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Warsaw, October 11, 2010

To: Mr. Jonas Šimėnas, Chairman of theCommittee for Environmental Protection of the Parliament of the Republic of Lithuania

Copy: Participants of the meeting (according to the list)

Dear Mister Chairman,

On the 27th of September 2010, The Committee for Environmental Protection of the Parliament of the Republic of Lithuania (hereafter- CEP) organized an open meeting "Concerning the choice of location for electrical energy overhead transmission power line between Alytus substation and the Lithuanian-Polish state border". Among the participants of the meeting there were representatives of Lazdijai and Kalvarija municipalities, representatives of the public concerned, as well as the project organizer AB Lietuvosenergija, representatives of the coordinating company LitPol Link Sp. z o.o. and the performers of the Environmental impact assessment (hereafter- EIA) and Special plan (hereafter- SP) SwecoLietuva.

Taking into account that within the overall goal to warranty Lithuanian energy independence and to improve the reliability of energy transmission, the purpose of the above-mentioned project is to connect the electrical energy system of the Baltic countries (including Lithuania) with the energy system of Western Europe, during the meeting there was discussed the importance of this project of exceptional strategic importance to the national security as well as preparations for implementation of the project. In this respect, at the meeting there were presented results of the preparation works- especially emphasizing the results of the EIA report and proposals for the EIA reportsubmitted byLazdijai municipality as well as by representatives of the public concerned.

At the meeting there was also decided to undertake a more detailed evaluation of the proposal by Lazdijai municipality administration to change the location of the 400 kV electrical energy transmission overhead power line (hereafter- OHL) currently foreseen in the SP between Alytus and the state border with The Republic of Poland, and to construct such a transmission line in the territory of Kalvarija municipality (hereafter- the proposal by Lazdijai municipality administration), at the same time estimating the significance and consequences of such a proposal for project preparation works in Lithuania and Poland.

Based on the above, the purpose of the document is to inform that:

- (i) A preliminary environmental evaluation of the OHL route proposed by Lazdijai municipality administration and the impact of such a proposal on the project preparation works on the Lithuanian side are provided in Annex No.1;
- (ii) Evaluation of the proposal submitted by Lazdijai municipality administration and the impact of such a proposal on the project preparation works on the Polish side are provided in this document below.

Preliminary evaluation of consequences of the proposal submitted by Lazdijai municipality administration on project preparation works on the Polish side.

The route for a double-circuit 400 kV overhead power line on the Polish side was selected by applying environmental protection, social and technical requirements for overhead power lines. The existing options of the route are first of all based on the power line route, which was prepared in 1997-2000 and included in county and municipal spatial planning documents. The currently proposed preliminary option (the most suitable option will be clear after the final approval of the EIA on the Polish side), provides a compromise between environmental protection aspects, expansions plans of Elk and Suwalki towns and other living areas, it avoids the living areas under expansion as well as planned gravel excavations, wind power parks and the territories of the airport in Suwalki, and the proposed solution has the smallest impact on Natura 2000 areas.

On the Polish side the largest part of the proposed route of the power line complies with the spatial planning documents of municipal territories. However, upon the change of the border crossing location due to the proposed changes on the Lithuanian side at the current stage the following difficulties would arise, as judged from preliminary evaluation:

- 1. The local society has been aware for more than ten years about the fact that a power line will be constructed across their living area. During preparation of the local spatial planning documents public consultations were implemented and preliminary agreements reached with the landlords. Changing the power line route would increase risks for protests not only in municipalities whose territories would be crossed by the new route of power line, but also in the municipalities whose territories are crossed by the current power line route, since upon the change of the power line route the latter municipalities would lose large incomes in the municipal budgets received as taxes paid upon implementation of the project.
- 2. Upon changing the power line route it would be necessary to repeat the procedures of Strategic environmental assessment (SEA) for the National transmission system expansion program in North-Eastern Poland as well as procedures for environmental impact assessment in trans-boundary context. In the framework of trans-national consultations, both countries sent official notifications at the level of ministries and received the answers that the country experiencing the impact does not plan to carry out the procedures for environmental impact assessment in trans-boundary context. Repetition of such procedures would take at least a period of 6 months provided the ministries will consider this matter as a priority.
- 3. Based on agreements with the European Commission, the decision on environmental protection conditions for the project of the power line from Elk to the state border, as well asfor Elk substation reconstruction should be issued by June 2012. Because of this reason and because of environmental research that is long time-taking, there was implemented a public procurement that resulted in a signed agreement for the natural research of the above-mentioned projects and preparation of environmental impact assessment (EIA) reports on the Polish side. If the power line route was changed, it would be necessary to change the contract, the implementation of which is funded by money from the TEN-E fund. The natural research has been going on already longer than for three months, therefore upon the change of the power line route it would be necessary to start from the beginning a 12 months-long

natural study on the new section of the route and to update the EIA report accordingly. If the investment is late, and, respectively, the Polish grid operator has not fulfilled the commitments by the 30th of June 2012, the money for project implementation from the EU regional funds will be possibly lost.

- 4. Upon changing the power line route, also it will be necessary to apply again at The Regional environmental protection directorate in Bialystok for scoping of environmental impact assessment, as well as to prepare a corrected document on project information. This process would take at least 6 months.
- 5. The environmental impact assessment of the planned economic activity is being prepared after decision of The Regional environmental protection directorate in Bialystok, which defines the scope of the environmental impact assessment report, as well as after the requirements and recommendations of The European Commission and the European Reconstruction and Development Bank (hereafter- ERDB). Upon the change of the power line route it would be necessary to agree with the ERDB on the structure of the documents of the EIA of the planned economic activity and to change the deadlines for submitting them.
- 6. It would be necessary to change the Master plan of Podlasie County. This is a procedure, which has to be completed before changing the spatial planning documents of municipalities.
- 7. It would be necessary to change the local spatial plan of Punsk municipality and the study on municipal development directions. In the territory of Sejny municipality it would be necessary to cancel the power line route in the valid spatial plan, at the same time cancelling planning in the land plots, which have been reserved for particularly this investment for more than 10 years. This would cause protests of the local authorities, which have been ready to receive this project, as implementation of the project generates additional income in the budget.
- 8. Additional, long time-taking internal public procurement procedures of LitPol Link and the respective transmission operators and preparations for these.
- 9. Taking into account the change of the power line route there are also possible collisions with protected plant habitats on the Polish side, including:
 - -peat lowlands(in the surroundings of Pristavancy and Trakiszki)
 - -lowland hay meadows (in the surroundings Trakiszki)
 - An additional risk for impact on protected bird species can emerge in forest-covered areas, where it will be necessary to cut fragments of forests (Krejwiany forest).
- 10. At the study site it would be necessary to perform a survey, comprising all research applied to the following species: mammals including bats, birds, reptiles and amphibians, invertebrates, natural habitats, protected plant and animal species. Research on birds and bats have to be carried out for the entire year, taking into account the spring and autumn bird migrations as well as hatching and wintering periods.
- 11. At the section where the new power line rote is being proposed, similarly as in the whole territory of the planned power line, one can find a mosaic consisting of fields, meadows, tree-covered hills, and little sources. Such a plant habitat mosaic is of particular value in the Polish landscape and it displays outstanding natural values. At the first glance one can state that the proposed new power line route in Punsk municipality is not less valuable in terms of landscape or protected plant, animal species than the currently investigated route.

Below is a preliminary estimation of works that necessarily have to be repeated and carried out on the Polish side upon changing the power line route¹:

Task	Implementation period	Number of months for implementation
Sign agreements between the countries and transmission system operators, respectively, concerning the change of the power line route	November 2010- April 2011	6
Prepare a feasibility study and, based on the public procurement procedure, select a preparer of the environmental impact assessment report including natural research. These works comprise: - natural and public consultations concerning power	April 2011- April 2012	12
 line route options, selection of an optimal route, approval of the power line route options and inclusion of the power line into the strategic development plan of the municipalities, 	April 2011- September 2011	
 selection of the power line route with respect to impacts on cultural heritage objects (the implementation time depends on responses from the institutions), approval of the selected route by the owners of 	April 2011- October 2011	5
other infrastructures, e.g. railway and road directorates. Note, that roads and railways are planned based on special laws, which do not require including the projects into spatial planning documents (construction of the latter infrastructures has a higher priority than construction of electrical power lines), - approval of the power line route options with	April 2011- October 2011	6
national defense command. A negative answer eliminates the route out of further works.		6
Environmental impact assessment report:	May 2012-	12

¹Note that the amount and deadlines of the necessary works listed in this document are preliminary and in the further process of implementation of the planning works the amount and deadlines of the necessary works can vary depending on specific circumstances.

-obtain the scoping documents for the environmental impact assessment report from the Regional directorate for environmental protection, -perform the natural research.	August 2012 May 2012- May 2013	3
		12
Perform Strategic environmental assessment (SEA) and the procedures for environmental impact assessment in transboundary context	May 2012- October 2012	6
Start open public procurement procedures for selecting a performer of the technical plan of the 400 kV power line	May 2012- August 2012	4
Change of the County Master plan	May 2013- May 2014	12
Preparation of a study on the spatial development directions and local spatial plan, respectively, for Puns municipality	May 2014- May 2015	12
Permission for the power line	December 2015	

II. Conclusions

By summing up the information provided in this document (and in its Annex No. 1), one can state:

- (i) If the additional spatial alternatives of the OHL route proposed by Lazdijai municipality administration were included, it would be needed first to prepare and implement corrections of the national, regional and municipal level strategic and spatial planning documents that include the OHL both in The Republic of Lithuania and The Republic of Poland, and also to estimate if such a decision is not in contradiction with the goal of Lithuania to connect in the future with the Western European transmission grids in the synchronous regime.
- The duration of such preparation works (excluding the necessary legal analysis of the possibilities to carry out such preparative works) would be 5 (five) years, i.e. it would be not possible to implement the construction of the interconnection by the deadline of 2015, agreed between the transmission system operators and the European Commission.
- (iii) Before undertaking any decision concerning the change of the location of the 400 kV electrical energy transmission overhead power line between Alytus and the state border with The Republic of Poland (including the new border crossing point) it is necessary to perform a detailed analysis of the

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agreements signed and commitments accepted within the framework of the electrical interconnection project, with the aim to assess potential financial consequences and expenditures, related to such a change of the power line route at the present stage of the project works.

Based on the above information, we are confident that route of the planned 400 kV electrical energy transmission overhead power line between Alytus and the state border with The Republic of Poland that is currently defined by the EIA and SP is the optimal and most rational alternative, which would enable in the most timely way to implement the project that is important to the energy system and economy of both countries.

Sincerely,
(Signature)
Jaroslav Neverovič
Chairman of the Board
(Signature)
Andrzej Kurpiewski
Vice-Chairman of the Board
Annex:
1. Decument of Sweed intura"Concerning the Jacation of the 400 W electrical transmission line" 1