

Estonia Grid Operator Warns About Electricity Dependency

By The Moscow Times

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TALLINN, Estonia — The European Union risks becoming as dependent on Russian power as it is on Russian gas, the grid operator of Estonia said Wednesday, noting increased imports into the Baltic region for Latvia and Lithuania from its large eastern neighbor.

Energy grid operator Elering said German power group E.On had covered a shortfall in Baltic generation with imports from its Russian subsidiary.

"The decision last week by E.On ... shows an increasing tendency for electricity production to move outside of the European Union," Elering chairman Taavi Veskimagi said.

He said climate policy meant that power firms were turning to third countries for generation, as regulation is looser there. New capacity could not be built on the border with Russia or Belarus without subsidies, he added.

"In the future this could lead us into an electricity dependency similar to that we see today with gas," he said. "The increasing and accepted role of electricity imported from Russia in the Baltic electricity market is worrying," he added.

Energy dependence on Russia remains a troubling issue for the three Baltic states of Estonia, Latvia and Lithuania, which are competing to build a regional liquefied natural gas, or LNG, terminal to ease their total dependency on Russian natural gas.

Elering made its comments on worries about an increase in the rise of Russian power imports after noting that consumption in the Baltic region had outstripped production by 30 percent in July, pushing the power shortfall to a new peak.

It said it was Estonia's southern neighbors, Lithuania, which closed its nuclear power plant at the end of 2009, and Latvia, which had suffered the power shortfall.

The production shortfall in Lithuania was 71 percent of consumption in July, with 63 percent covered by electricity bought from third countries outside the EU.

It added that Latvia's power shortfall was 53 percent of consumption despite a slight increase in production.

The former Soviet Baltic states all remain connected to the power systems of Russia and Belarus. The only westward link is a cable between Estonia and Finland.

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