



# Lithuania

## Energy Saving Agreements with energy companies



**Responsible authority: Ministry of Energy**

**Managing authority: Lithuanian Energy Agency**

### General information

Energy Saving Agreements (ESAs) are mandatory agreements between energy companies (electricity, gas, heat) and the Ministry of Energy (hereafter – the Ministry). The purpose of these agreements is to either educate and advise consumers on energy-saving actions and solutions that change consumers' behaviour and habits, or achieve significant energy savings at the end-user level by implementing technical actions.

ESAs are implemented since 2017, and planned till 2030.

Savings from education and advice campaigns are calculated yearly and are valid only for that year. Savings from technical actions are calculated yearly and over the whole period. All savings are expressed in final energy.

Expected cumulative energy savings by 2020 from ESAs (education and advice campaigns excluded) are 1905.14 GWh of final energy.

### Sectoral coverage

ESAs are not directed at specific end-use sectors. They are aimed at reducing the consumption of electricity, heat and gas and can be freely implemented where energy companies see the biggest potentials.

Most important requirement is that energy savings must be achieved at the final consumers' side.

While agreements to educate and advise final consumers have no specific energy efficiency target, ESAs include targets to be achieved. The targets are negotiated and included in the agreement signed both by the energy company and the Ministry. All the information on the implemented measures is verified and approved by LEA.

### Organization and MRV

The requirement to sign ESAs is laid down in the Energy Efficiency Act. Rules and regulations implementing this law are set by the Ministry. LEA (Lithuanian Energy Agency) is the delegated body for implementation.

Reports on measures implemented and results achieved by energy companies are submitted to LEA annually. The reports include detailed description of implemented measures, calculation of their impact, proof of implementation (agreements with suppliers, invoices and other supporting documents). All submitted information is verified and approved by LEA specialists.

Energy savings from education and advice campaigns are calculated using the approved methodology ([Order n°1-320 of 5 December 2016](#)). Energy savings from smart meters are determined using deemed savings (3% of energy consumption). Other measures – mostly technological processes and equipment (e.g. in industry) – are evaluated by comparing energy use before and after.

Most popular means for education and advice campaigns are internet, leaflets and brochures, additional information coupled with bills. The vast majority of energy savings from technical actions comes from smart meter installation.

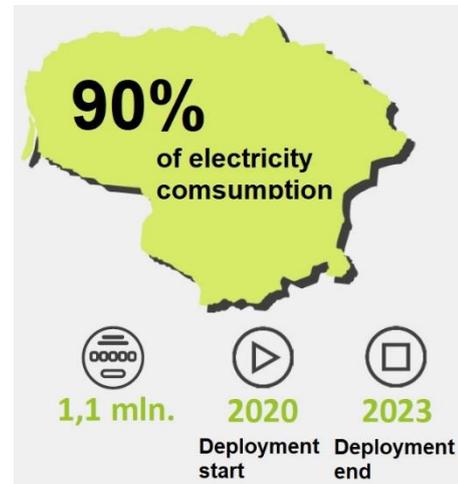
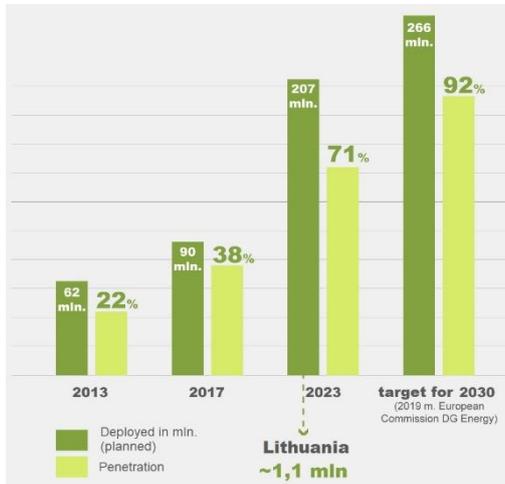
### Costs and benefits

Implementation of education and advice campaigns is financed by energy companies and is not subsidised or included in energy prices.

Technical actions implemented by energy companies (electricity and gas) are financed by including the incurred costs in the energy tariff.



## Timeline for smart meter (electricity) roll out programme



During a pilot project conducted by ESO (electricity and natural gas Distribution System Operator) in 2017, customers used on average up to 6% less electricity after the installation of the smart meter. The introduction of smart meters, recording consumption in 15-minute intervals, will enable competition, allowing independent suppliers to better compete for customers - whether in terms of service, quality, price or other customized solutions. With the introduction of smart meters, ESO will be able to monitor the quality of the power grid and take prompt action to prevent any disturbances.

## Overview of the policy mix reported by Lithuania for article 7

### Transversal / cross-cutting

**Energy saving agreements with energy companies** – regulatory measure. Obligation to energy companies to carry education and advice campaigns and/or implement energy saving measures. Cumulative energy savings – 1211.63 (41.86+1169.77) GWh.

**Excises and taxes on road fuel.** Energy savings – 2059.19 GWh.

**Climate change and Lithuanian environment protection investment fund** measures. Financing schemes and energy efficiency fund. Cumulative energy savings – 1076.84 GWh.

### Services

**Renovation of public buildings.** Financing scheme. Cumulative energy savings – 520,9 GWh.

*Note: all savings mentioned above are cumulative energy savings over 2014-2020 from actions implemented between January 2014 and December 2017.*

### Residential

**Multiapartment building renovation.** Financing scheme. Cumulative energy savings – 2624.15 GWh.

Lithuania's energy saving target for 2020 is 11674 GWh (11.674 TWh). Based on 2017 data, the three top measures contributing more than 50% of energy savings are: Multiapartment building renovation programme – 22%, Excises and taxes – 18%, Energy saving agreements – 10%.

# Interview with Linas Bagdonavičius

Chief Specialist

Climate Change Management Policy Group, Ministry of Energy

## *What have been the main changes in the policy in the recent years?*

Financial instruments promoting energy efficiency have increased: measure to replace inefficient heat production facilities (inefficient biomass boilers) with more efficient technologies using renewable energy resources in households; differentiation of a fee for services of general interest in industrially intensive companies (whose consumption is more than 1 GWh/year) for installed energy efficiency improvement measures.

## *What about MRV?*

Supervision, control and verification of a representative sample of data on energy savings is performed by an independent body, the Lithuanian Energy Agency.

## *What success factors have you identified?*

- application of good practice,
- common goal of different institutions,
- efficient decision making,
- the attractiveness of financial measures, with a direct link between energy efficiency indicators.

## *Are there interactions with other policies?*

There are interactions between the alternative policy measures in place, for example synergies between financial incentives and voluntary agreements.

## *Are there any expected modification under discussion?*

Planned implementation of additional energy efficiency measures.

In the next commitment period, between 2020 and 2030, Lithuania plan to improve not only the already existing energy efficiency measures but also construct new ones, paying more attention to energy efficiency measures in the transport sector.

## *If you could go back in time, what would you do differently?*

Early and more efficiently address the preparation of the necessary documentation for the implementation of energy efficiency improvement measures.

