

Country profile –Lithuania

Country: Lithuania												
Support schemes	Electricity and heat production			Consumption				Transport		Supply and others		
	RES	Fossil	Nuclear	RES	Fossil	Electricity	Heat	Biofuels	Fossil	RES	Fossil	El./heat
1. Direct subsidies												
Direct on-budget subsidies	9											
Feed-in tariffs	2				13							
Feed-in premiums												
Adjustment Aids												
Inherited liabilities												
Induced transfers												
Others	4, 3									5, 3		
2. Fiscal measures												
Energy Tax Allowance												
Energy Tax Exemptions	8			6	23, 22, 21, 20, 18, 17, 16, 14		15	11, 10	19			
Other Tax Deductions												
Earmarked refunds of taxes												
3. Transfer of risk to government												
Adjustment Aids												
Inherited liabilities												
Others												
4. Other financial measures												
Adjustment Aids												
Other Tax Deductions												
Others							12					
5. Non-fiscal measures												
Quota obligations												
Priority Grid Access	7, 1											
Others												

No.	Datasource	Description
1	RES-LEGAL	The operators of renewable energy plants are entitled to priority connection to the grid. The grid operator shall ensure priority transmission of electricity from renewable energy sources. The grid operators are obliged to optimise, boost or expand their grids if this is required for RES plant connection.
2	RES-LEGAL	Feed-in tariff (Law on Energy from Renewable Sources) - In Lithuania, renewable electricity generation is promoted through a feed-in tariff. According to the National Control Commission for Prices and Energy (NCC), the operators of renewable electricity generation plants are entitled against the grid operator to payment for electricity exported to the grid. All electricity produced by RES plants whose total installed capacity does not exceed 10 kW shall be purchased at the feed-in tariff set by the NCC. Feed-in tariff contracts for the operators of RES plants with a total installed capacity exceeding 10 kW are awarded through tenders. Tariff rates for RES plants with a generating capacity of up to 10 kW and maximum tariff rates for RES plants exceeding 10 kW on a quarterly basis shall be set by the NCC. The feed-in tariffs are guaranteed for 12 years.
3	RES-LEGAL	Loan (The Fund of the Special Programme for Climate Change Mitigation) - The Fund for the Special Programme for Climate Change Mitigation supports projects aiming to reduce greenhouse gas emissions. No less than 40% of the funds for this programme are intended to be used to encourage renewable energy use and the introduction of environmentally friendly technologies. This fund provides support in the form of loans and subsidies according to the Guidelines for the Use of the Fund for the

4	RES-LEGAL	<p>Special Programme for Climate Change Mitigation, approved by Order No. D1-275/2010.</p> <p>Subsidy (LEIF) - The Lithuanian Environmental Investment Fund (LEIF) supports projects aiming to reduce environmental damage in the long term. This definition includes RES-E projects with the exception of geothermal energy. Projects are supported in the form of interest subsidies and soft loans. There are two calls a year that are published in the media or on the website of the LEIF. For general information in English on the funding of projects by the Lithuanian Environmental Fund please see www.laaif.lt/index.php.</p>
5	RES-LEGAL	<p>Subsidy (The Fund of the Special Programme for Climate Change Mitigation) - The Fund for the Special Programme for Climate Change Mitigation supports projects aiming to reduce greenhouse gas emissions. No less than 40% of the funds of this programme are intended to be used to encourage renewable energy use and the introduction of environmentally friendly technologies. This fund provides support in the form of loans and subsidies according to the Guidelines for the Use of the Fund for the Special Programme for Climate Change Mitigation, approved by Order No. D1-275/2010</p>
6	RES-LEGAL	<p>Tax regulation mechanisms (Law on Excise Taxes) - In Lithuania, the obligation to pay excise tax on electricity arises where: it is sold or otherwise transmitted to a person who has no business licence; it is received by an unlicensed person from another EU member state; it is imported by an unlicensed person or it is consumed by the holder of a licence or an electricity producer for own use. Electricity consumption for own use is defined as the consumption of electricity for purposes other than electricity production processes and production process maintenance (Chapter IV Art. 45 Law on Excise Taxes).</p>
7	RES-LEGAL	<p>Electricity from renewable sources is exempt from excise tax (Chapter IV Art. 48 Par. 1 Item 2 Law on Excise Taxes).</p> <p>Price-based mechanisms (Purchase of heat produced from RES) - The production of heat and the purchase of heat produced from renewable sources are public service obligations. The state promotes the purchase of heat produced from all renewable energy sources. Utilities have a priority purchase obligation for renewable heat generated by independent producers. Heat suppliers are obliged to purchase all RES heat generated by independent heat producers which satisfy quality, supply security and environmental requirements. This obligation does not apply where the supply of renewable heat generated by independent heat producers exceeds network capacity (Chapter IV Art. 25 Law on Energy from Renewable Sources; Chapter II Art. 4, Chapter IV Art. 10 Law on Heat).</p> <p>The procedure and the conditions for the purchase of heat from independent heat producers are defined by the National Control Commission for Prices and Energy (Chapter II Art. 4 Item 2, Chapter IV Art. 10 Item 1 Law on Heat).</p>
8	RES-LEGAL	<p>Tax regulation mechanism (Law on Environmental Pollution Taxes) - Environmental pollution tax for stationary sources of pollution shall be paid by all operators of fuel-burning installations whose nominal thermal capacity exceeds 50 MW. This tax must also be paid by operators using at least one solid fuel boiler whose thermal capacity amounts to or exceeds 0.5 MW and operators using incinerators whose thermal capacity amounts to or exceeds 1 MW (Appendix 1 Item 1.1; Appendix 2 Items 5, 6 Order No.</p>

		80/2002 as amended on 29.06.2005). Operators using liquid biomass shall be exempt from environmental pollution tax for all stationary source emissions resulting from the use of liquid biomass (Art. 5 Par. 4 Law on Environmental Pollution Taxes).
9	RES-LEGAL	Subsidy (National Paying Agency under the Ministry of Agriculture) - Part of the price of rape oil used for the production of rapeseed methyl (ethyl) ester (RME) and part of the price of rape seed and cereal grain purchased for the production of dehydrated ethanol will be reimbursed under this support scheme (Chapter I Item 3 Order No. 3D-417). The maximum reimbursement for rapeseed and cereal grains is set by the Minister of Agriculture each year (Chapter V Item 11 Order No. 3D-417). This measure is implemented by the National Paying Agency on behalf of the Ministry of Agriculture (Chapter IX Item 18 Order No. 3D-417).
10	RES-LEGAL	Tax regulation mechanism (Law on Environmental Pollution Taxes) - Natural and legal persons using biofuels, including biohydrogen, in vehicles are exempt from environmental pollution tax on their mobile source emissions. The decision to grant exemption from environmental pollution tax is based on documentary evidence. Moreover, in order to be eligible for environmental pollution tax relief, biofuels must meet certain statutory standards. The amount of subsidy is equal to the amount of tax a natural or legal person is exempt from (Art. 5 Par. 3 Item 4 Law on Environmental Pollution Taxes).
11	RES-LEGAL	Tax regulation mechanism (Law on Excise Taxes) - Excise tax relief applies to transport biofuels produced from biomass. The excise tax rate is reduced in proportion to the percentage of biomass per tonne of biofuel. The relief applies to bioethanol, biodiesel, bio-ETBE and vegetable oil. To be eligible under this support scheme, biofuels must comply with the mandatory statutory quality requirements and other requirements, standards and European norms (Chapter III Art. 40 Law on Excise Taxes).
12	IVM	Fixed prices for CHP-generated electricity. CHP electricity is supported by setting regulated fixed prices for determined production quota.
13	IVM	Feed-in tariff for electricity produced from biofuels.
14	IVM	Reduced rate of excise tax for heating.
15	IVM	Reduced VAT for Heat Energy in the Residential Sector.
16	IVM	Exemption of excise tax for agriculture and fisheries. No estimates available.
17	IVM	Excise-tax Reduction on Fuel Oil for Licenced Purchasers. Fuel oil that corresponds to certain criteria set by the Government or its authorized institution is taxed by the excise tax at a rate of 52 LTL / 1000 litres. However, if fuel oil does not satisfy these criteria, it is taxed at a rate of 1043 LTL / 1000 litres. No estimates available.
18	IVM	Excise-tax Reduction on Coal for Licenced Purchasers. For coal a reduced excise tax of 13 LTL/ t (standard excise tax rate is 26 LTL / t) is applied if the fuel is used for business needs. For business use of coke and lignite a reduced excise tax rate of 16 LTL / t (standard excise tax rate is 31 LTL / t) is applied. The mentioned excise tax rates are practiced if fuels are sold to a subject, who has a license issued by the Central Tax Administrator. No estimates available.
19	IVM	Excise-tax Exemption on Natural Gas Used for Public Transport. A standard excise tax rate of 758 LTL / 1000 m is applied to natural gas that is applied as motor fuel. However, if natural gas is used as motor fuel for local (city and suburb) buses, then the excise tax is not applicable. No estimates available.

20	IVM	Excise-tax Exemption for Natural Gas Used in Electricity and Heat Production.
21	IVM	Excise-tax Exemption for Coal Used in Electricity and Heat Production. No estimates available.
22	IVM	Excise-tax Exemption for Oil Used in Electricity and Heat Production. No estimates available.
23	IVM	Excise-tax exemption for home use. A standard excise tax rate of 1050 LTL / t is applied to (liquid) petroleum gas. However, petroleum gas is exempt from excise tax if it is poured into home gas cylinders. No estimates available.