

The date of the Agreement is the date of the time stamp of the last qualified electronic signature

Baltic LFC block operational agreement

This Baltic LFC block operational agreement (hereinafter referred to as “**Agreement**”) is entered into on the date of the last electronic signature, by and between:

“**Elering**” **AS**, a company incorporated under Estonian Law, company code 11022625, having its registered office at Harjumaa, Tallinna linn, Kadaka St 42, 12915, represented by Kalle Kilk, duly authorized to act on the company’s behalf (hereinafter referred to as “**Elering**”),

and

“**Augstsprieguma tīkls**” **AS**, a company incorporated under Latvian Law, registration number 40003575567, having its registered office at Rīga, Dārziņi St 86, LV-1073, represented by Arnis Daugulis and Gatis Junghāns, duly authorized to act on the company’s behalf (hereinafter referred to as “**Augstsprieguma tīkls**”),

and

“**LITGRID**” **AB**, a company incorporated under Lithuanian Law, company code 302564383, having its registered office at Karlo Gustavo Emilio Manerheimo St 8, Vilnius, represented by Head of Power System Operations Department Donatas Matelionis, duly authorized to act on the company’s behalf (hereinafter referred to as “**LITGRID**”)

WHEREAS:

- A. taking into consideration synchronization with the Continental Europe Synchronous Area (hereinafter referred to as “CESA”) requires the Baltic TSOs to develop and start operating the LFC process pursuant to the SOGL and SAFA of CESA, to operate the LFC, the Baltic TSOs have agreed to establish Baltic LFC block with three LFC areas representing each TSO operating area;
- B. in order to establish Baltic LFC block, the Baltic TSOs have developed LFC block operational agreement in accordance with Article 119 (1) of SOGL;

concluded this Agreement. Elering, Augstsprieguma tīkls and LITGRID are individually referred to as the “**TSO**” and collectively as the “**TSOs**”.

DEFINITIONS

The definitions used in this Agreement shall have the following meanings:

ACE means area control error.

aFRR means FRR that can be activated by an automatic control device;

CESA means Continental Europe Synchronous Area;

CZC means cross-zonal capacity between bidding zones;

FCR means frequency containment reserves - the active power reserves available to contain system frequency after the occurrence of an imbalance;

FCP means frequency containment process - a process that aims at stabilising the system frequency by compensating imbalances by means of appropriate reserves;

FRCE means frequency restoration control error - the control error for the FRP which is equal to the ACE of a LFC area or equal to the frequency deviation where the LFC area geographically corresponds to the SA;

FRP means frequency restoration process - a process that aims at restoring frequency to the nominal frequency and, for synchronous areas consisting of more than one LFC area, a process that aims at restoring the power balance to the scheduled value;

FRR means frequency restoration reserves - the active power reserves available to restore system frequency to the nominal frequency and, for a SA consisting of more than one LFC area, to restore power balance to the scheduled value;

HVDC means high voltage direct current;

LFC area means load-frequency control area - a part of a synchronous area or an entire synchronous area, physically demarcated by points of measurement at interconnectors to other LFC areas, operated by one or more TSOs fulfilling the obligations of load-frequency control;

Baltic LFC block means block that consists of three LFC areas: Lithuanian LFC area, Latvian LFC area and Estonian LFC area;

LFC block monitor means a TSO responsible for collecting the frequency quality evaluation criteria data and applying the frequency quality evaluation criteria for the LFC block;

LFC BOA means Baltic LFC block operational agreement

LFC means load frequency control;

mFRR means FRR that can be activated manually;

RR means active power reserves available to restore or support the required level of FRR to be prepared for additional system imbalances, including generation reserves;

SA means Synchronous area;

SAFA means Synchronous area framework agreement;

SOGL means Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation. Reference to SOGL within Agreement

means reference to wording in force when Agreement is signed. If SOGL is amended, reference within Agreement shall be replaced considering legal requirements in force;

TSO means transmission system operator of Baltic states

TSOs means all three Baltic TSOs – Elering, Augstsprieguma tikls, LITGRID.

Any definitions used in the Agreement in the singular form shall be construed to include the plural form and vice versa unless the context requires otherwise.

I SUBJECT OF THE AGREEMENT

1. The subject of the Agreement is to determine terms and conditions arising from the operation of the Baltic LFC Block. These terms and conditions include:

1.1. definition and implementation of LFC procedure by:

1.1.1. establishment of LFC block monitor;

1.1.2. defining FRCE target parameters for LFC areas and coordinated actions aiming to reduce FRCE;

1.1.3. setting and implementing ramping restrictions for active power output.

1.2. procedures to ensure necessary FCR and FRR reserves within Baltic LFC block by:

1.2.1. setting Baltic LFC block frequency restoration reserve dimensioning requirements;

1.2.2. defining reserve exchange and sharing requirements;

1.2.3. defining harmonized prequalification criteria;

1.2.4. defining operational procedures in case of exhausted FRR in Baltic LFC block

II ESTABLISHMENT OF BALTIC LFC BLOCK AND OPERATIONAL PRINCIPLES

2. Baltic LFC Block is established by TSOs and consists of 3 (three) Baltic LFC areas for each Baltic state.

3. TSOs operate Baltic LFC block and each LFC area in a manner that benefits to operational efficiency of each Baltic LFC area.

III LFC PROCEDURE

FRCE target parameters and coordinated actions aiming to reduce FRCE

4. TSOs within Baltic LFC block commonly strives to meet following FRCE target fulfilment criteria for Baltic LFC block determined in accordance with article 8.2.:

4.1. the number of time intervals per calendar year outside the Level 1 FRCE range within a time interval equal to the time to restore frequency shall be less than 30 % of the time intervals of the year;

- 4.2. the number of time intervals per year outside the Level 2 FRCE range within a time interval equal to the time to restore frequency shall be less than 5 % of the time intervals of the year.
5. To meet FRCE target fulfilment criteria included in Article 4 for Baltic LFC block TSOs strive to meet FRCE target level for each LFC area and continuously monitor, if FRCE target parameters are met.
 6. The monitoring for FRCE target parameters within Baltic LFC block, identification of violations of FRCE target parameters within LFC block and calculation of FRCE target level of each LFC area within Baltic LFC Block is continuously performed by LFC block monitor. Monitoring for FRCE target parameters within LFC area and identification of violations within LFC area is performed by each TSO.
 7. Baltic LFC block monitor is LITGRID. If LITGRID is not able to perform duties of LFC block monitor, it immediately with written notification informs other TSOs. New LFC block monitor is delegated by all TSOs signing amendments to the Agreement. After the written notification is issued, Elering is considered as interim LFC block monitor until the new block monitor is delegated.
 8. For FRCE monitoring and identification of violations LFC block monitor uses following information:
 - 8.1. information sent by each TSO in accordance with Article 12;
 - 8.2. values for Level 1 FRCE and Level 2 FRCE for Baltic LFC block, that are calculated and updated in ENTSO-E RG CE subgroup;
 - 8.3. FRCE target level for each LFC area (Level 1 and Level 2) calculated according to Article 9 of Agreement.
 9. LFC area FRCE target level shall be annually calculated by LFC block monitor using following equation.

$$Level_{TSOa} = Level_{Baltic} \cdot \sqrt{\frac{FCR_{TSO}}{FCR_{Baltic}}}$$

Where:

$Level_{TSOa}$ target parameter of LFC area;

$Level_{Baltic}$ values for Level 1 FRCE and Level 2 FRCE as indicated in Article 8.2;

FCR_{TSOa} frequency containment reserve (FCR) obligation of LFC area defined under SAFA;

FCR_{Baltic} sum of FCR obligation of TSOs of Baltic LFC block.

10. LFC block monitor identifies violation of FRCE target level of Baltic LFC block, if:
 - 10.1. Following SOGL Article 152 (12), if the 1-minute average of the FRCE of a Baltic LFC block is above the Level 2 FRCE range at least during the time necessary to restore frequency and where the TSOs of a Baltic LFC block do not expect that FRCE will be sufficiently reduced,
 - 10.2. Following SOGL Article 152(13) if FRCE of a Baltic LFC block exceeds 25 % of the reference incident of the synchronous area for more than 30 consecutive minutes and if the TSOs of that Baltic LFC block do not expect to reduce sufficiently the FRCE.
11. Within determination of violation according to Article 10 of Agreement LFC block monitor identifies FRCE target level violation within LFC block. LFC block monitor and TSO confirms the violation of the FRCE target parameters within LFC area by comparing the instantaneous measurements. In case measurements are inconsistent, procedure defined under Article 14 shall be applied. LFC area in which violation of FRCE target level is detected is considered as affected LFC area.
12. The Baltic LFC block monitor shall deliver to TSOs the frequency quality evaluation data of the Baltic LFC block and its LFC areas once every 3 months within 2 months after the end of the analyzed period. Analyzed period to be considered as time period between first calendar day of the quarter year and the last calendar day of the quarter year.
13. TSOs shall jointly develop and agree on list of information, that is needed for FRCE target levels monitoring, and identification of violations, calculation of LFC area FRCE target levels, necessary inputs for frequency quality evaluation data, deadlines, when information is provided to LFC block monitor or TSO, communication among TSOs for coordinated actions and TSOs decision making procedures. These requirements shall be included in Annex 3, that shall be developed and approved by TSOs (signed by representatives of TSOs) after Agreement is signed, but no later than the moment of Baltic power system synchronization with Continental Europe.
14. If LFC block monitor identifies a violation of FRCE target level of Baltic LFC block that cannot be attributed to affected LFC area, LFC block monitor immediately informs TSOs and each TSO activates reserves in the amount proportional to imbalance of LFC area in accordance to Article 17, Article 18 and Article 19.
15. If LFC block monitor identifies violation of FRCE target level of Baltic LFC block that can be attributed to affected LFC area, following actions shall be performed:
 - 15.1. LFC block monitor immediately informs TSOs;
 - 15.2. LFC block monitor after coordination procedure described in Article 11 of Agreement immediately informs on affected LFC area.
 - 15.3. TSO of affected LFC area decide on actions to be implemented within LFC area

in accordance with Article 17 to remove identified violation.

15.4. If TSO on affected LFC area is still unable to reduce FRCE within LFC area, others Baltic LFC block TSOs shall be immediately informed. TSO of affected LFC area, is responsible to perform actions in accordance with Article 18.

15.5. If actions aiming to reduce FRCE violation as stated in Article 15.4. are not sufficient and additional required volume of reserves is not available to purchase, every Baltic LFC block TSO upon pre-agreed agreement is responsible to activate emergency measures to reduce FRCE violation by requiring changes in the active power production or consumption of power generating modules and demand units in its LFC area in accordance with SOGL Article 152(16) and Article 19.

Ramping restrictions for active power output

16. To avoid violations of FRCE target level within LFC block TSO apply following ramping restrictions for active power output:

16.1. Required ramping within the Baltic LFC block must be performed in the following manner:

16.1.1. The beginning of the ramping for active power is set to 5 minutes prior the change of market time unit (MTU)

16.1.2. The end of the ramping for active power is set to 5 minutes after the change of market time unit (MTU)

16.1.3. Total period of the active power ramping as defined in Article 16.1.1. and 16.1.2. is set to maximum 10 minutes.

16.2. All market related active power rampings must be performed following Article 16.1.1. and 16.1.2. provisions.

16.3. Generating units must maintain stable active power output level through the whole market time unit, unless market related active power ramping is performed.

16.4. Conditions for ramping active power as defined in Article 16.1.1. and 16.1.2. are not applicable to ramping due to activation of balancing products.

Coordinated actions aiming to reduce FRCE

17. Following coordinated actions to be applied to remove identified violation of FRCE target level of Baltic LFC block TSO of affected LFC area.

17.1. As highest priority the Baltic LFC block TSOs shall activate aFRR and mFRR energy bids from frequency restoration processes to full extent to manage FRCE target levels and may activate additional aFRR and mFRR via balancing platforms including cross-border activations;

18. In case FRR energy bid activations as defined in Article 15.3 and Article 17, does not remove the identified violation the Baltic LFC block TSOs shall consider following actions with following priority list to mitigate identified violation:
- 18.1. shall activate measures defined in TSO-TSO agreement outside Baltic LFC block, if relevant.
 - 18.2. shall activate other reserves contracted in accordance with national legislation within Baltic LFC block.
 - 18.3. shall perform trading of energy in the intraday market, if applicable under national legislation.
 - 18.4. shall activate other reserves ensured by TSO resources, if applicable under national legislation.
 - 18.5. while performing actions to mitigate identified violation, Baltic TSOs may consider the most economically beneficial measure, altering the sequence of priority.
19. If the system is in alert state and measures listed in Article 17 and Article 18 will not be sufficient to limit the risk of entering into the emergency state, the Baltic LFC block TSOs perform following actions if relevant under national legislation:
- 19.1. request to change active power production or consumption of generating units and demand units within their control area;
 - 19.2. Perform manually activated load-shedding.

IV PROVISION OF NECESSARY CAPACITY RESERVES

Baltic LFC block reserve dimensioning requirements and responsibilities

20. Amount of FRR to be procured within Baltic LFC block by TSOs is determined according to Baltic LFC block FRR dimensioning methodology attached in Annex 1.
21. RR is not considered to be used within the Baltic LFC block, no dimensioning rules are defined.
22. Each TSO of the Baltic LFC block is responsible to deliver necessary data to the platform or/and entity performing the reserve dimensioning in a duly manner.
23. Each TSO of the Baltic LFC block is responsible to perform load-frequency control in order to fulfil FRCE target parameters.
24. Each TSO of the Baltic LFC block is responsible to comply with the reserve requirements calculated as per Annex 1 of this agreement.

Reserve exchange and sharing

25. FRR capacity shall be jointly procured by TSOs within established joint Baltic capacity market or by any other means and considering the allocated CZC for FRR sharing and

exchange that is determined by methodology developed under Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing Article 41.

26. Procured FRR capacity shall be exchanged and shared among LFC areas considering allocated CZC for FRR sharing and exchange. FCR capacity shall be exchanged among LFC areas. Exchange and sharing procedure shall be described in separate agreement concluded among TSOs.
27. TSOs may exchange procured FRR capacity based on the exchange co-operation agreements with neighbouring LFC blocks, if any. Exchange and sharing limits shall be based on the co-operation agreement, following the exchange limits defined in Annex VII in SOGL. Rights and obligations of reserve connecting TSO, the reserve receiving TSO and of the affected TSO for the exchange of FRR and control capability providing TSO, the control capability receiving TSO and of the affected TSO for the sharing of FRR shall be agreed within each co-operation agreement.
28. Baltic TSOs shall follow the requirements set in Synchronous Area Framework agreement for Regional Group Continental Europe regarding the roles and the responsibilities of the reserve connecting TSO, the reserve receiving TSO, the affected TSO, the control capability providing TSO and control capability receiving TSO for the exchange and sharing of FRR and/or RR.
29. The FRR capacity availability requirements and the requirements on the control quality of regulation for Reserve Units shall be defined in each LFC area specific grid connection requirements.

Harmonized prequalification criteria

30. Baltic TSOs agree that mFRR, aFRR and FCR providing units shall be prequalified according to Baltic harmonised prequalification requirements stipulated in the Annex 2. Baltic TSOs agree to amend prequalification requirements, if national legal requirements at least in one LFC area are contrary to requirements

Operational procedures in case of exhausted FRR in Baltic LFC block

31. TSOs to ensure immediate action to prevent and eliminate FRR capacity insufficiency apply following procedure:
 - 31.1. Each TSO shall immediately inform Baltic LFC block monitor in case:
 - 31.1.1. any amount of procured FRR capacity becomes unavailable and balancing service provider has not performed transfer of obligation;
 - 31.1.2. submitted energy bids do not fulfil the minimum procured volume of FRR foreseen in the LFC area;

- 31.1.3. not sufficient FRR capacities or energy bids are foreseen to be available within Baltic LFC block.
- 31.2. Baltic LFC block monitor shall immediately inform TSOs in case not sufficient FRR measures are available within Baltic LFC block and TSOs shall need to update European Awareness System status from normal state to alert state, in case measures defined under Article 17 and Article 18 are not sufficient to remove identified violation of FRCE target level of Baltic LFC block.
32. If Baltic LFC block FRR is considered as exhausted, all Baltic LFC block TSOs shall apply following non-costly operational procedures:
 - 32.1. communication to the relevant market participants that additional bids are required;
 - 32.2. reduction of available transfer capacity for HVDC unit for appropriate market time units in case HVDC capacity has not been fully allocated following the principles defined in Baltic CCR TSOs' proposal for Day Ahead and Intraday Capacity Calculation Methodology according to Commission Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management ;
 - 32.3. recall of transmission system elements from outage to reduce congestion.
33. In case non-costly operational procedures are not sufficient TSO or TSOs that have identified exhausted FRR in their LFC area shall apply following costly operational procedures to restore available FRR:
 - 33.1. Re-dispatching generators, pump storage plant, energy storage power stations, aggregated generating units and / or demand side units to increase reserve provision;
 - 33.2. Reduction of flow on the HVDC unit via counter-trade activations to reduce dimensioning incident and reduce the reserve requirement;
 - 33.3. Energise additional units to increase reserve availability;
 - 33.4. Curtail or uncurtail RES to allow for increased reserve provision;
 - 33.5. Recall generators from outage;
 - 33.6. If possible, request generation and / or demand side units to maximize or minimize their output.
34. In case described operational procedures are not sufficient and FRCE violation is identified the coordinated actions of Baltic LFC block described in Article 18 shall be applied.
35. FRR capacities are considered exhausted in case of FRR capacity becomes unavailable to extent, that is considered as insufficient and not enough balancing capacity taking into account possible need of capacity in LFC block through the day is foreseen available.
36. Volume of FRR energy bids available within balancing energy market is considered as insufficient considering following requirements:
 - 36.1. Baltic LFC block monitor consider availability of positive FRR as insufficient, if available FRR capacity amount is lower than the positive dimensioning incident of

- the LFC block determined by Annex 1 the Baltic LFC block FRR dimensioning methodology.
- 36.2. Baltic LFC block monitor consider availability of negative FRR as insufficient, if available FRR capacity amount is lower than the negative dimensioning incident of the LFC block determined by Annex 1 the Baltic LFC block FRR dimensioning methodology.
37. TSOs shall verify the availability of FRR capacities in their LFC area and Baltic LFC block monitor shall verify the availability of FRR capacities in Baltic LFC block by monitoring:
- 37.1. availability of procured balancing capacity within and outside Baltic LFC block taking into account the available cross-zonal capacity calculated according to methodology developed pursuant to Article 32(1)(a) and 32(1)(b) of the EBGL;
- 37.2. the total volume of balancing energy bids within Baltic LFC block and within European platforms, which are not contracted by capacity procurement process;
- 37.3. The energy levels in battery energy storage facilities of service providers or TSO to maintain awareness of the real time availability of FRR (considering data in SCADA) .
38. Each TSO of Baltic LFC block shall exchange information relating to operations and/or events on each HVDC interconnector, either transmission system, or other parties connected to these systems that have an effect on ability on exchanging FRR.
39. Each Baltic LFC block TSO shall inform other TSOs of Baltic LFC block when operational procedures have been used and the effect of the procedure.

Requirements for technical infrastructure

40. Baltic TSOs shall follow the SAFA Policy on Load-Frequency control and reserves requirements concerning the availability, reliability and redundancy of the TSO's technical infrastructure until adherence to SAFA.
41. Baltic TSOs can agree to set out additional requirements for the availability, reliability and redundancy of the technical infrastructure.

IV COSTS

42. Each TSO shall bear its own costs and expenses related to negotiation, signature and execution of the Agreement.

V APPLICABLE LAW

43. This Agreement shall be governed by and construed in accordance with Swedish law, excluding its conflict of law principles.
44. Each of the Baltic TSOs hereto irrevocably agrees that any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof, shall be finally settled by arbitration administered by the Arbitration Institute of

the Stockholm Chamber of Commerce. The amount in dispute includes the claims made in the Request for Arbitration and any counterclaims made in the Answer to the Request for Arbitration. The seat of arbitration shall be Stockholm, Sweden and the proceedings shall be conducted in the English language. The proceedings, all documents exchanged between the Baltic TSOs and any decision or award from the tribunal shall be treated as strictly confidential and any such information shall not be disclosed. The award of the arbitration court shall be final and binding upon the Baltic TSOs. The Baltic TSOs shall comply with the terms of this Agreement until the arbitral award has been granted.

VI SEVERABILITY

45. If any Article or provision of this Agreement is or becomes invalid, illegal, void or unenforceable, the remaining Article(s) shall continue to be valid and enforceable and shall not be affected thereby. Elering, Augstsprieguma tīkls and LITGRID hereby agree, that all invalid, illegal, void and/or unenforceable Article(s) or provision(s) shall be replaced by valid, legal and/or enforceable Article(s) or provision(s) in order to achieve the intended economic and legal effect as far as possible.

VII FORCE MAJEURE

46. No TSO shall be liable for delay or failure to fulfil its obligations under this Agreement if the delay or failure results from “Force Majeure” (meaning any unforeseeable event or situation beyond the reasonable control of the TSO, and not due to a fault of such TSO) which cannot reasonably be avoided or overcome, and which makes it impossible for such TSO to fulfil temporarily or definitively, its obligations under this Agreement.

VII AMENDMENTS

47. This Agreement may only be changed and amended in writing. Any amendment or change is subject to unanimous agreement between the Baltic TSOs and will become effective after approval from NRAs and the signature of all Baltic TSOs.

48. In the event of any amendments in the Annexes, the appropriate Annex shall be modified as soon as possible. The amended version of the Annex should be signed by the authorized representatives of the Baltic TSOs indicated in Annex 4. The amended Annex becomes valid on the day when signed by all Baltic TSOs.

49. Each Baltic TSO has the right to unilaterally amend the names of their representatives defined in Annex 4 by informing other Baltic TSOs about this change, without necessity to sign a written amendment to this Agreement.

VIII USE OF LANGUAGES

50. Elering, Augstsprieguma tīkls and LITGRID acknowledge that they have required the present Agreement and all notices and legal proceedings provided hereunder to be written

in English language, to the extent permitted by rules of public policy relating directly or indirectly to these proceedings.

51. All letters, notices or claims under this Agreement shall be electronically submitted by the TSOs and shall be deemed served to the other TSO or TSOs on the date of sending the corresponding electronic letter.

IX PROCESSING OF PERSONAL DATA

52. During the performance of this Agreement TSOs shall comply with all applicable personal data protection laws when processing personal data received from other TSO or TSOs.
53. TSOs shall take all reasonable steps to ensure the trustworthiness of all employees, agents or suppliers or any other persons or entities who may have access to the personal data received from another TSO under this Agreement, in each case ensuring that access to the received personal data only granted to those persons who have a need to know / have access to specific personal data as strictly necessary, ensuring that all such persons have confidentiality agreements or professional or statutory confidentiality obligations in place.
54. Taking into account the state of the technical development, the costs of implementation and the nature, scope, context and purposes of the processing, as well as the risks to the rights and freedoms of data subjects of varying degrees of likelihood and seriousness that the processing poses, the processing TSO shall implement, at its own expense,, appropriate technical and organisational measures in order to ensure a level of security commensurate with the risks, including the relevant measures referred to in Article 32 (1) of GDPR.
55. TSOs undertake to use only those sub-processors that sufficiently ensure that appropriate technical and organisational measures will be implemented in such a way as to ensure that the processing of the data complies with the requirements of the GDPR and of other legislation and to ensure the protection of the rights of the data subject.
56. If the TSO or any sub-processor becomes aware of a personal data breach (incident) that has or may have an impact on personal data received under this Agreement, the specific TSO must notify other TSOs without undue delay, within 24 (twenty-four) hours, and provide the TSOs with detailed information to enable the TSO to comply with its obligations to provide notifications and to inform data subjects of the personal data breach in accordance with the legislation on personal data protection.
57. TSOs shall destroy or ensure the destruction of copies of personal data received under this Agreement without delay, and in any event within 30 (thirty) calendar days of the termination of this Agreement, including cases where one of the TSOs withdraws from the Agreement before its expiration.

X LIABILITY

58. Each TSO shall perform its obligations in compliance with terms and conditions set in the Agreement and in provisions of SOGL regarding LFC block functionality.
59. The Baltic TSOs undertake to carry out their duties and comply with their obligations under this Agreement as a responsible control area manager, in compliance with the applicable laws and regulations in the electricity sector.
60. TSO shall notify the other Baltic LFC block TSOs in written if any possible breach of the Agreement is foreseen or already detected. The Baltic TSOs undertake to cooperate with each other to adequately identify in advance possible breach and mitigate those where possible.
61. In case that any TSO is breaching any of its obligations arising from the Agreement, the other TSO shall be entitled to claim compensation from the defaulting TSO for any direct damage resulting from the breaching of the Agreement.
62. Any claims or damages going beyond that, including claims for business interruption, for loss of business profits, or for indirect incidental, special or consequential damages are expressly excluded.

XI VALIDITY

63. The Agreement shall enter into force on the date of the last qualified (identifies as time stamp) electronic signature by all Baltic TSOs, approval of Baltic NRAs and the moment of Baltic power system synchronization with Continental Europe.
64. Baltic TSOs can agree on amendment taking into account the analysis of technical and financial effects of this Agreement prepared by experts of the Baltic TSOs.
65. The Agreement remains valid until 31.12.2025. It is automatically prolonged year per year after this date unless an amendment or a new agreement is concluded between the Baltic TSOs or unless a TSO withdraws from the agreement. The TSO proposing an amendment, or a new agreement should send a notice to the other Baltic TSOs 2 months prior the expiration date of the Agreement.
66. TSO can withdraw from the Agreement for any reason by notifying other Baltic TSOs 6 months prior the expiration date of the Agreement, specified in the Article 59.
67. Submission of notice regarding withdrawal from the Agreement as specified in Article 60, does not release the withdrawing TSO from fulfilling the obligations under the Agreement until actual withdrawal from the Agreement.

XII ANNEXES

68. Annexes to this Agreement shall be considered an integral part of this Agreement.

1. ANNEX NO 1 FRR dimensioning methodology
2. ANNEX NO 2 Harmonised principles for Baltic LFC reserve prequalification
3. ANNEX NO 3 Information exchange and decision-making procedures within Baltic LFC block
4. ANNEX NO 4 Baltic LFC block operational agreement list of representatives.

XIII SIGNATURE

69. This Agreement is signed electronically and will be publically shared.

On behalf of Elering:

On behalf of Augstsprieguma

On behalf of LITGRID:

tīkls:

Kalle Kilk
CEO

Gatis Junghāns,
Member of the Management
Board

Donatas Matelionis
Head of Power System
Operations Department

[electronically signed]

Arnis Daugulis
Member of the Management
Board

[electronically signed]

[electronically signed]

[electronically signed]