased on the exchange consistently increase. It is expected that in 2016 and later years at least 50 percent of bio-fuel purchased for production of heat

and for combined production of heat and electricity will be purchased on the exchange.

### **Ownership Unbundling: TSO in Electricity Sector Certificated, Natural Gas Transmission Company Amber Grid Established**

In 2013 in Lithuania major decisions related to the implementation of the Third Energy Package were made. Given the fact that Lithuania implements the ownership unbundling model in both electricity and natural gas sectors, this option requires important decisions on the national and the EU level. According to requirements of the EU Third Energy Package, the ownership unbundling model stipulates the separation of companies' generation and sale operations from transmission networks.

In accordance with the provisions of the European Union Third Energy Package, TSO certification procedure was finalized in the electricity sector. This April the national regulation authority issued a preliminary decision that the transmission system operator LITGRID AB complies with the requirement of independence, separation and transparency and informed the European Commission about the decision. After the approval by the European Commission, the National Control Commission for Prices and Energy passed a resolution and appointed LITGRID AB the electricity transmission system operator.

This year one of the most important steps in implementation of the ownership unbundling model in the natural gas sector has been made. According to the procedure and conditions set by legal acts, the natural gas transmission activity of AB Lietuvos Dujos was separated from other activities. ~~A newly established company AB Amber Grid started its activity on 1 August. AB Amber Grid took over the assets, rights and obligations of AB Lietuvos Dujos related to the natural gas transmission activity.~~ All the requirements for separation of control in natural gas transmission activity must be fulfilled by October 2014.

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## **LATVIA**

### **Opening of Latvia's Price Zone in the Nord Pool Spot - Significant Step in the Development of Transparent Cross-Border Trade in the Baltic Region**

After two years of intensive preparation process, on 3 June 2013 the Latvian bidding area was successfully launched on the Nordic power exchange Nord Pool Spot. Therefore, currently all the three Baltic States have joined the Nord Pool Spot power exchange, moving forward the single,

transparent, and competitive Baltic area in the regional Nordic-Baltic energy market structure. However, after creation of the Latvian price zone, difference in the electricity prices between Latvia and Estonia was recognized due to limited capacity of the interconnection between Latvia and Estonia. The feasibility study concerning construction of the third electricity supply interconnection between Latvia and Estonia was commenced to ensure effective capacity flow between the Nordic-Baltic energy systems. The implementation of the project is planned until 2020.

### **Opening of the Latvian Electricity Market Postponed**

Although the process of opening the Latvian electricity market was planned to be completed by 1 September 2013, the Cabinet of Ministers decided to seek for a complex solution to the problematic issues in the electricity sector, mainly, with respect to the growth of electricity price due to increase in the mandatory procurement component and consequences following from it. On 17 September 2013, together with the mechanism to compensate for this increase, amendments to the Electricity Market Law were approved by the Cabinet of Ministers to ensure that starting from 1 April 2014 all electricity users, including households, will purchase electricity in the free market, thereby completely opening the electricity market on 1 April 2014 and terminating the regulation of the retail price for electricity by 2015.

### **Suspension of Support Mechanism for the Production of Electricity, Limited Support for Cogeneration Plants over 4 MW**

After suspension of support mechanism for the production of electricity in the effective cogeneration plants and using renewable energy sources until 1 January 2016, new initiatives and amendments to the regulations have been approved by the Cabinet of Ministers to restrict the growth of electricity price.

On 30 July 2013, by approval of the amendments to Regulation 221, the Cabinet of Ministers limited support for the large cogeneration plants using natural gas and having the installed electric capacity over 4 MW. Those amendments mostly refer to large plants like Latvenergo AS, Riga TEC-1 and TEC-2, Juglas jauda Ltd., and Rīgas Siltums district heating plant Imanta. The amendments contain complete reduction of the energy component, leaving only the capacity component as the support mechanism for the producers. Consequently, the energy component for those large cogeneration plants is becoming equal to the corresponding hourly price in the electricity exchange (EUR/MWh).

Other amendments to the same Regulation 221 and Regulation 262, which were approved by the



Cabinet of Ministers, are intended to increase control over the subsidized energy mechanisms. According to the new amendments, there will be no right to prolong the term for commencement of the electricity production in the plant. To ensure efficiency of the allocated state support for the project, a special control group will be established by the Ministry of Economics with the rights to evaluate compliance with the legal and efficiency requirements. Electricity producers are also obligated to submit a copy of the construction permit and bank approval for the granted credit or the availability of necessary financial resources for the project.

Meanwhile, 866 merchants in total have acquired the rights to sell the produced electricity within the framework of the mandatory procurement or the rights to receive granted payment for the installed electric capacity. However, until 1 July 2013 the Ministry of Economics cancelled 90 decisions for the allocation of the rights to sell electricity within the framework of the mandatory procurement.

New mechanism with the aim to restrict and compensate for the growth of electricity price due to the increase of the mandatory procurement component was accepted in the Cabinet of Ministers, introducing the concept of social support instrument for low income households and the Electricity Users' Support Fund administered by the newly founded subsidiary of Latvenergo AS. Raising of the necessary financial resources remains a problematic issue concerning this fund. Thus, on 17 September 2013 a draft law introducing the Subsidized Electricity Tax as from 1 January 2014 was accepted by the Cabinet of Ministers and sent to the parliament for adoption. Meanwhile it is intended that the tax will apply to all taxable income from electricity sold within the framework of mandatory procurement, from received guaranteed fee for the power capacity installed in the cogeneration plant or power plant and from the electricity sold to public trader (licensed electricity transmission or distribution company) in accordance with the wording of Article 40 of the Energy Law in effect during the period from 6 October 1998 until 7 June 2005. This draft law provides a higher tax rate (15%) for the production of electricity using fossil fuel and a lower tax rate (10%) for the production of electricity using renewable energy sources. A special 5% tax rate will be applied to the high efficiency cogeneration plants with the installed capacity of up to 4 megawatts (MW), if producer sells at least 70% of the thermal energy produced within the cogeneration process to a heating supply transmission or distribution merchant licensed by the Public Utilities Commission, or sells it by itself as a heating supply transmission or distribution merchant licensed by the Public Utilities Commission. This tax initiative will have significant impact on the subsidized electricity producers, who have acquired the rights to sell the produced

electricity within the framework of the mandatory procurement, and there already is strong opposition against it from the renewable energy producers. After approval in the Cabinet of Ministers, the Ministry of Economics will be obliged to inform and coordinate this mechanism with the European Commission.

## **Long-term Strategy for the Latvian Energy Sector Approved**

On 28 May 2013 "Latvian energy long-term strategy 2030 – Competitive energy for society" prepared by the Ministry of Economics was approved by the Cabinet of Ministers. According to this strategy the Ministry of Economics has started to work on the preparation of new regulatory enactments, planning documents, and are planning to finish the detailed Energy Policy Guidelines for the period from 2014 to 2020 by 1 May 2014.

## **Liberalization of the Natural Gas Market in Two Phases**

On 19 March 2013 the Cabinet of Ministers decided to carry out liberalization of the natural gas market in two phases. In the first phase specific actions are planned to be completed by April 2014, until status of the 'emerging market' becomes applicable to the Latvian gas market. This includes the latest amendments to the Energy Law prepared by the Ministry of Economics, establishing the rights of third party to access the Latvian gas system. However, those amendments were postponed for some period and currently are in the process of adoption by the Latvian Parliament (Saeima). The second phase will include actions intended to gain and ensure direct connection to the interconnected system of any Member State other than Estonia, Lithuania and Finland according to Article 49 of Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC.

## **Regulations on Energy Performance of Buildings, Planned Mandatory Biofuel Blending Rates**

The new Law on the Energy Performance of Buildings, which came into force on 9 January 2013, adopting provisions from Directive 2010/31/EC of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings, establishes requirements for the minimum energy performance of the buildings, the classification system of the energy performance of buildings including a new term 'nearly zero-energy building', and the energy certification of a building or its units.

The planned amendments to Regulation 772 and Regulation 332 will bring significant changes to the biofuel sector in Latvia. The Cabinet of Ministers is intended to slowly raise the amount of mandatory biofuel blending with fossil fuel up to 10%. It is planned to increase biodiesel blending with diesel fuel up to 6.5 - 7% and to maintain current 5% bioethanol blending with petrol as from 1 April 2014.

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## ESTONIA

### **Amendments Regarding the Support to Renewable Electricity Still Pending due to State Aid Scheme and Legitimacy of Reduced Subsidies**

In November 2012, the Estonian Parliament initiated a legislative process for amending the Electricity Market Act (EMA) with the purpose of reducing and changing the support mechanism for electricity produced from renewable sources. After launching the draft act amending the EMA, several producers of renewable energy and other interested persons presented their dissenting opinions to the parliamentary commission responsible for the legislative proceedings related to amendments to the EMA. Therefore, the commission made several amendments to the draft amendment act and presented these amendment proposals to the Parliament in February 2013 for a second reading. The commission responsible for the amendments made a proposal to stop the second reading of the draft amendment act and to ask for additional draft amendments. So far the Parliament has not continued with the second reading and the draft is at a standstill. Several disputable issues delay the adoption of the amendments.

One of the problems is waiting for the European Commission's approval for state aid. As the support scheme for renewable electricity is state aid by its nature, the Ministry of Economic Affairs and Communication submitted an application for state aid permission to the European Commission already at the end of 2012 but the date for issuing such permission is unpredictable. According to the European Commission's state aid policy, aid may be given if without it the investors did not make the desired investments. As the enactment of the draft act amending the EMA depends directly on receiving the state aid permission from the European Commission, it is very unclear when the act can enter into force.

Another issue is whether the reduction of subsidies provided for electricity produced from renewable sources is in compliance with the principle of legitimate expectations. According to this principle, the state should protect legitimate expectations of addressees of legal acts and make sure a person is not deprived of any rights given by the state which the person has already started to exercise and that

the rights and obligations arising from legislation remain stable and do not change to the detriment of the persons relying on them. The draft EMA amendment act changes the current renewable energy support scheme which applies to the existing producers. The draft EMA amendments also have substantial impact on the renewable energy projects which are at the stage of development but where certain investments have already been made. Therefore, the draft EMA amendment act may constitute a breach of legitimate expectations of such producers and developers.

As a partial solution to this problem and to minimize the infringement on the rights of the existing producers, the legislators have included the term of "existing renewable energy producers" in the draft amendment act according to which these producers are given priority and are entitled to receive renewable energy subsidies based on terms different from those applicable to new producers. It has also been suggested that the term "existing renewable energy producers" should include these producers who have not yet produced renewable energy but have made investments to the extent of 500,000 EUR and these producers should be treated on equal grounds.

All in all, there is a strong intent to adopt the necessary amendments to the EMA but the legislative process has dragged on and there are several amendments still to be discussed and made. Therefore, it is currently still unclear when this draft amendment act can be adopted and enter into force.

### **Estonian Government Drafts Energy Sector Development Plan until 2030**

At the beginning of August 2013, the Estonian Government decided to launch a new energy sector development plan on the proposal of the Minister of Economic Affairs and Communications, which will determine the development of the Estonian energy sector until 2030. The drafting proposal of the development plan points out the need for preparing a long-term development plan and describes problems related to energy sector in different fields of economy, different development scenarios and the principles for comparing and assessing these scenarios, the principles of preparing the development plan, time schedule and scope. Furthermore, the development plan will cover not only the heat and fuel sector but also energy consumption of the transport and housing sector.

According to the Minister of Economic Affairs and Communications, it is important to develop more understandable connections between different sectors related to energy and to consider the developments, goals and impact of these sectors on the whole energy consumption in the energy

consumption prognosis. By combining different sectors it is hoped to consolidate the entire energy sector planning under one development plan, thereby increasing the coherence of the energy sector.

In the development plan, the different development directions of the Estonian energy policy will be described and the best solution will be chosen based on the intention that consumers should be provided with reasonably priced and available energy supply, its impact on the environment should be acceptable, it should be in conformity with the European Union's long-term energy and climate policy aims and its application should be most profitable for the economy's long-term competitiveness.

The strategic goals of the development plan are ensuring the energy supply in the electricity, heat, transport, housing and domestic fuel sectors, reducing the energy intensity of the economy and increasing energy saving, and increasing the energy security by developing the necessary business environment, infrastructure and connections for producing energy.

### **Location of the Regional LNG Terminal Still Uncertain**

Finland, Estonia, Latvia and Lithuania have commonly recognised the need for a regional LNG terminal. According to the European Commission study on gas supply issues in the East-Baltic region published on 23 November 2012, the LNG terminal should be built on the shore of the Gulf of Finland, which means that the terminal should be built either in Estonia or Finland. But the two countries have not been able to reach a decision on the location of the LNG terminal even after several discussions.

Finland is of the opinion that the best location would be their city Inkoo as gas consumption on the Finnish market is five billion m<sup>3</sup> a year whereas Estonia only consumes 0.7 billion m<sup>3</sup> of gas a year. On the other hand, Estonia thinks that the LNG terminal should be built either in Paldiski or Muuga as the cost of building the terminal in Estonia is considerably lower and the project could be completed already by 2016-2017 while the Inkoo terminal would not be ready for business before 2018-2019.

Although the project will be co-funded by the European Union, it cannot be completed without additional investors. Finland's gas network enterprise Gasum has promised to provide additional funding only if the LNG terminal is built in Finland. Despite Gasum's position, Estonian company Alexela is leading the Paldiski terminal project in Estonia and is interested in investing the necessary funds to complete it. In order to receive monetary support from the European Union during

the 2014 energy infrastructure financing round, the location of the terminal should be decided by the end of September 2013 at the latest. Otherwise the funding decision will be postponed for two years until the 2016 financing round. Therefore, it is highly important for Estonia and Finland to reach an agreement about the location of the LNG terminal as quickly as possible.

As Estonia and Finland were not able to agree on the location of the terminal, they have asked the European Commission to decide the matter for them. The president of the European Commission Jose Manuel Barroso agreed to take the role of an impartial assessor in the Finnish and Estonian dispute over the location of the LNG terminal. Both parties have promised to accept the European Commission's decision.

The LNG terminal is inseparable from the gas pipe Balticconnector through which the country that is not chosen for the LNG terminal can receive gas. So even if Estonia were not chosen as the location, it can still obtain gas through Balticconnector pipeline. Therefore, regardless of the location chosen for the LNG terminal, it should have significant impact on the gas markets on both shores of the Gulf of Finland.

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## OUR RECENT EXPERIENCE

TARK GRUNTE SUTKIENE continues to advise the Republic of Lithuania represented by the Ministry of Energy in all the issues concerning several **arbitration cases against OAO Gazprom**. The Republic of Lithuania implements the EU Third Gas Directive in the legislation of the state and this step is strongly opposed by Gazprom as it is targeted to minimize the monopoly in the gas market.

TARK GRUNTE SUTKIENE continues to be the main legal adviser to **AB Klaipėdos Nafta on all aspects of the Liquefied Natural Gas Terminal Project** in Klaipėda. We advise AB Klaipėdos Nafta on structure of the project, on fulfilment of time charter party on lease of the Floating Storage and Regasification Unit and of construction works of LNG terminal infrastructure. Our professionals represented the client's interests in local and international banks for provision of financing services required for the construction of the LNG terminal, advised AB Klaipėdos Nafta on various issues concerning territorial planning, construction and project management, certification and applicable requirements for certain design, construction and technical supervision specialists, purchasing of liquefied natural gas and selling of natural gas, project financing, corporate and other routine commercial issues.

TARK GRUNTE SUTKIENE has advised clients on various matters in **renewable energy sector in Latvia and Lithuania**. We represent and assist several renewable energy producers in relation to the intended changes in the renewable energy support mechanism in Latvia, inter alia research of the possible legal remedies in case future amendments are found to be an unreasonable violation of the rights and legitimate interests and expectations of the quota recipient, including a possibility to use the foreign investment protection scheme provided for in the Energy Charter Treaty.

In 2012/2013 TARK GRUNTE SUTKIENE has advised several clients in connection with **trade loan facilities provided to energy and commodity traders**. Our clients mainly include the largest international banks which are involved in the financing of energy trade. Among others, we advised a bank syndicate on the EUR 120 million secured term facility extended to a global energy and commodity group. We also worked for a lender on taking security over trade flows (crude oil and other oil products) through Estonia. Another EUR 250 million financing project involved working out a way to take security over chemical products blended in the tanks in an Estonian sea port.

We advised the **European Investment Bank regarding modernization and renovation** issues and applicable legal regulation in Lithuania. TARK GRUNTE SUTKIENE assisted Nordea Bank

Finland plc Latvia branch in arranging financing for a **large scale renewable energy production project in Latvia** to be constructed and developed by AS Vainode Energo group.

TARK GRUNTE SUTKIENE has also assisted clients in **disputes in the energy sector**. Among others matters, we represented AS Lukoil Eesti, subsidiary of Russia's second-largest oil producer, in a dispute with a guarantor. The dispute arises from the validity of a contract of suretyship signed by a board member of a client and AS Lukoil Eesti. **The claim of AS Lukoil Eesti has been successful in the County Court and the Circuit Court.**

TARK GRUNTE SUTKIENE **represented PetroKazakhstan, subsidiary of PetroChina**, a world leader in petroleum and natural gas related activities (which is among top 10 companies in Forbes' World's Biggest Companies report for 2012). We provided legal advice in a dispute related to taxation issues. This rare dispute involved the application of an agreement on the avoidance of double taxation and prevention of tax evasion.

TARK GRUNTE SUTKIENE has actively cooperated with local governments as well. We are currently advising and representing the City of Kunda (Estonia) in a lawsuit related to the **planning of a district heating power station running on biofuel** in Kunda. In the same region, the private company AS Kunda Nordic Tsement was advised on the construction of a boiler plant running on the waste heat generated in the process of producing construction materials.

TARK GRUNTE SUTKIENE continues to assist **Litgrid, AB**, the state-owned electricity transmission system operator in Lithuania with regard to the various commercial issues.

TARK GRUNTE SUTKIENE continuous **full scope assistance to Graanul Invest group** (the leading bioenergetics and renewable energy production group from Estonia), including in the process of design and construction of two new combined heat and power plants, which covered, inter alia, energy, spatial planning, design, construction, environmental and regulatory matters.

TARK GRUNTE SUTKIENE advises and represents HoSt B.V. and its subsidiary SIA Host Energo in Latvia as suppliers in a dispute with SIA Importex Group related to fulfilment of obligations under the agreement on **construction of a biogas combined heat and power plant in the amount of EUR 1.2 million**.



# NEWS

## BALTIC ENERGY FORUM 2013. COMPETITIVE ENERGY – COMPETITIVE BUSINESS



VERSLO ŽINIOS, a leading Lithuanian business daily, in cooperation with TARK GRUNTE SUTKIENE presents one of the most important professional events in the energy industry this year in the Baltics – “BALTIC ENERGY FORUM 2013. COMPETITIVE ENERGY – COMPETITIVE BUSINESS”. The event will be held on 26 November 2013 in conference centre of Le Meridien Vilnius.

The purpose of Baltic Energy Forum 2013 is to assemble representatives of business, politics and energy sectors for a joint discussion, in order to raise most topical issues and to look for solutions acceptable to all.

The keynote of the forum is “competitive energy – competitive business”, therefore we will pay most attention to exclusively discussing issues important for business: the energy strategies of the Baltic States – whether there is space for business interests in them, how electricity prices will change after appearance of the new links, when the gas price will become competitive and how it will be

determined by the appearance of the LNG terminal in Lithuania, etc.

The program of the forum is such that you would get particularly concentrated information about the most important aspects of the Baltic energy sector during a one-day event.

The programme of the forum is split into two main parts: strategic presentations and panel discussions on gas, electricity and heat production topics.

The Lithuanian Ministers of Energy and Finance, representatives of the Lithuanian and Estonian electricity production companies, independent experts of the Lithuanian, Latvian and Estonian energy sectors, representatives of industry companies, representatives of foreign electricity and gas sectors will make reports in the forum and will participate in the discussions.

The main topics of the forum:

- Elimination of the energy island: single energy plan for Lithuania, Latvia and Estonia
- Competitive energy – competitive business: how will we achieve that?
- Changes in the Baltic gas market after the LNG terminal start-up
- Trade in gas: are we going to have good news?
- Can gas market become competitive?
- Development of power grids – way towards competitive energy?
- Latest trends in the heat sector

Forum moderators are **Rytas Staselis**, Reviewer of business daily Verslo Žinios, and **Vilius Bernatonis**, Partner of law firm TARK GRUNTE SUTKIENE.

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