



ANALYSIS

THE LONG SHADOW OF A NUCLEAR MONSTER LITHUANIAN RESPONSES TO THE ASTRAVYETS NPP IN BELARUS

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MARCH 2021

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RAHVUSVAHELINE KAITSEURINGUTE KESKUS
INTERNATIONAL CENTRE FOR DEFENCE AND SECURITY
EESTI · ESTONIA

Title: The Long Shadow of a Nuclear Monster: Lithuanian responses to the Astravyets NPP in Belarus
Author: Janeliūnas, Tomas
Publication date: March 2021
Category: Analysis

Cover page photo: Evaporation process seen from the cooling towers of the Russian-built Belarus nuclear power plant in Astravyets. Footage is made from the Lithuanian territory about 30 km from the nuclear plant (photo credit: Karolis Kavolelis/KKF/Scanpix Baltics).

Keywords: energy policy, energy security, foreign policy, geopolitics, nuclear energy, Baltic states, Belarus, Estonia, Latvia, Lithuania, Russia, European Union

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ISSN 2228-2076

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INTRODUCTION

On 3 November 2020, Belarus started testing the Astravyets Nuclear Power Plant (Astravyets NPP), and since December it has been conducting tests for industrial use. In the process, the electricity produced by the Astravyets NPP also entered the electricity system of the Baltic states, as Lithuania, Latvia and Estonia still belong to the same electricity system as Belarus and parts of Russia. The Astravyets NPP, which is located just 50 km from Vilnius, is of great concern to the Lithuanian public and government due to major safety issues that remain unaddressed by the authorities of Belarus and the plant's operator, the Russian state-owned nuclear energy corporation Rosatom. The start of operation of the Astravyets NPP has caused many tensions between the Baltic states, as no unanimous agreement has been reached thus far to block the import of electricity from Belarus.

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This analysis is intended to provide an overview of the current situation regarding different approaches in the Baltic states towards electricity trade with third countries (i.e., Russia and Belarus) and to explore the reasons for their disagreement and the potential for consensus.

1. THE ASTRAVYETS NPP AND ITS BOYCOTT

Lithuania has long opposed the development of this nuclear power plant and proposed boycotting electricity imports from Belarus from the moment the Astravyets NPP became operational. On 20 April 2017, the parliament of Lithuania (Seimas) passed the “Law on Necessary Measures against Threats Posed by Unsafe Nuclear Power Plants in Third Countries”.¹ The decision implied an end to imports of Belarussian electricity to the Lithuanian market after the launch of the Astravyets NPP. The main reason for the boycott is the Lithuanian authorities' conviction that the Astravyets NPP was built in violation of essential safety requirements and does not comply with international obligations regarding the development of civil nuclear energy. Although Lithuania's political efforts to stop the project have failed and the first Astravyets NPP reactor has become operational, the electricity boycott still has an economic rationale: Lithuania hopes that if Belarus fails to export electricity to the Baltic countries, it will abandon plans to build the second Astravyets NPP reactor.

However, stopping Belarusian electricity from entering the Baltic electricity market requires a common solution among Lithuanian, Latvian and Estonian electricity transmission system operators (TSOs). The Baltic states' transmission grid is still a part of the Integrated Power System/Unified Power System (IPS/UPS) operating in what is known as the “BRELL ring” (which includes the transmission systems of Belarus, Russia, Estonia, Latvia, and Lithuania). Physical flows of electricity among Belarus, Russia and the Baltic states are to be maintained until the end of 2025, when the synchronisation of the Baltic grids with the Continental European Network (CEN) via Poland should be finalised.

The Baltic states have not found a common solution by which to boycott the commercial trade of Belarussian electricity, as Latvia prefers keeping open the option of trade

¹ Seimas of the Republic of Lithuania, “[The Law on Necessary Measures against Threats Posed by Unsafe Nuclear Power Plants in Third Countries](#)”, Pub. L. No. XIII – 306 (2017), 20 April 2017.

with Russia. This option would, in essence, allow Belarusian electricity to enter the Baltic electricity market, as there is little or no

The Baltic states have not found a common solution by which to boycott the commercial trade of Belarussian electricity, as Latvia prefers keeping open the option of trade with Russia

possibility of separating Belarusian electricity from Russian electricity in the BRELL ring. The technical conditions to trade electricity with third countries (i.e., Russia) have to be set in a common document of the Baltic TSOs – *The Terms, Conditions and Methodology on Cross-Zonal Capacity Calculation, Provision and Allocation with Russia* (hereinafter, the Methodology) – but the Lithuanian side refused to approve the latest version of the Methodology. Accordingly, the Baltic states currently do not have a common position on how to ensure that Belarusian electricity is not traded on the Baltic electricity markets.

Lithuanian politicians saw the Astravyets NPP as a threat to national security long before the power plant became operational

2. LITHUANIA'S PERCEPTION OF THE THREAT

Lithuanian politicians saw the Astravyets NPP as a threat to national security long before the power plant became operational. In 2017, the Lithuanian National Security Strategy mentioned among the most important threats, dangers and risk factors:

[D]evelopment of unsafe nuclear energy projects near the borders of the Republic of Lithuania [emphasis added], non-compliance with international nuclear safety, radiation and environmental protection requirements in the process of designing, building and operating nuclear energy facilities by the Russian Federation and the Republic of Belarus, without conducting environmental impact assessment.²

² Seimas of the Republic of Lithuania, “[National Security Strategy](#)”, Resolution No. XIII-202 (2017), 5.

The Astravyets NPP threat discourse was more often noticeable in the rhetoric of the right and centre-right politicians from the conservative Homeland Union-Lithuanian Christian Democrats and the Liberal Movement, who often criticised government officials or the then-President Dalia Grybauskaitė for doing too little to stop a dangerous project. On the other hand, the representatives of the left-wing parties did not shy away from criticising the former conservative Prime Minister Andrius Kubilius, who was convinced back in 2009–10 that the Astravyets NPP would probably be suspended, just as the Russia-initiated Baltic NPP project in the Kaliningrad exclave had been.

At the beginning of 2020, the non-governmental movement against the Astravyets NPP was established in Vilnius. Most of the founders of the organisation were representatives of the conservative and liberal parties. Some prominent public figures – including the first head of the restored Lithuanian state, professor Vytautas Landsbergis; former head of the State Security Department Mečys Laurinkus; and former minister of foreign affairs Petras Vaitiekūnas – also joined the movement.³ The anti-Astravyets movement was very active in criticising the Lithuanian government – and especially Minister of Energy Žygimantas Vaičiūnas – by declaring that Lithuania did not sufficiently protect its national interests and was unable to conclude a firm agreement with Latvia and Estonia on the Belarusian electricity boycott. Positions differed even within the government, with foreign affairs and defence ministers also proposing to oppose the agreement made by the energy minister. President Gitanas Nausėda, who took office in 2019, asked then-Prime Minister Saulius Skvernelis to form a common position within the government as soon as possible, as differences of opinion prevented Lithuania from defending its interests in the most effective way.⁴

³ Jūratė Valančiūtė, ELTA, “[Vilniuje įsteigtas visuomeninis judėjimas – Sąjūdis prieš Astravo atominę elektrinę](#)” [A public movement was established in Vilnius – Movement against the Astravyets nuclear power plant], LRT.lt, 1 February 2020.

⁴ Sniegė Balčiūnaitė, BNS, ELTA, “[Skvernelis: dėl Astravo AE elektros Lietuva turi išgryninti savo interesus](#)” [Skvernelis: Lithuania needs to make its interests clear with regard to Astravyets NPP electricity], LRT.lt, 23 June 2020.

Lithuanian society was also affected by the threat discourse surrounding the Astravyets NPP. A public opinion survey conducted in the autumn of 2018 revealed that 65.5 percent of respondents considered the ongoing Astravyets NPP project to be a threat to the country's security.⁵ The most recent public opinion survey, carried out in September 2020,

Lithuanian society was also affected by the threat discourse surrounding the Astravyets NPP

showed that about 58 percent of respondents thought the Astravyets NPP posed a threat – the issue was named among the four most urgent potential threats (together with a potential economic crisis, the rising prices of goods and services, and the rising price of food).⁶

Concerns about security risks have intensified in Lithuania with the launch of operation tests of the Astravyets NPP in autumn 2020

Concerns about security risks have intensified in Lithuania with the launch of operation tests of the Astravyets NPP in autumn 2020. There were reports of at least two incidents during the tests: on 8 November, the turbine at the plant's first unit was shut down due to the failure of voltage transformers.⁷ On 30 November, Ecohome, a prominent environmental NGO in Belarus, reported that another incident took place earlier at the plant, when a tank of the emergency cooling system of the first reactor was damaged.⁸

⁵ Kauno Technologijos Universitetas (Kaunas University of Technology), "[Tyrimas: Lietuvos gyventojams Astravo atominės elektrinės kaimynystė – nepriimtina ir grėsminga](#)" [Research: For the Lithuanian population, the vicinity of the Astravyets nuclear power plant is unacceptable and threatening], 29 April 2019.

⁶ Agnė Bužytė, "[KTU mokslininkų tyrimas: Lietuvos gyventojus gąsdina ne tik pandemija](#)" [Research by KTU researchers: Lithuanians are threatened by more than the pandemic], Kauno Technologijos Universitetas (Kaunas University of Technology), 22 December 2020.

⁷ BNS, "[Lithuania Asks Minsk for Official Information on Astravyets NPP Incident](#)," LRT.lt, 11 November 2020.

⁸ Vaida Kalinkaitė-Matuliauskienė, "[Belarusian NGO Reports Incident at Astravyets Nuclear Plant](#)," LRT.lt, 1 December 2020.

There is no doubt that the Astravyets NPP and the safety risks associated with the project will be included in the updated National Security Strategy of Lithuania. In the first public hearings organised by the Committee of National Security and Defence of the Seimas, the threat posed by the Astravyets NPP was mentioned as one of the top risks currently facing Lithuania.

However, even some Lithuanian energy experts questioned whether Lithuania could prevent the full access of Belarusian commercial electricity to the Baltic market, as tracing the origin of electricity could be difficult.⁹ On the

other hand, Lithuania has no legal powers to completely prevent, for instance, Latvia from importing electricity from Russia. Rytas Staselis, a Lithuanian energy expert, stated that the cost of electricity produced by the Astravyets NPP could be almost twice as high as the normal

price of electricity in the Baltic market due to the high investment costs in Belarus.¹⁰ However, it is understood that the authoritarian regime does not follow the logic of the free market and Belarus needs to trade in electricity in

any case, which could lead to significant price dumping when entering the Baltic markets.

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3. POLITICAL ACTIONS AND DECISIONS

The national law mentioned earlier and other decisions were conceived to prevent the trading of Astravyets NPP electricity in Lithuania. However, national decisions alone cannot change the rules for electricity trade that apply to the whole region, which is part of an integrated electricity market operated

⁹ Paulius Viluckas, Roma Pakėnienė, BNS, "[Kritikai sako, kad vidaus ginčai dėl prekybos elektra gali pakenkti Lietuvos reputacijai](#)" [Critics say internal disputes over electricity trade could damage Lithuania's reputation], LRT.lt, 13 November 2020.

¹⁰ Rytas Staselis, "[Baltarusiškai Elektrai Lietuvoje – Jokiu Šansu](#)" [There is no chance for Belarusian electricity in Lithuania], AtviraKlaipeda.lt, 31 August 2020.

by Nord Pool. The country's authorities have taken a number of steps so that the Astravyets NPP is recognised internationally as an unsafe power plant. However, international organisations monitoring civil nuclear energy do not have the means to ban the construction of nuclear power plants. They can only make recommendations or identify some violations of international obligations but not impose serious sanctions. The following section is an overview of the measures taken by Lithuania in trying to halt the Astravyets NPP project.

3.1. NATIONAL LEVEL

In September 2017, the Government of Lithuania adopted the *Action Plan for the Implementation of the Necessary Measures to Protect against an Unsafe Nuclear Power Plant under Construction in the Republic of Belarus which Poses a Threat to the National Security, Environment, and Public Health of the Republic of Lithuania*. This document set out the objectives of accelerating the implementation of the synchronisation of electricity networks with continental Europe. The intention to seek a regional political agreement blocking Belarusian electricity from the Baltic electricity market was also included with the following wording: "Pursue a political agreement with the Republic of Estonia, the Republic of Latvia, the Republic of Poland and the Republic of Finland on the application of uniform principles for access to the market for electricity from third countries since the start of operation of the Astravyets NPP".¹¹

As the start-up time for the Astravyets NPP approached, the measures taken at the local level to prepare for emergencies in the event of an accident at the plant intensified. At the end of 2019, Lithuania received more than 4,000,000 potassium iodine tablets to be distributed to residents in case of a nuclear accident. In the first half of 2020, the first

shipment of pills reached Lithuanian residents living within a 30-kilometre radius from the Astravyets NPP: the Vilnius District municipality received 29,000 pills, and the Švenčionys District received over 95,000.¹² Later, the Ministry of Health distributed the rest of the potassium iodide pills in 16 municipalities within 100 kilometres of the Astravyets NPP.

As the start-up time for the Astravyets NPP approached, the measures taken at the local level to prepare for emergencies in the event of an accident at the plant intensified

On 16 July 2020, the State Defence Council – the highest national institution dealing with security issues of the utmost importance – was convened by the president to discuss preparation processes before the launch of the Astravyets NPP. Later, the then-Minister of Interior Rita Tamašunienė revealed that the Lithuanian government planned to invest almost €140 million in disaster preparedness related to the Astravyets NPP over the next few years. However, it was acknowledged that preparation for possible incidents had been delayed. For example, plans to completely update the model of the civil protection system were to be implemented only by 2023.¹³ This model envisaged the establishment of a national civil protection centre to shorten the decision-making chain in emergency situations; ensuring the necessary material resources of

In 2019 – 20, several civil emergency exercises took place in Lithuania that revealed the problems of coordination between different institutions

the state reserve and their efficient use; and modernising the public emergency warning and information system. In the event of an Astravyets NPP accident, large-scale measures were to be implemented, including the provision

¹¹ Government of the Republic of Lithuania, "[Dėl būtinųjų priemonių, skirtų apsaugoti nuo nesaugios branduolinės elektrinės, kuri yra statoma Baltarusijos Respublikoje ir kuri kelia grėsmę Lietuvos Respublikos nacionaliniam saugumui, aplinkai ir visuomenės sveikatai, įgyvendinimo veiksmų plano patvirtinimo](#)" [Action plan for the implementation of the necessary measures to protect against an unsafe nuclear power plant under construction in the Republic of Belarus which poses a threat to the national security, environment, and public health of the Republic of Lithuania], Decree No. 739 (2017), 13 September 2017.

¹² BNS, "[Lithuania Hands out Iodine Pills Ahead of Astravyets NPP Launch](#)," LRT.lt, 12 June 2020.

¹³ Saulius Jakučionis, "[Lietuva dar nepasirengė tinkamai reaguoti į nelaimę Astravo AE, o jodo tablečių nepasiėmė ir R.Tamašunienė](#)" [Lithuania is not yet ready to respond properly to the disaster at Astravyets NPP, and Tamašunienė has not taken iodine tablets either], 15min.lt, 20 October 2020.

of food, medicine and unpolluted drinking water to the population (the Astravyets NPP is cooled by water from the Neris River, which is the main water source in Vilnius) and the potential evacuation of the population – more than 500,000 people. In 2019–20, several civil emergency exercises took place in Lithuania that revealed the problems of coordination between different institutions.

3.2. REGIONAL AND INTERNATIONAL LEVEL

The Lithuanian Ministry of Foreign Affairs has constantly tried to raise the issue of security of the Astravyets NPP in international institutions (e.g., the International Atomic Energy Agency [IAEA], the Nuclear Safety and Espoo Conventions, the Aarhus and Helsinki Water Conventions, the Western European Nuclear Safety Organisation [WENRA], the European Nuclear Safety Regulators Group [ENSREG]), arguing that the Astravyets NPP project was not in compliance with international standards of environmental and nuclear safety: there

The project was accompanied by persistent manipulations of international instruments and public opinion in Belarus and neighbouring countries, and the Astravyets NPP is essentially a geopolitical project devoid of economic logic

were serious and recurring violations of such standards, repeated safety incidents on the construction site, poor occupational safety culture, and lack of competence and expertise in the project development process. As stated in the official document, *Fundamental Problems of the Astravyets Nuclear Power Plant under Construction in Belarus*, the project was accompanied by persistent manipulations of international instruments and public opinion in Belarus and neighbouring countries, and the Astravyets NPP is essentially a geopolitical project devoid of economic logic.¹⁴

However, diplomatic victories at the international level have been few and rather insignificant:

¹⁴ Ministry of Foreign Affairs of the Republic of Lithuania, “[Fundamental Problems of the Astravyets Nuclear Power Plant under Construction in Belarus](#),” last updated 13 April 2018.

- In July 2018, the European Nuclear Safety Regulators Group endorsed a peer review report on the Astravyets NPP’s risk and safety assessment (stress tests). The report identified serious flaws in the project and offered recommendations, particularly in the areas of seismic safety assessment, improvement of safety functions and management of severe accidents.¹⁵
- On 7 February 2019, the Meeting of the Parties to the Espoo Convention in Geneva decided that Belarus had violated the Espoo Convention by choosing the location that it did for its nuclear power plant.¹⁶
- According to Lithuanian Prime Minister Saulius Skvernelis, on 16 September 2019, Polish Prime Minister Mateusz Marowiecki, during a visit to Lithuania, confirmed that Poland had no intentions to purchase electricity generated at the Astravyets NPP.¹⁷
- On 11 December 2020, the Parties to the Espoo Convention reaffirmed that Belarus had failed to comply with the provisions of the Convention in developing the Astravyets NPP project and required Belarus to implement the Convention properly in the future.¹⁸

In summer 2020, Lithuania also notified the other parties of the BREL ring that it would be withdrawing from a particular arrangement, the Normative Emergency Reserve Agreement, whereby parties are obliged to provide up to a certain fixed amount of emergency power reserves to each other in case of emergencies in national grids.¹⁹ This was done following the provisions of the national law and chiefly to ensure that Belarus would be unable to draw upon the power

¹⁵ Government of the Republic of Lithuania, “[Prime Minister’s Statement on Astravyets Nuclear Power Plant](#),” 1 October 2019, accessed 13 January 2021.

¹⁶ “[Belarus Picked Site for Ostravyets NPP in Violation of Convention - Espo](#),” Delfi.lt, 7 February 2019.

¹⁷ Government of the Republic of Lithuania, “[Prime Minister’s Statement on Astravyets Nuclear Power Plant](#),” 1 October 2019.

¹⁸ Ministry of Foreign Affairs of the Republic of Lithuania, “[Parties to the Espoo Convention Repeatedly Confirmed that Belarus Had Violated the Convention in Developing the Ostrovets NPP Project](#),” last updated 11 December 2020.

¹⁹ Saulius Jakučionis, “[Lietuva nepadės Astravo atominei su rezervu, bet ir pati neteks pagalbos: priėmė sprendimą dėl BREL](#)” [Lithuania will not help Astravyets plant with a reserve but will also lose help itself: Made a decision regarding BREL], 15min.lt, 25 August 2020.

generation capacity of the Kruonis pumped-storage hydroelectricity power station in Lithuania – originally constructed to support the stable operations of the Soviet-built and now decommissioned Ignalina NPP in Lithuania and therefore well-suited to support the Astravyets NPP operations if required by the

Lithuania notified the other parties of the BRELL ring that it would be withdrawing from a particular arrangement, the Normative Emergency Reserve Agreement

Belarusian TSO.²⁰ Thus, from the beginning of 2021, Lithuania stopped providing 100MW of power reserves to other BRELL countries and would itself not be able to draw on 400MW of such reserves from other BRELL parties – a shortfall that the Lithuanian TSO said would be compensated via arrangements with Sweden and Poland. The country also plans to install, by the first half of 2022, a system of energy storage (batteries) with a capacity of 200 MW to ensure the initial reserve.²¹

The most politically salient efforts in 2020 were Lithuania's negotiations to reach a technical agreement with Latvia and Estonia on a methodology defining the conditions for electricity trade with non-EU countries

The most politically salient efforts (and, in Lithuania, the most criticised domestically) in 2020 were Lithuania's negotiations to reach a technical agreement with Latvia and Estonia on a methodology defining the conditions for electricity trade with non-EU countries. Back in 2018, on 13 December, the aforementioned Methodology was signed by the Baltic TSOs. In this Methodology, an agreement was set that the import of electricity from the third countries (Belarus and the Russian region of Kaliningrad) should be carried out via Lithuania-Belarus and Lithuania-Kaliningrad electricity connections.

²⁰ Stasys Gudavičius, “Gynimo taryba: Kruonio HAE nebus panaudota Astravo AE rezervui” [Defence Council: Kruonis power plant will not be used for reserve of Astravyets], *Verslo Žinios*, 16 July 2020.

²¹ Vytautas Budzinauskas, BNS, “Vyriausybė uždegė žalią šviesą 200 MW baterijoms, galutinis sprendimas – Seime” [The government has given the green light to 200 MW batteries, the final decision is in the Seimas], Delfi.lt, 10 February 2021.

The Methodology included a provision that it would become ineffective when the Astravyets NPP became operational:

Trading capacity calculation rules with 3rd countries described in current methodology shall be valid until Belorussian nuclear power plant becomes operational. In case abovementioned event occurs the trading capacity with 3rd countries set by current methodology at Lithuanian-Belorussian border shall be equal to zero for all capacity calculation timeframes in accordance with Lithuanian national legislation. Baltic TSOs in cooperation with Baltic NRA's shall evaluate the need for development of new trading capacity calculation rules with 3rd countries (including Kaliningrad region) inter alia to ensure continuous coordination between Baltic TSOs in matters related to determination of trading capacity with 3rd countries.²²

In August 2019, the Latvian government commissioned the national TSO to develop a new trade methodology that would open the Latvian-Russian border to electricity trade flows. Lithuanians interpreted this as a disruption of Baltic unity and of their common

policy regarding electricity trade with third countries, as this would create opportunities for indirect trade in Belarusian electricity in Lithuania, through transactions of Russian and Latvian suppliers. The European Commission was also displeased with the prospect of a bilateral electricity trade methodology suggested by

Latvians (i.e., only between Estonia and Latvia regarding the trade with Russia/Belarus on the Latvian border with Russia, leaving Lithuania aside) and even threatened unofficially to withdraw support for the synchronisation project (the second stage of it) if the three Baltic states could not find a common solution.

On 14 February 2020, the ministers of the Baltic states responsible for energy prepared a political declaration on a common arrangement for electricity trade with third countries, which included the notion that the Baltic states would not import electricity from Belarus after the Astravyets NPP became operational. However, the Latvian

²² AS “Augstsprieguma tīkls”, Elering AS, and Litgrid AB, “Terms, Conditions and Methodology on Cross-Zonal Capacity Calculation, Provision and Allocation with the 3rd Countries,” 13 December 2018.

side refused to sign the declaration, and the Latvian minister was removed soon after that. Negotiations stalled until May 2020.

Draft political declaration did not oblige Estonia and Latvia to avoid importing Belarusian electricity but included several provisions that could ensure that Lithuania was not buying Belarusian electricity through the common market

At the end of May 2020, a new declaration was drafted to be signed by all three ministers on 5 June. This draft political declaration did not oblige Estonia and Latvia to avoid importing Belarusian electricity but included several provisions that could ensure that Lithuania was not buying Belarusian electricity through the common market:

- The total trading capacities with third countries should be reduced by the amount of the capacity of the Belarus-Lithuania cross-border interconnection, thus discontinuing the current trade regime between Lithuania and Belarus.
- A network usage fee for all electricity imports from third countries (including borders with the Kaliningrad enclave) was proposed. Such a fee was intended to increase the general costs of imported electricity from third countries (thus diminishing the attractiveness of imports).
- It was foreseen that electricity imports from the third countries would enter the Baltic states accompanied by the certificates of origin. Such an arrangement is supposed to make it possible to identify the source of imported electricity; this would allow Lithuania to implement its decisions based on the national law boycotting Belarusian electricity.
- After 2025, no trade with third countries should continue.

The anti-Astravyets movement and some representatives from the Lithuanian conservative and liberal parties, who were in parliamentary opposition at that time, raised some public discontent with the draft of the political declaration, claiming that the energy minister was betraying the national interests of Lithuania and should be dismissed. The

Lithuanian government postponed the signing of the trilateral Baltic political declaration and obliged its minister to continue negotiations for better terms. However, no conditions or criteria were publicly articulated as to what would constitute a better agreement. It can only be surmised that Lithuania sought to abandon all trade with third countries via the Latvia-Russia connection or to agree on the same actual throughput as it was before the launch of the Astravyets NPP between Lithuania and Belarus.

On the other hand, it was Latvia's interest in having the possibility of trading electricity with Russia (and re-selling it to Lithuania) that prevented reaching a general agreement.

4. BALTIC (DIS)UNITY

The Lithuanian president, Gitanas Nausėda, did not attend the traditional annual meeting of the Baltic leaders hosted by Estonia on 25 June 2020. This gesture was regarded in the Lithuanian media as a sign of political discontent with the lack of understanding among three Baltic states.²³ However, the representatives of Latvia and Estonia made no public comment on this step. The Estonian presidential office said merely that the Lithuanian president “made a last-minute decision to stay home due to internal matters”.²⁴

Shortly afterwards, on 29 June, Lithuania turned to the European Commission president,

The anti-Astravyets movement and some representatives from the Lithuanian conservative and liberal parties, who were in parliamentary opposition at that time, raised some public discontent with the draft of the political declaration

Ursula von der Leyen, and asked her to act as an intermediary in the Baltic negotiations.²⁵ The increased pressure on the EU institutions has had some effect. The European Council included

²³ BNS, “Lithuanian President Shuns Meeting with Baltic Counterparts,” LRT.lt, 25 June 2020.

²⁴ Ibid.

²⁵ “Lithuanian President Asks Brussels to Mediate Belarus Electricity Boycott,” ERR News, 29 June 2020.

a statement in its conclusions of 11 December 2020: “The European Council underlines the importance of ensuring nuclear safety of the Belarusian nuclear power plant Ostrovets and invites the Commission to investigate possible measures preventing commercial electricity imports from third countries’ nuclear facilities that do not fulfil EU recognised safety levels”.²⁶

On 25 August 2020, Latvian Prime Minister Krišjānis Kariņš stated that his government had decided that Latvia would not buy Belarusian electricity if and when the controversial Astravyets NPP became operational. However, the Latvian PM confirmed that Latvia was still planning to open electricity trading through its connection with Russia, and the issue of preventing the inflow of electricity produced in Belarus through a connection with Russia had yet to be resolved.²⁷ Latvia’s main argument was that it needed to have the right to ensure sufficient electricity imports from third countries, as the Baltic market had a shortage of electricity and faced higher prices without such imports.

The three Baltic TSOs submitted their final project of Methodology for approval to the national energy market regulators of Estonia, Latvia and Lithuania at the end of September 2020. On 17 November, the Lithuanian National Energy Regulatory Council concluded that “the prepared Methodology does not prevent the possibility to trade electricity generated in Belarus and this would be done by using Lithuania’s energy infrastructure” and that “the current situation reveals that the TSOs of Latvia and Estonia are already applying the new Methodology, though it is not approved by the energy regulator of Lithuania (The Lithuanian TSO, Litgrid, is currently working in accordance with the methodology approved in 2018)”.²⁸

This situation means that the three Baltic states still do not have a common agreement regarding electricity trade with third countries (at the time this analysis was written), and it is still possible for electricity produced at the Astravyets NPP to be traded in the Baltic electricity market.

The three Baltic states still do not have a common agreement regarding electricity trade with third countries, and it is still possible for electricity produced at the Astravyets NPP to be traded in the Baltic electricity market

Indeed, the new Lithuanian Minister of Energy Dainius Kreivys recently sought to persuade his Latvian counterpart that, according to the data of Litgrid, Belarusian electricity was reaching Lithuanian consumers via Latvia even after the launch of the Astravyets NPP. Latvians remained unconvinced and suggested that the Lithuanian side was referring to physical flows (which are impossible to sever due to the BRELL ring’s continued existence) as opposed to commercial flows.²⁹

Ever since a new government was formed in Lithuania by a three-party coalition of conservatives and liberals in December 2020, a stricter political stance towards negotiations with Latvia and Estonia has been widely expected

5. A POTENTIAL FOR COMPROMISE?

Ever since a new government was formed in Lithuania by a three-party coalition of conservatives and liberals in December 2020, a stricter political stance towards negotiations with Latvia and Estonia has been widely expected. As the new energy minister hinted, Lithuania should make more of an effort to include Poland and the European Commission in the negotiation process and thus strengthen Lithuania’s arguments when speaking with Latvia

²⁶ European Council, “[European Council Meeting \(10 and 11 December 2020\) – Conclusions](#),” EUCO 22/20, 11 December 2020.

²⁷ Latvian Public Broadcasting, “[Prime Minister: Latvia Will Not Buy Belarusian Nuke Plant Electricity](#),” LSM.lv, 26 August 2020.

²⁸ National Energy Regulatory Council, “[NERC: On the Terms, Conditions and Methodology Concerning the Calculation, Provision and Allocation of Cross-Zonal Capacity with Russia](#),” 17 November 2020.

²⁹ Paulius Viluckas, BNS, “[Kreivio argumentai dėl Astravo neįtikina Latvijos valdžios ir dalies ekspertų](#)” [Arguments of Kreivys do not convince Latvian authorities and some of the experts], LRT.lt, 15 February 2021.

and Estonia. It is possible that the Lithuanian government will draft amendments to the national legislation to further restrict foreign companies trading Belarusian electricity from participating in the Lithuanian energy market. The new Prime Minister Ingrida Šimonytė has already expressed her concern that the situation may put Baltic synchronisation with the CEN at risk and stated that “a kind of desynchronisation took place as western, European [electricity] flows have been partly replaced by the electricity from the Belarusian NPP. This does not correspond with the interests of Lithuania or the European Union.”³⁰

Perhaps the most likely compromise, which would leave open the possibility of trading in Russian electricity but reduce the likelihood of Belarusian imports, would be a changed (reduced) volume of electricity that would be imposed on trade with Russia in the common Baltic methodology. According to the Lithuanian energy market regulator and some energy experts, the current version of the Methodology envisages almost twice as much electricity trade with Russia as was actually the case before the launch of the Astravyets NPP. In other words, there is an opportunity to buy electricity indirectly from Belarus, because Russia itself would not offer such a potential amount of electricity. Accordingly, it would be rational (from the Lithuanian perspective) to reduce the throughput ratio by a half, which would correspond to the actual electricity imports from Russia (excluding the Kaliningrad region) before the launch of the Astravyets NPP.³¹

³⁰ Vaida Kalinkaitė-Matuliauskienė, “[Kreivys: parengėme naują metodiką dėl Astravo elektros, ją siūlysiame Latvijai ir Estijai, bet jau rengiame ir B planą](#)” [Kreivys: We have prepared a new methodology concerning the electricity generated at Astravyets and will propose it to Latvia and Estonia, but we are preparing plan B as well], LRT.lt, 2 March 2021.

³¹ The maximum technical capacity of electrical connections with third countries (excluding the Lithuania-Kaliningrad connection) is 1,300 MW. In 2019, Russia exported about 3.5 TWh of electricity to the Baltic states (excluding electricity from Kaliningrad). Currently, the proportional coefficient 0.62 is set in the Methodology, which corresponds to about 8 TWh per year. As the Lithuanian National Energy Regulatory Council stated, “the calculation principle of the proportional coefficient 0.62 based on the technical capacity of electrical connections neither represents the actual physical flows from Russia and Belarus in 2019, nor possible physical and commercial flows after the launch of Belarusian NPP”. (See: National Energy Regulatory Council, “NERC: On the Terms, Conditions and Methodology”). Accordingly, the opponents to the Methodology from the Lithuanian side prefer to reduce the throughput ratio to at least 0.31, which would correspond to the actual electricity imports from Russia (excluding the Kaliningrad region) before the launch of the Astravyets NPP.

CONCLUSIONS

The lack of mutual understanding and compromise among the Baltic states threatens to disrupt the crucial process of synchronisation with the CEN and undermines the overall political trust between the Baltic states. However, Lithuania is also partly to blame for this, as it has started to explain the threats of the Astravyets NPP too late and is now seeking just to assert its national security interests over its Baltic neighbours. Nevertheless, the Baltic states need to find a suitable solution, as energy systems and commercial markets cannot properly function without regional coordination and co-regulation; nor can regional security be maintained without their solidarity and common efforts.

The lack of mutual understanding and compromise among the Baltic states threatens to disrupt the crucial process of synchronisation with the CEN and undermines the overall political trust between the Baltic states

The current dispute highlights several important aspects. First, it is clear that the issue of the Astravyets NPP’s poor safety has long been ignored in Latvia and Estonia. Unlike in Lithuania, the politicians and societies in Latvia and Estonia do not consider the Astravyets NPP a huge potential ecological threat to the entire region. Accordingly, the different approaches to the risks posed by the Astravyets NPP did not encourage finding a “Baltic consensus” on the need to halt the Astravyets NPP project as soon as possible. To date, especially for the Latvian energy sector’s stakeholders, the Astravyets NPP has simply been a source of electricity but not a potential nuclear safety risk.

Second, Lithuania sees Latvia’s aspirations to increase possible electricity trade with third countries as an attempt to profit from importing Belarus’s electricity by reselling it to Lithuania. Vilnius considers this morally wrong given that, in practice, the Lithuanian electricity infrastructure (i.e., electricity transmission and the load of the grid) will be utilised for that process. Lithuanian experts also fear that Latvian energy interest groups, who may have made large profits from trading in Belarusian

electricity, may seek to maintain commercial flows with Russia/Belarus even after synchronisation with the CEN. This would stand in stark contrast with the political intention to physically sever the grid interconnections with Russia/Belarus after 2025. Disagreements between the Baltic states, the real reason for which may be hidden in untransparent technical and commercial interests, can hinder the implementation of political goals and disrupt the attempt to finally break free from the post-Soviet electricity system.

Unlike in Lithuania, the politicians and societies in Latvia and Estonia do not consider the Astravyets NPP a huge potential ecological threat to the entire region

All in all, this disagreement significantly undermines mutual trust and solidarity among the Baltic states, thus reducing their overall security. Political co-operation among the Baltic states has always had ups and downs, but if no consensus is reached on this issue of energy and environmental security, it could become a source of long-term dissatisfaction and resentment.

Disagreements between the Baltic states, the real reason for which may be hidden in untransparent technical and commercial interests, can hinder the implementation of political goals and disrupt the attempt to finally break free from the post-Soviet electricity system

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ISSN 2228-2076