

MEMORANDUM OF UNDERSTANDING
AMONG
ESTONIAN COMPETITION AUTHORITY,
PUBLIC UTILITIES COMMISSION OF LATVIA
AND
NATIONAL ENERGY REGULATORY COUNCIL OF LITHUANIA

CONCERNING
THE BALTIC ENERGY REGULATORS' COOPERATION ON
ELECTRICITY MARKET DEVELOPMENT

Estonian Competition Authority, Public Utilities Commission of Latvia and National Energy Regulatory Council of Lithuania hereinafter referred to as „Parties“,

HAVING REGARD to the commitments of the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania to comply with the European Union legal acts upon accession to the European Union as Member States in each of the Accession Agreements,

WISHING TO DEVELOP a fully functioning and interconnected internal electricity market and further competitive, efficient, objective, non-discriminatory and transparent common Baltic electricity market conditions, implementing European Union wide requirements from Clean Energy Package and Network Codes,

DESIRING to create favourable conditions for further promotion of activities and friendly relations between Parties,

RECOGNISING the importance of growth of electricity sector and the influence thereof on the economic development of each country,

TAKING INTO CONSIDERATION significance of effective regulation of electricity sector,

have signed this Memorandum of Understanding.

THE PURPOSE of this Memorandum of Understanding is to facilitate cooperation and coordination between Baltic national regulatory authorities in the area of electricity sector in order to develop competitive, flexible, secure and environmentally sustainable and properly functioning internal electricity market in the Baltic states through support and application of joint measures, exchange of information and experience in regulation ensuring its full integration into the European Union's internal electricity market.

Scope of Cooperation

In line with rapid changes in the functioning and regulation of internal electricity market, the Parties hereby declare their intention to implement the following:

- to establish a Baltic Regulators' Electricity Market Coordination Group (BREMCG) among the national regulatory authorities of the Baltic states;
- to give practical effect to the implementation of the Clean Energy Package, European Union Network Codes, European Green Deal Package and other electricity market related European Union regulations;
- to work towards harmonisation of the electricity market regulatory framework in the Baltic states;
- to work on common legal framework in the field of demand side response processes;
- to work on evolution and development of exchange of balancing services or for the sharing of reserves.

Furthermore, BREMCG operates in accordance with BREMCG Terms of Reference which is approved by BREMCG and BREMCG reports to the heads of national regulatory authorities of the Baltic states on annual basis.

Good Will

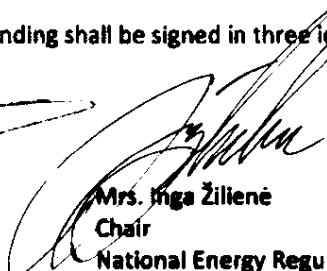
This Memorandum of Understanding is a sign of good will of the Parties and is not binding.

Language of the Memorandum of Understanding

This Memorandum of Understanding shall be signed in three identical copies in English language.

on 23 June 2020


Mr. Märt Ots
Director General
Estonian Competition
Authority


Mrs. Inga Žilienė
Chair
National Energy Regulatory
Council of Lithuania


Mr. Rolands Irdiis
Chair
Public Utilities Commission
of Latvia