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| The Government of the Kingdom of Sweden | CopyGovernment Regulation |
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|  | 1 Appendix |
|  | 11.03.2021N2020/01231 |
| Ministry of Economy | PSE S.A. |
|  | Legal representatives: |
|  | Therese Strömshed and Madeleine Edqvist (attorneys),Mannheimer Swartling Advokatbyrå ABBox 4291203 14 Malmö, Sweden |

Application for the permit for the exploration of the continental shelf in the Baltic Sea pursuant to the Continental Shelf Act (1966:314)

**Government Regulation**

Acting pursuant to §3 of the Continental Shelf Act (1996:314), the government grants to Polskie Sieci Elektrorenrgetyczne S.A. (Company) the permit for the exploration of the continental shelf in the Baltic Sea in the area specified in the *appendix*.

The permit is valid for three (3) years from the date of the regulation.

The activity must be conducted in the way specified in the regulation, application, and appendix, as well as the possible supplementations and other Company obligations.

The permit is granted under the following conditions:

*Communication and consultations*

1. Six (6) weeks before the commencement of the exploration at the latest, the Swedish Maritime Administration (Sjöfartsverket) and the Geological Survey of Sweden (Sveriges geologiska undersökning – SGU) must be provided with the following information:

– estimated work duration,

– locations of the surveys to be conducted, and

– contact details of the vessel conducting the surveys.

The information should be sent via e-mail to the following addresses of the Swedish Maritime Administration: ufs@sjofartsverket.se and the Geological Survey of Sweden: sgu@sgu.se.

1. Three (3) weeks before the commencement of the exploration at the latest, a consultation meeting should be held with the Swedish Maritime Administration and the Swedish Transport Agency (Transportstyrelsen), in case it becomes necessary to take measures to enhance the maritime safety during the implementation of work in the vicinity of areas with intensive ship traffic as well as of waterways of national importance, deep-water routes and waterway routing systems. The costs of possible measures undertaken to enhance the maritime safety lie with the Company.
2. Two (2) weeks before the commencement of exploration at the latest, the Swedish Coast Guard (Kustbevakningen) and the Swedish Transmission System Operator (Affärsverket svenska kraftnät) must be notified of:

– the work commencement and completion dates, and

– the planned activities compliant with the permit.

Moreover, the Swedish Coast Guard must also be notified of:

– the method that will be applied (towed or hull-mounted equipment), and

– the vessel (call sign included) that will be used.

The information must be sent to the Swedish Coast Guard via e-mail to the following address: registrator@kustbevakningen.se (with the case ref. no. provided in the title, i.e., 2020-2782) and to the Swedish Transmission System Operator to the following e-mail address: registrator@svk.se.

1. The Swedish Fishermen's Producer Organisation (Sveriges Fiskares Producentorganisaiton – SFPO), the Marine and Coastal Fishermen’s Producer Organisation (Havs- och Kustfiskarnas Producentorganisation – HKPO), and the Swedish Pelagic Federation Producers Organisation (SPF PO), should be informed on an ongoing basis about the planned survey implementation times and locations to reduce the possible impact on the fish population.

*Harbour porpoise conservation measures*

1. In the case of Side Scan Sonar and multibeam echosunder hydroacoustic surveys, the sound frequency should exceed 200 kHz.
2. The surveys conducted using the seismic equipment can take place only in the period from 1 November to 30 April.
3. Before the seismic equipment is used (e.g., penetrating echosounder), the preliminary actions should be undertaken.

The above-mentioned measures should be re-applied if the work is commenced after a break longer than 40 minutes.

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1. Before the permit is exercised, the Company should provide SGU with a detailed specification of the equipment used aboard the vessel, to confirm that the conditions specified in points 5 and 7 have been met.
2. In case UXOs or other warfare agents are encountered, they should be avoided and the Swedish Coast Guard, the Swedish Maritime Administration, the Swedish Armed Forces (Försvarsmakten), and the authorities of the nearest counties should be notified.

*Cultural environment and underwater archaeology*

1. The surveys should be organised in such a way that they provide a basis for determining the possible impacts on the cultural environment.

Experts in underwater archaeology should be involved in the planning of surveys and the analysis of results.

*Communication of information*

1. A copy of all geological and geotechnical data collected in the Swedish continental shelf in the form of raw data as well as interpretations and compilations should be submitted to SGU in a format accepted by the government agency. Before data are sent, please contact SGU via e-mail under the following address: sgu@sgu.se.
2. After survey completion, the data obtained concerning the sea depth should be sent in a registered letter to the Swedish Maritime Administration in order for the depth database and nautical charts to be updated.

*Equipment, products, etc.*

1. Any equipment lost should be recovered if possible. It is forbidden to leave any instruments and equipment on site after the survey period is completed.

During underwater operations, biodegradable chemical products should be used as a preference. It is forbidden to leave any waste during the implementation of work.

*Reminder*

The Swedish Government reminds that in accordance with the Continental Shelf Act – with the exception of 15c § – the supervision over the observance of provisions and conditions of the permit is exercised by SGU.

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The Company is also reminded that the Data Protection Act (2018:585) contains provisions on the security classification of data relating to confidential activity.

The implementation of the surveys discussed and the operations related may require obtaining additional permits.

**Subject matter**

In accordance with 3§ of the Continental Shelf Act, the Company has applied for the issuing of a permit for the exploration of the continental shelf in the area of the Swedish Exclusive Economic Zone to construct a power connection between Poland and Lithuania in cooperation with the Lithuanian transmission infrastructure company – Litgrid AB. The objective of the Harmony Link Project is to connect the power grids of both countries by routing HV cables between Poland and Lithuania on the seabed of the Baltic Sea.

Harmony Link is part of a broader European cooperation aimed at creating an integrated electricity market. The European Commission has described the undertaking as the so-called Project of Common Interest (PCI), i.e., a cross-border energy infrastructure project of great importance to the power market in at least two Member States, contributing to the European Union's energy security.

The permit discussed concerns the seabed surveys in the Swedish Exclusive Economic Zone in the location of the planned HV cable installation. The above-mentioned surveys involve geophysical, geotechnical, and environmental surveys. The Company has declared that the surveys do not involve drilling nor detonations.

In the application submitted, the Company has proposed the conditions for the issuing of the permit for the exploration of the continental shelf. Moreover, the Company has proposed that the permit be valid for three years.

The Company’s application has been redirected to the Swedish Transmission System Operator (Affärsverket svenska kraftnät), the Swedish National Board of Housing, Building and Planning (Boverket), the Swedish Armed Forces (Försvarsmakten), the Swedish Agency for Marine and Water Management (Havs- och vattenmyndigheten), the Legal, Financial and Administrative Services Agency (Kammarkollegiet), the Swedish Coast Guard (Kustbevakningen), the Gotland County Administrative Board, the Swedish Environmental Protection Agency (Naturvårdsverket), the Swedish National Heritage Board (Riksantikvarieämbetet), SGU, the Swedish Maritime Administration (Sjöfartsverket), the Swedish Energy Agency (Statens energimyndighet), the Swedish National History Museums, the National Maritime and Transport Museums, the Swedish Meteorological and Hydrological Institute (Sveriges meteorologiska och hydrologiska institut), the Swedish Transport Agency (Transportstyrelsen),

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the Marine and Coastal Fishermen’s Producer Organisation (Havs- och Kustfiskarnas Producentorganisation – HKPO), the Swedish Fishermen's Producer Organisation (Sveriges Fiskares Producentorganisaiton – SFPO), and the Swedish Pelagic Federation Producers Organisation (SPF PO).

*The Legal, Financial and Administrative Services Agency* and *the Swedish National History Museums* have resigned from submitting their opinions. *The Swedish National Board of Housing, Building and Planning, the Swedish Environmental Protection Agency, the Swedish Energy Agency, the Swedish Meteorological and Hydrological Institute* as well as *the Marine and Coastal Fishermen’s Producer Organisation* have no opinion on the subject. *The Swedish Armed Forces* submitted no remarks.

*The Swedish Transmission System Operator* has drawn the attention to the fact that the area of the planned surveys is crossed by the DC grid connection between Sweden and Lithuania. This connection named NordBalt belongs to the Swedish Transmission System Operator and Litgrid AB. The area submitted for the planned surveys applies only to the connection section that belongs to Litgrid AB. The Swedish Transmission System Operator requests to be provided with the information on the work conducted and the operations undertaken as part of the planned seabed surveys.

In the opinion of the *Swedish Agency for Marine and Water Management* the permit issued is valid. The Applicant should ensure that the contractor carries out the surveys with the precautions and safety measures specified in the Regulation. As a result, a report must be submitted to the supervising authority before the commencement of the work indicating how the Applicant will ensure this. The use of marine observers to detect harbour porpoises in the vicinity of a vessel is an activity of a questionable effectiveness, because it is to a large degree dependent on the weather and lighting conditions, which means that the possible observation of an individual would be practically random. A more crucial activity is to adopt the work to the period the least disadvantageous to harbour porpoises by implementing time restrictions. Geophysical surveys must not be carried out during the harbour porpoise breeding period, i.e. from May to October inclusive. In the opinion of the Swedish Agency for Marine and Water Management, due to the vulnerability of the harbour porpoises, the work should be commenced cautiously, as far as technically possible. If this is impossible, pulse sonars should be used, thanks to which harbour porpoise will not remain in the area in which they are subject to harmful impacts. After the work is commenced, the vessel conducting active geophysical surveys will in itself serve as an animal-deterring unit. It is important to apply appropriate safety measures before any equipment is switched on.

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The *Swedish* *Coast Guard* believes that, linking the permit with the obligation to report oil spills as proposed by the company is inappropriate. The work described in the application does not present an increased risk of the leak of oil or other harmful substances compared to other offshore work. The condition applied should be that the Swedish Coast Guard should be informed in advance – two weeks before the beginning of the surveys at the latest – about the work commencement and completion dates, the activities planned and the vessels engaged to carry them out. This information should be sent to the Coast Guard's email address: registrator@kustbevakningen.se with the case number 2020-2782 in the subject line.

The *Gotland County Administrative Board* believes that ​​the planned survey area lies outside the Natura 2000 site ​​Hoburgsbank and Midsjöbankarna, since the nearest point is 36 kilometres from the site boundary. Currently, there are no information on the occurrence of porpoises in the area discussed. The application suggests that a number of seabed surveys are planned with the sound level which may affect noise sensitive animals such as porpoises. It is recommended to exercise caution and take into consideration the issue of porpoises and other Baltic animals sensitive to noise, which occur also outside the Natura 2000 site. Therefore, whenever there is a risk of exposure of the noise-sensitive animals to disturbances or noise, pulse sonar or a procedure such as soft start should be applied.

*Swedish National Heritage Board* agrees with the Company's proposal to condition the permit with an obligation to plan the surveys in such a way that it constitutes the basis for examining the possible impact on the cultural environment.

The *SGU* declared that, the surveys do not include drilling nor detonations. Pursuant to 3a§ of the Continental Shelf Act, this means that the provisions of Section 6 of the Swedish Environmental Code are not applicable in the case presented.

Geological conditions do not require supplementing the application nor objecting to the granting of the permit for the survey implementation. The northern part of the survey corridor is located in an area marked on the nautical chart as an ammunition dumping site. Therefore, the applicant should clarify how the survey work will be planned with regard to safe handling of UXOs. Considering whether the requirements of Section 2 of the Swedish Environmental Code are met, the activities carried out in the given area and cumulative impacts should also be taken into account. This applies in particular to the part of the Baltic Sea, where a number of works is already conducted, also in the exclusive economic zones of the neighbouring countries, and including intense ship traffic.

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*Swedish Maritime Administration* does not object to the permit being issued as requested, provided that, in its obligation to inform the Swedish Maritime Administration of upcoming surveys, the deadline is changed to six weeks before the survey commencement in order to ensure that the information reaches international traffic.

The *National Maritime and Transport Museums* pointed out that no systematic recording of cultural and historical remains was carried out in the part of the Swedish exclusive economic zone covered by the planned surveys. The presence of archaeological remains, such as Stone Age settlements or ship wrecks, can be confirmed during the analysis of geophysical mapping and videos. In case of a possibility of the planned surveys impact on cultural and historical remnants, these objects should be documented and analysed in order to determine whether they constitute archaeological monuments.

*Swedish Transport Agency* has no objections to the granting of the permit. The Agency approves the proposals for the consultation of measures increasing the level of safety with the relevant offices.

*Swedish Fishermen's Producer Organisation* emphasises that the surveys should be conducted in such a way as to minimise the negative impact on the environment, using the best technologies. It is necessary to inform the *Swedish Fishermen's Producer Organisation* in order to prevent risks and avoid unnecessary exposure of the fish population.

*Swedish Pelagic Federation Producers Organisation* has no objections to the granting of a permit for the given area, but would like to point out that it should be ensured that the surveys had the lowest negative impact on commercial fisheries. Moreover, it is necessary to inform about the date of the surveys well in advance in case they affect ship traffic in the area.

The *Company* was given the opportunity to comment on the response and declares as follows.

*SGU* requested a clarification of the method of survey organisation with regard to the appropriate handling of unexploded ordnance in the northern part of the survey area.

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As part of preventive measures, all survey sites will be recorded with the use of, among others, a magnetometer to check for the occurrence of unexploded ordnances. If such objects are found, this fact will be reported to the authorities in appropriate order. The Company will not select sampling points using a CPT (pressure sensor with a sharp-end) and vibrocorers in the vicinity of the UXO found or already known and will avoid working in the vicinity of such objects.

The risk of cumulative impact is considered to be negligible, taking into account the temporary nature of the work and the fact that the surveys will be carried out for a few days within a relatively small area, and their environmental impact will be significantly limited.

In order to prove the applicability of protective measures for porpoises, it is proposed to oblige the Company to prove to the supervising authority that the research vessel has the necessary equipment to meet the requirements.

Swedish Transmission System Operator proposes that the company be obliged to inform it about the surveys.

**Justification for the government regulation**

Pursuant to 3§ of the Continental Shelf Act, the government may grant a non-state entity a permit to explore the continental shelf through physical measurements, drilling or other activities and extract natural resources from it. The permit should cover a specific area and a specific period.

Section 3a§ of the Continental Shelf Act stipulates that when considering issuing a permit for exploring the continental shelf the general precautionary principles contained in Section 2 of the Swedish Environmental Code and the provisions on environmental quality standards contained in Section 5 3-5§§ of the Code shall apply.

According to Section 2 3§ of the Swedish Environmental Code, all entities conducting or intending to conduct work or activities are obliged to take safety measures, comply with restrictions and other precautions necessary to prevent damage or difficulties to which people and the environment could be exposed as a result of the work. For the same reason, the best available technologies should be applied to conduct the work.

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Pursuant to 4§ of the Continental Shelf Act, the permit for the exploration of the continental shelf should be subject to strict conditions necessary to protect the general interests and the rights of an individual, such as the protection of human health and the environment against damages and disturbances, as well as sensible and long-term management of soil, water and other resources to ensure safety.

The documentation obtained in the case shows that none of the institutions opposes the work applied for, nor the issuing of a permit. However, many institutions recommend amending the proposed terms of the permit.

In the opinion of the government, the surveys applied for meet the requirements specified in the Continental Shelf Act and Section 2 of the Swedish Environmental Code, subject to the permit being restricted. The analysis of the case did not indicate the risk of exceeding any of the environmental standards according to Section 5 of the Swedish Environmental Code. Taking into account the statements of a number of institutions pointing to the need to protect the Baltic porpoise population, the government recognises that it is necessary to establish conditions ensuring the protection of porpoises. Therefore, the application is approved and the consent is restricted by the conditions listed in section “Government Regulation.”

On behalf of the government

Ibrahim Baylan

 Carin Lundberg

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This is to certify that the copy is true to the original

Courtesy Copy:

The Prime Minister’s Office/SAM

Ministry of Justice/L4 and SSK

Ministry for Foreign Affairs/EC, FMR and GA

Ministry of Defence/MFI, RS, SI and SUND

Ministry of Finance/BA

Ministry of the Environment/ME

Ministry of Culture/KL

Ministry of Infrastructure/E STM, TM and US

Swedish Transmission System Operator

Swedish National Board of Housing, Building and Planning

Swedish Armed Forces

Swedish Agency for Marine and Water Management

Legal, Financial and Administrative Services Agency

Swedish Coast Guard

Gotland County Administrative Board

Swedish Environmental Protection Agency

Swedish National Heritage Board

Swedish Maritime Administration

Swedish Energy Agency

National Historical Museums

National Maritime and Transport Museums

Geological Survey of Sweden

Swedish Meteorological and Hydrological Institute

Swedish Transport Agency

Marine and Coastal Fishermen's Producer Organisation (HKPO)

Swedish Fishermen's Producer Organisation (SFPO)

Swedish Pelagic Federation Producers Organisation (SPF PO)

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Annex to the Resolution I 5 of the meeting of the government on 11 March 2021, N2020/01231

The planned installation of the cable through the Swedish exclusive economic zone is marked on the map (blue line). The dashed area is a 3 km wide corridor. Points 1–9 mark the corners of the survey area. The coordinates are provided in the table below.

*[Table]*

The coordinates of the planned corridor within the Swedish exclusive economic zone are provided in the table below. Points 1-9 correspond to the corners of the survey area, and their location is marked on the map above.

Easting

Northing

Point no.

