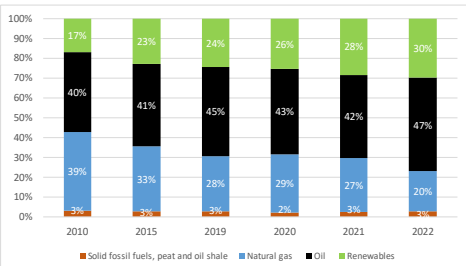




REPowerEU Two Years on Lithuania

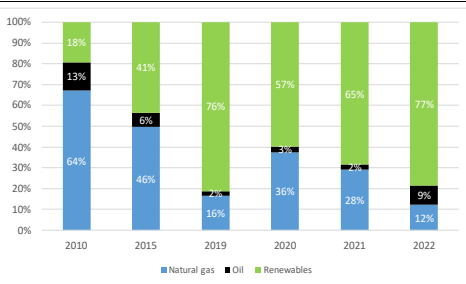
Key energy figures

Graph 1: Energy mix



Source: Eurostat

Graph 2: Electricity mix



Source: Eurostat

Save energy

1. KEY ENERGY SAVINGS MEASURES

Lithuania is implementing energy efficiency measures to contribute to energy security further, such as:

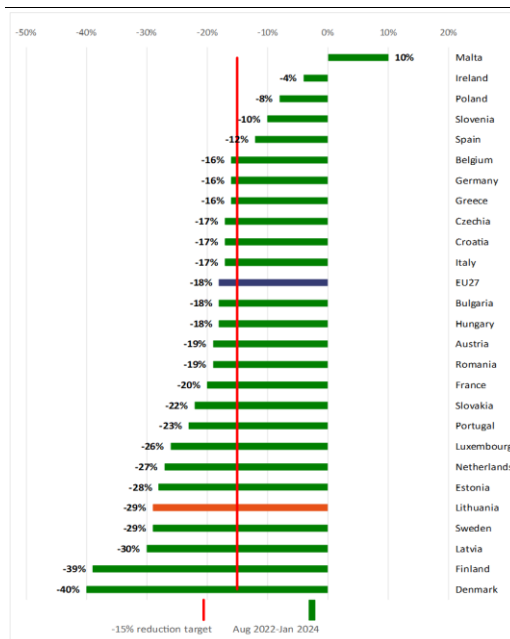
- Higher excise duties and taxes on fuel consumption.
- Lithuania adopted in September 2022 an **Energy Saving Plan** to save 20% energy over two years. The plan was made mandatory for the public sector and recommended for businesses and private individuals.

- On the **public sector** specifically, Lithuania adopted **behavioural measures** complemented by quick payback measures (energy audits, automatic doors, window replacements, lightning upgrade). Measures for public buildings include temperature reduction to 16-17 °C in buildings from Friday to Monday, lowering the temperature to 19 °C in winter and raising the air conditioning temperature to 27 °C in summer or shutting off hot water in administrative buildings.
- Grants were made available for **energy renovations** and the modernisation of multi-unit and single-family buildings as well as for private companies. As of September 2022, the support for energy renovations was increased to 80% co-financing, up from 30%.
- Lithuania also rolled out measures for the **replacement of biomass and fossil fuel boilers** by technologically advanced installations.

2. GAS DEMAND REDUCTION

Lithuania has reduced its gas consumption by **29%** in the period **August 2022 – January 2024**, above the decrease achieved at EU level (18%) and the 15% voluntary gas demand reduction agreed at the EU level ⁽¹⁾.

Graph 3: **Natural gas demand reduction (August 2022 – January 2024)**



(1) Cyprus does not use natural gas
Source: Eurostat, DG ENER calculations

Diversify energy supplies

1. KEY ACTIONS

Lithuania successfully and fully diversified its energy imports but is still highly dependent on these, despite an improvement in 2023 due to much faster deployment of new generation capacity.

(1) Council Regulation (EU) 2023/706 of 30 March 2023, amending Regulation (EU) 2022/1369
 (2) Lithuanian government projections

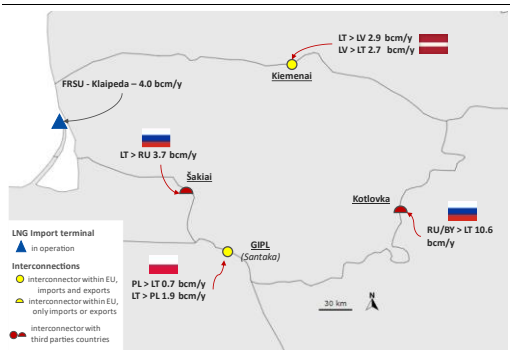
2. GAS INFRASTRUCTURE DEVELOPMENTS

While Lithuania is maintaining its energy trade ban with Russia, it managed to preserve its security of supply. The Klaipeda floating storage and regasification unit (FSRU), which the Lithuanian authorities plan to acquire by the end of 2024, and the GIPL pipeline with Poland (Gas Interconnection Poland-Lithuania) had made it possible for Lithuania to substantially diversify its gas suppliers in recent years.

The ELLI project (Enhancement of Latvia-Lithuania interconnection), which has improved the gas interconnection with Latvia, has also helped improve Lithuania's security of gas supply, by improving the Inčukalns underground gas storage site in Latvia.

The role of gas is expected to further decrease in the coming years and should account for around 13 % of the energy mix by 2030 ⁽²⁾.

Map 1: **Cross-border gas infrastructure**



Source: European Commission map recreation (based on ENTSO-G)

3. GAS STORAGE

Lithuania does not benefit from a domestic underground gas storage facility but cooperates with Latvia and stores gas volumes in the Inčukalns facility, in accordance with the burden-sharing mechanism ⁽³⁾.

Energy platform

- In the **four EU tenders** for joint gas purchase organised **under AggregateEU in 2023**, 113 companies across the EU expressed gas demand of over 54 bcm. 48 suppliers replied

(3) Report from the Commission to the European Parliament and the Council of 27 February 2024 on certain aspects concerning gas storage based on Regulation (EU) 2017/1938 of the European Parliament and of the Council

with bids of more than 61 bcm, resulting in **over 42 bcm of demand matched**.

- In the **first mid-term tender of 2024**, 19 companies expressed 34 bcm of gas demand for the next 5 years, with **97.4 bcm offered by suppliers**.
- According to the indicative data obtained through AggregateEU, companies from **Lithuania** aggregated gas demand of **0.09 bcm** in 2023 under the EU Energy Platform. This represents the equivalent of 5.87% of the country's yearly gas consumption.

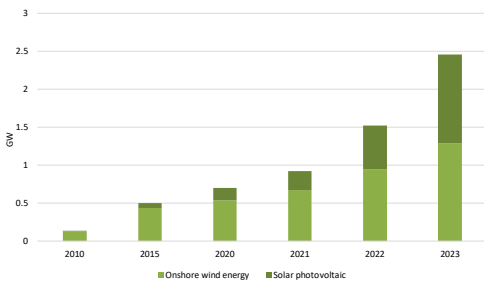
Produce clean energy

1. INSTALLED RENEWABLE ELECTRICITY CAPACITY, IN WIND AND SOLAR

In **2023**, Lithuania installed around 1 GW of renewable electricity capacity, bringing the total to **2.8 GW** (vs. 1.2 GW in 2021).

In **2023**, the annual growth rate of installed renewables power capacity rose to **58.9%** compared to 23.6% in 2021.⁽⁴⁾

Graph 4: **Installed solar and wind power capacity (in GW)**



- (1) The renewable power capacity data reflects the capacity installed and connected at the end of the calendar year.
- (2) In 2023, Lithuania installed 0.3 GW of wind power capacity (vs. 0.1 GW in 2021).
- (3) In 2023, Lithuania installed 0.6 GW of solar photovoltaic capacity (vs. 0.1 GW in 2021).

Source: IRENA, Renewable capacity statistics, 2024

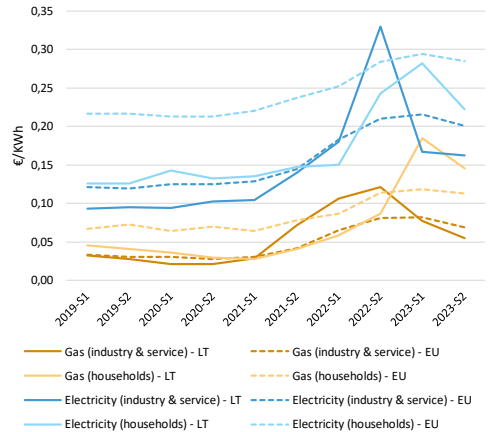
2. ELECTRICITY INFRASTRUCTURE DEPLOYMENT

In December 2023 Lithuania, together with Estonia, Latvia, Poland and the European Commission, signed a new political declaration paving the way for the next steps to complete the synchronisation project with the EU continental grid. Several key infrastructure investment projects are currently being implemented which will also serve the synchronisation project.

⁽⁴⁾ International Renewable Energy Agency (2024). Renewable capacity statistics 2024.

Energy price developments

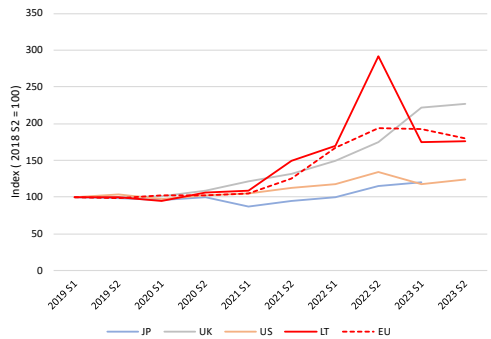
Graph 5: **Lithuania's energy retail prices for households and industry & service**



- (1) For industry, consumption bands are I3 for gas and IC for electricity, which refer to medium-sized consumers and provide an insight into affordability
- (2) For households, the consumption bands are D2 for gas and DC for electricity
- (3) Industry prices are shown without VAT and other recoverable taxes/levies/fees as non-household consumers are usually able to recover VAT and some other taxes

Source: Eurostat

Graph 6: **Trends in electricity prices for non-household consumers (EU and foreign partners)**



- (1) For Eurostat data (EU and LT), the band consumption is ID referring to large-sized consumers with an annual consumption of between 2 000 MWh and 20 000 MWh, such as in electricity, intensive manufacturing sectors, and gives an insight into international competitiveness
- (2) JP = Japan

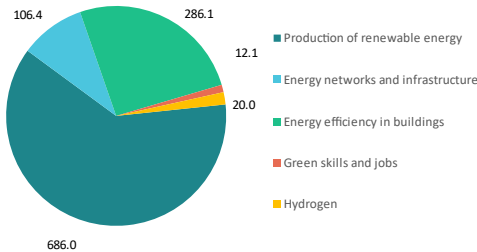
Source: Eurostat, IEA

Smartly combine investments and reforms in the RRP

Amended Recovery and Resilience Plan (RRP), including a REPowerEU chapter:

- Approved by Council: 9 November 2023
- Total amount: EUR 3.8 billion
- Amount allocated for energy: EUR 1.1 billion
- Climate tagging: RRP: 37.3 %; REPowerEU chapter: 98.9 %

Graph 7: **Energy-related investments in the RRP (in EUR million)**



Source: European Commission

Tangible results: reforms & investments

- **Energy efficiency:** building renovation, notably supporting at least 180 multi-apartment dwellings renovation.
- **Renewables:** financial support to legal entities, farmers and renewable energy communities, with the goal to develop at least 225 MW of electricity generation capacity
- **Energy efficiency in industry / Renewables:** EUR 549 million fund set by INVEGA providing direct loans to private entities to finance their investments into renewable energy power plants.

Highlights of the National Energy and Climate Plan

- The **draft updated NECP** was submitted to the European Commission in July 2023.
- Member States are due to submit their **final updated NECP by 30 June 2024**, taking into account the Commission recommendations.
- For more information see the dedicated [webpage of the European Commission on the NECPs](#).

⁽⁵⁾ <https://cohesiondata.ec.europa.eu/d/hgyj-gyin>

Strengthening competitiveness with the Net Zero Industry Act

Lithuania remains dependent on non-EU countries for clean energy technologies, and other EU Member States for wind energy, but is a regional leader in PV cells and modules.

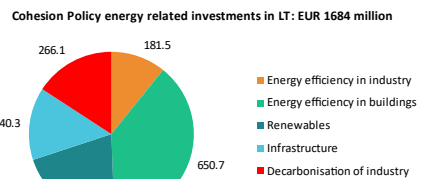
Lithuania presents good and steadily increasing developments in PV manufacturing and offers innovative PV solutions. The country hosts several modules and cell manufacturing facilities and particularly increased its production capacity in 2023. Regarding batteries, a few lithium batteries and energy flow management systems production facilities are located in Lithuania. On wind, Lithuania hosts some industrial capacity supplying the wind industry.

Other EU initiatives

Cohesion Policy provides significant support to REPowerEU in all EU MS, with a total of EUR 89 billion worth of investments focusing on regions most in need in the energy transition.

Most resources concentrate on energy efficiency in the buildings sector (i.e. 720 000 dwellings across the EU will be renovated and public buildings will decrease their energy consumption by 6000 GWh/year) and on energy infrastructure (i.e. 4.9 GWh of additional electricity storage deployed), followed by renewables (e.g. 9.5 GW of additional renewable energy capacities installed).

Graph 8: **2021-2027 energy-related investments in the Cohesion Funds supporting REPowerEU**



Source: Cohesion Open Data ⁽⁵⁾