

Research RES LEGAL – Promotion system

Country: Lithuania

1. Summary of support system

Overview of support system	In Lithuania, electricity from renewable sources is basically promoted through a feed-in tariff. Furthermore, producers of renewable electricity may apply for grants at the Lithuanian Environmental Investment Fund (LEIF) and are exempt from consumption tax.
Means of support	<ul style="list-style-type: none"> • Feed-in Tariff. In Lithuania, renewable electricity generation is promoted through a feed-in tariff. Operators of renewable electricity generation systems are entitled against the grid operator to payment for electricity fed into the grid. The total amount of electricity eligible for promotion through the feed-in tariff is limited by statutory law and depends on the source of energy used. • Subsidies. In Lithuania, subsidies are granted by the Lithuanian Environmental Investment Fund (LEIF). LEIF subsidises only those projects that aim to reduce environmental damage in the long term. These projects include renewable electricity generation systems. • Tax exemption. In Lithuania, electricity from renewable sources is exempt from tax.
Technologies	Basically, all technologies used for the generation of electricity from renewable sources are eligible for at least one means of promotion.
Statutory provisions	<ul style="list-style-type: none"> • Law on Renewable Energy (Elektros energetikos įstatymas); • Resolution No. 1474/2001 (Elektros energijos, kuriai gaminti naudojami atsinaujinantys energijos išteklių, gamybos ir pirkimo skatinimo tvarkos aprašas – Procedure for the Promotion of the Generation and Purchase of Electricity from Renewable Sources); • Order No. D1-303 (Lietuvos aplinkos apsaugos investicijų fondo programos lėšomis finansuojamų investicinių projektų įgyvendinimo ir priežiūros tvarkos aprašas - Description of the Procedure for the Financing and Supervision of Projects Funded by the Lithuanian Environmental Investment Fund); • Order No. 1-215/2009 (Viešuosius interesus atitinkančių paslaugų teikimo tvarkos aprašas - Description of the Procedure for the Provision of Services of Public Interest); • Statutes of LEIF (Viesosios Įstaigos Lietuvos Aplinkos Apsaugos Investicijų Fondas Įstatai – Statutes of the Public Institution of the Lithuanian Environmental Investment Fund); • Resolution No. 7/2002 (Nutarimas “Dėl viešuosius interesus atitinkančių paslaugų elektros energetikos sektoriuje kainų” – Resolution on the Pricing of Public Service Obligations in the Electricity Sector) • Tax Law (Akcijų įstatymas);

2. Basic information on legal sources

Name of legal source (original language)	Elektros energetikos įstatymas	Elektros energijos, kuriai gaminti naudojami atsinaujinantys energijos ištekliai, gamybos ir pirkimo skatinimo tvarkos aprašas	Nutarimas "Dėl viešuosius interesus atitinkančių paslaugų elektros energetikos sektoriuje kainų"
Full name	Lietuvos Respublikos Atsinaujinančių išteklių energetikos įstatymas (Valstybės žinios, 2011, Nr. 62-2936)	Elektros energijos, kuriai gaminti naudojami atsinaujinantys energijos ištekliai, gamybos ir pirkimo skatinimo tvarkos aprašas, patvirtintas Lietuvos Respublikos Vyriausybės 2001 m. gruodžio 5 d. nutarimu Nr. 1474 (Valstybės žinios, 2001, Nr. 104-3713; 2004, Nr. 9-228; 2005, Nr. 73-2651; 2006, Nr. 100-3862; 2009, Nr. 49-1958; 2010, Nr. 82-4329)	Valstybinės kainų ir energetikos kontrolės komisijos 2002 m. vasario 11 d. nutarimas Nr. 7 "Dėl viešuosius interesus atitinkančių paslaugų elektros energetikos sektoriuje kainų" (Valstybės žinios, 2002, Nr. 16-648; 2007, Nr. 73-1041; 2008, Nr. 16-217; 2009, Nr. 77-1002; Nr. 108-4576)
Name (English)	Law of the Republic of Lithuania on Renewable Energy	Procedure for the Promotion of the Generation and Purchase of Electricity from Renewable Energy Sources approved by Resolution No. 1474 of the Government of the Republic of Lithuania of 5 December 2001	Resolution No. 7 of the National Control Commission for Prices and Energy of 11 February 2002 on the Pricing of Public Service Obligations in the Electricity Sector
Abbreviated form	Law on Renewable Energy	Resolution No. 1474/2001	Resolution No. 7/2002
Entry into force	24.05.2011	01.01.2002	16.02.2002
Last amended on		07.07.2010	04.09.2009
Future amendments	31.12.2011		
Purpose	Providing a general legal framework for the promotion of RES.	Regulating the issue, change, suspension, and revocation of permits for activities in the electricity sector.	In this resolution, NCC sets the prices for services of public interest in the electricity sector.
Relevance for renewable energy	Deals exclusively with renewables.	Defines activities in the electricity sector that are subject to authorisation, including electricity generation and the expansion of electricity generating capacity. These are general conditions,	In this resolution, NCC sets average buying prices for electricity produced from renewable sources and waste, as well as the conditions for their application.

		but they also apply to renewables.	
Link to full text of legal source (original language)	http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=398874&p_query=&p_tr2=	http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=378153	http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=160371&p_query=&p_tr2=
Link to full text of legal source (English)		http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=312291	

Name of legal source (original language)	Viešuosius interesus atitinkančių paslaugų teikimo tvarkos aprašas	Lietuvos aplinkos apsaugos investicijų fondo programos lėšomis finansuojamų investicinių projektų įgyvendinimo ir priežiūros tvarkos aprašas	Lietuvos aplinkos apsaugos investicijų fondo nuostatai
Full name	Viešuosius interesus atitinkančių paslaugų teikimo tvarkos aprašas, patvirtintas Lietuvos Respublikos energetikos ministro 2009 m. lapkričio 24 d. įsakymu Nr. 1-215 (Valstybės žinios, 2009, Nr. 140-6159; 2010, Nr. 73-3726, 122-6227; 2011, Nr. 14-647)	Lietuvos aplinkos apsaugos investicijų fondo programos lėšomis finansuojamų investicinių projektų įgyvendinimo ir priežiūros tvarkos aprašas, patvirtintas Lietuvos Respublikos aplinkos ministro 2011 m. balandžio 12 d. įsakymu Nr. D1-303 (Valstybės žinios, 2011, Nr. 46-2206)	Lietuvos aplinkos apsaugos investicijų fondo nuostatai, patvirtinti Lietuvos Respublikos aplinkos ministro 2010 m. spalio 12 d. įsakymu Nr. D1-858 (Valstybės žinios, 2010, Nr. 122-6221, 147-7542)
Name (English)	Description of the Procedure for the Provision of Services of Public Interest, approved by Order No. 1-215 of the Minister of Energy of the Republic of Lithuania of 24 November 2009	Description of the Procedure for the Financing and Supervision of Projects funded by the Lithuanian Environmental Investment Fund, approved by Order No. D1-303 of the Minister of Environment of the Republic of Lithuania of 12 April 2011	Statutes of the Lithuanian Environmental Investment Fund, approved by Order No. D1-858 of the Minister of Environment of the Republic of Lithuania of 12 October 2010
Abbreviated form	Order No. 1-215/2009	Order No. D1-303	Statutes of LEIF
Entry into force	27.11.2009	17.04.2011	15.10.2010
Last amended on	04.02.2011		17.12.2010
Future amendments			
Purpose	Setting general conditions for services related to energy production from renewable sources.	Establishing conditions for the financing of environmental investment projects by the Fund, as well as an enforcement mechanism for these conditions.	Defining the objectives and tasks of the Lithuanian Environmental Investment Fund.
Relevance for renewable energy	Sets general conditions for services related to energy production from renewable sources	Establishes financing conditions for environmental investment projects, including projects related to renewable energy.	Establishes the promotion of renewable energy sources as one of the tasks of the Lithuanian Environmental Investment Fund.

Link to full text of legal source (original language)	http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=359046&p_query=&p_tr2=	http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=396792	http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=383207&p_query=&p_tr2=
Link to full text of legal source (English)			

Name of legal source (original language)		Akcizų įstatymas	
Full name		Lietuvos Respublikos Akcizų įstatymas (Valstybės žinios, 2001, Nr. 98-3482; 2010, Nr. 45-2174)	
Name (English)		Tax Law	
Abbreviated form		Tax Law	
Entry into force		01.07.2002	
Last amended on		18.12.2010	
Future amendments			
Purpose		This Law regulates the trade and consumption taxes.	
Relevance for renewable energy		Electricity generated from renewable sources is exempt from tax.	
Link to full text of legal source (original language)		http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=389323	
Link to full text of legal source (English)			

3. Further information

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Valstybinė kainų ir energetikos kontrolės komisija (National Control Commission for Prices and Energy)	http://www.regula.lt/en/about-us/	Darius Liutkevičius	+370 5 213 5241	darius.liutkevičius@regula.lt
Lietuvos aplinkos apsaugos investicijų fondas (LAAIF) – Lithuanian Environmental Investment Fund	http://www.laaif.lt/index.php?-1579478433		+370 5 2169599	laaif@laaif.lt
Energetikos agentūra (EA) – Energy Agency	http://www.ena.lt/en/default.htm		+370 5 261 9225	eainfo@ena.lt
Lietuvos vėjo elektrinių asociacija (Lithuanian Wind Power Association)	http://www.lvea.lt/index.php/en	Saulius Vytas Pikšrys	+370 687 92486	saulius@atgaja.lt

Means of support

4.1. Subsidy (LEIF)

Abbreviated form of legal source(s)	<ul style="list-style-type: none"> • Statutes of LEIF; • Order No. D1-303. 	
Country-specific support system	<p>The Lithuanian Environmental Investment Fund (LEIF) allocates subsidies to projects aiming to reduce environmental damage in the long term. This definition includes projects for renewable electricity generation. For general information in English on the funding of projects by the Lithuanian Environmental Fund please see http://www.laaif.lt/index.php?320778331.</p>	
Promoted technologies	General information	All technologies used for renewable electricity generation are promoted under this scheme (Item 2.1.1. Statutes of LEIF).
	Wind energy	Eligible.
	Solar energy	Eligible.
	Geothermal energy	Eligible.
	Biogas	Eligible.
	Hydro-electricity	Eligible.
Amount	<p>The maximum subsidy is 690,000 Litas (approximately € 200,000) and must not exceed 80% of the total project expenses (Chapter I Item 4.7, Chapter II Item 7 Order No. D1-303). Applicants shall demonstrate that they are able to provide funding for the rest of the project through their own resources (Chapter II Item 12 Order No. D1-303).</p> <p>The first part of the awarded subsidy (60%) is paid when the applicant has acquired, installed and started operating facilities as intended in the project plan. The remaining part of the awarded subsidy (40%) is paid when the applicant has submitted data on the environmental compliance achieved during the first year of the supported project. The remaining part of the subsidy is paid under the condition that during the first project year the environmental indicators set in the grant application are met by at least 95%. If 50% - 95% of environmental indicators are met, the grant shall be reduced accordingly. Finally, if during the first project year less than 50% of environmental indicators are met, environmental compliance is considered as not achieved and the second part of the subsidy will not be paid to the applicant. In this case the applicant shall also pay back the first part of the subsidy (which he has already received) to LEIF (Chapter II Item 9 Order No.D1-303).</p>	
Addressees	<p>Entitled party: Legal entities registered in Lithuania, or legal entities established in another country within the European Economic Area whose subsidiary is registered in Lithuania and carries out projects in Lithuania (Chapter I Item 5 Order No. D1-303).</p> <p>Obligated party: The Lithuanian Environmental Investment Fund (LEIF) (Chapter II Item 1 Order No. D1-303).</p>	
Procedure	Procedure	Applicants for grants shall demonstrate that they are able to provide funds for the rest of the project through their own resources (Chapter II Item 12 Order No. D1-

		<p>303).</p> <p>Procedure:</p> <ul style="list-style-type: none"> • Project Information Form. An applicant shall submit to LEIF a completed Project Information Form. LEIF decides on whether a project complies with its funding objectives and financing conditions and shall inform the applicant about its decision within 10 working days (Chapter III Item 16 Order No. D1-303). • Application. The applicant submits an application for subsidy, • Application assessment. LEIF examines the application. This includes an inspection to establish whether an application complies with the administrative and environmental requirements. The examination on compliance with administrative requirements shall be carried out within 5 working days and the examination on compliance with environmental requirements shall be carried out within 60 working days (Chapter III Items 27, 29 and 34 Order No. D1-303). • Decision on the award of a subsidy. The decision on the award of a subsidy consists of several steps: <ul style="list-style-type: none"> ○ The applications selected by LEIF are presented to the Selection Committee, which is appointed by the Minister of Environment. The Committee shall decide which projects will be promoted. ○ Within 5 working days from the selection made by the Selection Committee, LEIF shall submit selected projects to the Minister of Environment (Chapter III Item 35 Order No.D1-303). The Minister shall decide which projects will be granted a subsidy within 20 woking days (Chapter III Item 37 Order No. D1-303). • Contract on financing and supervision. LEIF shall prepare a draft contract on financing and supervision and submit it to the applicant within 20 working days from the decision on the award of a subsidy. The applicant shall sign the contract within one month from its receipt (Chapter IV Item 41 Order No. D1-303). • Payment of subsidy. After acquiring, installing and starting to operate the facilities as intended in the project plan, the applicant has to submit an application for payment of the first part of the awarded subsidy (60%) and a report on technical implementation to LEIF (Chapter II Item 9, Chapter IV Item 46 Order No. D1-303). An application for payment of the second part of the subsidy (40%) shall be submitted to LEIF together with the data on environmental compliance achieved during the first year of the supported project and with a final report on project implementation (Chapter IV Item 51
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		Order No. D1-303).
	Competent authority	LEIF
Flexibility mechanism		
Funding	State	LEIF is partly funded from the state budget and partly from the financial support received from other countries, the European Commission etc. (Chapter VII Items 7.2. – 7.4. Statutes of LEIF).
	Consumers	
	System operator	
	Grid operator	
	Distribution mechanism	

4.2. Feed-in tariff (Name of means of promotion)

Abbreviated form of legal source(s)	<ul style="list-style-type: none"> • Law on Renewable Energy; • Order No. 1-215; • Resolution No. 1474/2001; • Resolution No. 7/2002. 	
Country-specific <u>support system</u>	<p>In Lithuania, renewable electricity generation is promoted through a feed-in tariff. According to the National Control Commission for Prices and Energy, operators of renewable electricity generation systems are entitled against the grid operator to payment for electricity fed into the grid. All electricity produced by RES systems whose total installed capacity does not exceed 30 kW shall be purchased at the feed-in tariff set by the Government. For RES systems with a total installed capacity of more than 30 kW, fixed feed-in tariffs and subsidies for a certain amount of electricity generated from RES shall be allocated in an auction.</p> <p>The maximum feed-in tariff for each calendar year shall be determined by the National Control Commission for Prices and Energy.</p>	
Promoted technologies	General information	Except for electricity generated from geothermal power technologies, all technologies used for renewable electricity generation are eligible for this support scheme (Item 2 Art. 2, § 2, 3 Art. 20 Law on Renewable Energy).

	Wind energy	Eligible.
	Solar energy	Eligible.
	Geothermal energy	
	Biogas	Eligible.
	Hydro-electricity	Eligible.
	Biomass	Eligible.
Amount	General information	The fixed tariff for RES systems with a total generating capacity of more than 30 kW is set in auctions organised by the National Control Commission for Prices and Energy (§3 Art. 20 Law on Renewable Energy). The following fixed tariffs apply to RES systems with a generating capacity of up to 30kW (Item 4 Resolution No. 7/2002):
	Wind energy	0.30 LTL/kWh (Item 4.2. Resolution No. 7/2002)
	Solar energy	up to 100 kW: 1.63 Lt/kWh; above 100 kW and up to 1 MW: 1.56 Lt/kWh; above 1 MW: 1.51 Lt/kWh“ (Item 4.3. Resolution No. 7/2002)
	Geothermal energy	
	Biogas	0,30 LTL/kWh (Item 4.3. Resolution No. 7/2002)
	Hydro-electricity	0.26 LTL/kWh (Item 4.1. Resolution No. 7/2002)
	Biomass	0.30 LTL/kWh (Item 4.3. Resolution No. 7/2002)
Degression	General information	
	Wind energy	
	Solar energy	
	Geothermal energy	
	Biogas	
	Hydro-electricity	
Biomass		
Cap		
Eligibility period	The tariffs under the support scheme are applicable for 12 years from the issue date of the generation licence (§8 Art. 20 Law on Renewable Energy).	
Addressees	<p>Entitled party: The persons entitled to the purchase of electricity fed into the grid are the system operators of renewable electricity generation systems (Chapter I Item 2.1, Chapter II Item 9 in the fifth document of Resolution No. 1474/2001, in conjunction with Chapter II Item 6.1 Order No. 1-215).</p> <p>Obligated party: The party obligated is the transmission grid operator (Chapter II Item 9 Order No. 1-215).</p>	
Procedure	Procedure	Different procedures are applicable according to the total installed capacity of an RES system. Thus: <ul style="list-style-type: none"> Electricity produced by RES systems whose total installed capacity does not

		<p>exceed 30 kW shall be purchased at the fixed tariff set by the Government (§ 1 Art. 20 Law on Renewable Energy).</p> <ul style="list-style-type: none"> For RES systems with a total installed capacity above 30 kW, fixed tariffs and subsidies for a certain amount of electricity generated from RES shall be allocated in auctions (§ 3 Art. 20 Law on Renewable Energy). <p>For each RES technology, separate auctions are organised in every region. Electricity generated from renewable sources is eligible for a flexible bonus, i.e. the difference between the fixed feed-in tariff and the sale price for electricity generated from RES. This price shall not be lower than the average market price of the previous month and shall be calculated according to the procedure set by the National Control Commission for Prices and Energy (§ 3 Art. 20 Law on Renewable Energy).</p> <p>The maximum fixed tariff for each calendar year shall be determined by the National Control Commission for Prices and Energy. The winner of an auction is the one who has proposed the lowest preferred fixed tariff. If two or more auction participants submit proposals with the same preferred tariff, the winner is the one who offered to build the RES system with the highest total generating capacity. If several auction participants have proposed the same tariff and the same generating capacity, the supported amount of electricity will be split between these auction participants in relation to their proposed RES system capacity (§ 3 Art. 20 Law on Renewable Energy).</p>
	Competent authority	The Ministry of Energy as well as the National Control Commission for Prices and Energy are responsible for supervising compliance with the regulations regarding the feed-in tariff (Chapter II Item 29 Order No. 1-215).
Flexibility Mechanism		
Funding	State	
	Consumers	According to the National Control Commission for Prices and Energy, the electricity price consists of several elements. One of these elements are charges on services of public interest. As the generation of electricity from renewable energy sources is one of these services, the costs arising from the feed-in tariff are borne by the consumers through the electricity prices (Chapter II Item 6.1 Order No. 1-215).
	Grid operator	
	System operator	

	<p>Distribution mechanism</p>	<ul style="list-style-type: none"> - Grid operators – system operators. The transmission and distribution grid operators purchase electricity from renewable sources from the system operators. - Transmission grid operator – distribution grid operator. Transmission grid operators purchasing electricity are obliged to reimburse the relevant distribution grid operator for the money he paid to the system operators (Chapter II Items 9, 13, 14 Order No. 1-215). - Consumers – transmission grid operator. Costs arising from the feed-in tariff are borne by the consumers through the electricity prices as a part of the charges for services of public interest (Chapter II Item 6.1 Order No. 1-215).
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4.3. Tax regulation mechanisms (*name of means of promotion*)

Abbreviated form of legal source(s)	<ul style="list-style-type: none"> • Tax Law 	
Country-specific support system	<p>In Lithuania, the obligation to pay tax on electricity arises when:</p> <ul style="list-style-type: none"> • it is sold or otherwise transmitted to a person having no business licence or • it is received by an unlicensed person from another EU member state or • it is imported by an unlicensed person or • it is consumed by the holder of a licence or a producer of electricity for his own needs. Electricity consumption for own needs is defined as the consumption of electricity for purposes other than electricity production processes and production process maintenance (Art. 45 Tax Law). <p>Electricity from renewable sources is exempt from consumption tax (Item 2 § 1 Art. 48 Tax Law).</p>	
Promoted technologies	General information	All renewable electricity generation technologies are eligible for tax exemption (Item 2 §1 Art. 48 Tax Law).
	Wind energy	Eligible
	Solar energy	Eligible
	Geothermal energy	Eligible
	Biogas	Eligible
	Hydro-electricity	Eligible
Amount	The amount of subsidy is equal to the amount of taxes entitled persons are exempt from. The tax on generated electricity is 3.5 LT/MWh. Generated electricity used for business purposes is subject to a tax of 1.8 LT/MWh (§ 1, 2 Art. 47 Tax Law).	
Addressees	Entitled party: System operators generating electricity from renewable sources (Item 2 §1 Art. 48 Tax Law).	
Procedure	Procedure	This scheme is based on obligations. There is no administrative procedure.
	Competent authority	The institution that implements the measures and is responsible for the monitoring of excise tax payment is the State Tax Inspectorate of the Ministry of Finance of the Republic of Lithuania (§1 Art. 21 Tax Law).
Flexibility Mechanism		
Funding	State	The costs of tax relief are borne by the state.
	Consumers	

	Grid operator	
	System operator	
	Distribution mechanism	