

(Unofficial translation from Lithuanian)

Court: Litgrid is allowed to continue the EUR 27 million worth request for tender that is important for synchronization

According to the court, the electric power transmission company Litgrid is free to continue the international request for tender preliminary worth EUR 27 million for a contractor performing expansion of the Alytus converter station. The station has to be improved in preparations for synchronizing the Baltic electric power transmission grids with those of the continental Europe via the Lithuanian-Polish interconnector LitPol Link.

On December 21st the Vilnius Regional Court rejected the appeal of Energetikos tinklų institutas (ETI), one of the largest energy infrastructure planning and construction companies in Lithuania, who aimed at temporary halting the request for tender process and at forbidding Litgrid signing the contract till the final ruling of the court.

“Energetikos tinklų institutas failed to convince that there exists a realistic risk for Litgrid failing in implementation of the potentially positive order of the court. This implies that in this case there are no necessary conditions providing grounds for applying temporary judicial protection measures. In addition, such measures would interfere the public interest and they would be against the principle of economic efficiency”, - according to the court order.

Mr. Giedrius Lynikas, the head of ETI, said to BNS his company participated in the request for tender together with its shareholder- the state-owned Chinese energy engineering and construction company North China Power Engineering Co. Ltd. According to him, the consortium submitted the best financial bid, however it was expelled based on doubts regarding its competence.

“We were No.1, our bid was excellent from the financial point of view- we offered EUR 2 million less compared to the request for tender announced the first time,- but we were kicked out based on allegations of not meeting the competence criteria- as if the large state-owned company would not prove having no debts to the Chinese state” – Mr. Lynikas explained to BNS.

He criticized Litgrid claiming the need for hurrying up the synchronization project, despite having only two years left before the end of the Alytus converter station modernization, the expected contractor might fail in performing all the works- only planning takes about 8 months, whereas the order of the equipment and its manufacturing takes about one year.

According to Mr. Lynikas, the company has no plans to lodge an appeal to the Court of Appeal and will wait for the final ruling of the Vilnius Regional Court.

The second request for tender preliminary worth EUR 26.9 million was announced in the end of August and ended on the 1st of October. Litgrid is not revealing in public who participated and what was the total number of the bids received.

According to Ms Jurga Eivaite, the representative of the company, the winner will be announced in January, the company cannot comment in more detail in the context of the ongoing procedures.

The winner has to expand the power interconnector with Poland by 2021- to install autoconverters at the Alytus converter station.

Previously, the Litgrid representatives explained to BNS that the maximal power of the LitPol Link interconnector exceeds 2 thousand megawatts (MW), but currently the Alytus converter station limits its power to 500 MW. After synchronization in 2025 LitPol Link will be available for operation in its full power and in a synchronous regime with the European system, but for that the autoconverters have to be installed at the Alytus converter station.

The first request for tenders announced in May was stopped by Litgrid due to too high prices. The participating companies were Žilinskis ir Co (EUR 29.887 M), Polish PBE Elbud (EUR 26.91 M), Kauno tiltai together with Polish Trakcja PRKil and Axis Power (EUR 31.34 M), as well as Energetikos tinklų institutas together with Empower-Fidelitas and Estonian Empower (EUR 31.58 M).

Also, the Lithuanian subsidiary of Siemens Osakeyhtiö did not provide the final bid, whereas the Spanish Elecnor did not meet the criteria.

The LitPol Link interconnector worth EUR 370 million was finished in 2015.

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