

MINISTRY OF ENERGY OF THE REPUBLIC OF LITHUANIA

To: Lithuanian Permanent Representation to the European Union

Re.: Implementation of Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency

Pursuant to Articles 7(9) of and Part 4 of Annex V to Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EC and repealing Directives 2004/8/EC and 2006/32/EC (OJ 2012 L 315, p. 1), the Ministry of Energy of the Republic of Lithuania hereby provides information on the methodology it plans to use to ensure the operation of the energy efficiency obligation scheme.

We kindly request that you forward the attached note concerning the methodology to DG ENER in accordance with established procedure.

ENC.: Note on methodology (2 pages).

Deputy Minister

(signed)

Renata Čytacka

The original will not be sent

Note on methodology, pursuant to Article 7(9) of Directive 2012/27/EU

Overall end-use energy savings in Lithuania from the beginning of 2015 to 31 December 2020 will be 287 ktoe (3.336 TWh). Without prejudice to Article 7(3) of Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EC and repealing Directives 2004/8/EC and 2006/32/EC (OJ 2012 L 315, p. 1) ('Directive 2012/27/EU'), Article 7(2)(a) and (d) of Directive 2012/27/EU was applicable for calculating those savings. Also, pursuant to the second paragraph of Article 7(1), not all of the energy used in the the transport sector was included in the calculation. This target will be achieved by implementing the Energy Efficiency Obligation Scheme ('the Obligation Scheme') and combining it with the Alternative Measures. The Lithuanian Ministry of Energy is responsible for achieving this target. The first stage of the Obligation Scheme will last from 1 January 2014 to 31 December 2016, the second from 1 January 2017 to 31 December 2017.

Energy end-use efficiency enhancement measures outside the scope of the Obligation Scheme fall within the scope of the Alternative Measures. These measures may be financed from the Structural Funds, the budget and other support schemes.

System for the implementation, quality control and monitoring and evaluation of the Obligation Scheme and Alternative Measures

The Obligation Scheme and Alternative Measures will be administered in line with the following criteria:

1. Two intermediate periods are laid down for each type of measure (i.e. for the Obligation Scheme and the Alternative Measures) with corresponding targets;

a) The following intermediate periods and savings targets have been laid down for the Obligation Scheme:

- i) 1 January 2014 to 31 December 2016; target - 45.92 ktoe;
- ii) 1 January 2017 to 31 December 2020, target - 183.68 ktoe.

b) The following intermediate periods and savings targets have been laid down for the Alternative Measures:

- i) 1 January 2014 to 31 December 2016; target - 22.96 ktoe;
- ii) 1 January 2017 to 31 December 2020, target - 34.44 ktoe.

2. In accordance with the emerging Obligation Scheme model, the key stakeholders and their responsibilities are as follows:

a) Lithuanian Ministry of Energy - Obligation Scheme coordinator:

- i) establishes the overall energy end-use savings target;
- ii) establishes the Obligation Scheme operating periods;
- iii) determines the specific obligated parties and obligations for the given time periods;
- iv) lays down the principles for sanctioning the obligated parties;
- v) lays down the principles for evaluating energy savings;
- vi) establishes a procedure for reimbursing the costs incurred by the obligated parties while implementing the obligations imposed on them;
- vii) lays down the functions of an Obligations Scheme administrator;
- viii) imposes sanctions on obligated parties that fail to fulfil their obligations.

b) Valstybės įmonė Energetikos agentūra (Energy Agency, state enterprise) - Obligations Scheme administrator:

- i) establishes a catalogue of standard energy efficiency enhancement measures and achievable savings;
- ii) adopts a methodology which obligated parties must use to calculate savings;
- iii) carries out quality control, savings calculation and monitoring and evaluation functions;
- iv) verifies that the obligated parties have implemented the measures at the requisite level of quality;
- v) gathers information about the efficiency measures implemented;
- vi) draws up reports on the results achieved.

c) the obligated parties (in the first phase of the Obligation Scheme, the obligated parties will be as follows: electricity distribution network operator AB Lesto, natural gas distribution network operator AB Lietuvos dujos and heat supply firms that sell more than 90 GWh of heat):

- i) ensure that end-users implement energy efficiency enhancement measures;
- ii) provide the Obligation Scheme administrator with information on the scope, costs and energy savings associated with energy efficiency enhancement measures;
- iii) make proposals for including energy efficiency enhancement measures into the catalogue of standard energy efficiency enhancement measures and achievable savings.

3. The amount of energy which needs to be saved is calculated in accordance with the Directive and the Commission's recommendations. This amount is established by the Lithuanian Ministry of Energy.

4. All quantities of energy saved are expressed as final energy.

5. Until such time as a new method of calculating and establishing the amount of energy saved is adopted and a new catalogue of standard energy efficiency enhancement measures and achievable savings is compiled, the amount of energy saved will be calculated in accordance with the rules for calculating energy savings achieved at national level, adopted by Order No 1-33 of the Lithuanian Minister for Energy of 10 April 2009, and the rules for monitoring the efficient use of energy and energy sources, adopted by Order No 692 of the Lithuanian Minister for Energy of 9 July 2008.

6. In accordance with the emerging Obligation Scheme model, the administrator of the Obligation Scheme will monitor and evaluate the scheme and make proposals concerning the inclusion of additional measures or making amendments to existing ones if it is established that progress is unsatisfactory and the savings targets cannot be achieved.

7. The Obligation Scheme and Alternative Measures are geared towards the introduction of energy efficiency enhancement measures in the construction and industrial sectors.

8. No categories of energy efficiency measures have yet been established. These will be established once the catalogue of standard energy efficiency enhancement measures and achievable savings is approved. In addition to other key information, the catalogue will also specify how long the measures are to last.

9. There is little difference between the climatic conditions of western Lithuania (on the coast) and those of eastern Lithuania. Nevertheless, this difference has a noticeable effect on energy use. This must be taken into account when calculating the amount of heat energy saved, and the energy savings should be recalculated on the basis of degree days.

10. Audits will be carried out on the basis of the procedure and conditions currently in force for auditing energy efficiency in buildings, equipment and technological processes, the procedure for the training and certification of specialists carrying out audits of energy efficiency in buildings,

equipment and technological processes, the comprehensive methodology for auditing the consumption of energy in public buildings and the methodology for auditing energy, energy resource and water use in technological processes and equipment.

11. Monitoring and verification protocols and their independence from obligated, participating or entrusted parties is ensured pursuant to the rules for calculating energy savings achieved at national level and the rules for monitoring the efficient use of energy and energy sources referred to in point 5, until such time as a new method of calculating and establishing the amount of energy saved is adopted and new catalogue of standard energy efficiency enhancement measures and achievable savings is compiled.