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## 1 Implementation of Tracking Systems

### 1.1 Electricity Disclosure

Electricity disclosure is implemented through Law No XI-1375 of 2011 of the Republic of Lithuania on Energy from Renewable Sources with the amendments introduced in 2013 by the Law no. XII-169. This laws transpose the directive 2009/28/EC, 2009/72/EC and 2009/73/EC to national law and establishes the legal framework for administration, regulation and control over the Lithuanian renewable energy sector.

Articles 28-29 of the Law provide:

*“An energy supplier shall, in accordance with the procedure prescribed in the legislation and within its remit, provide its final customers with information on the share or the amount of energy from renewable sources in the energy supplied by the supplier. This share or amount of supplied energy shall be calculated on the basis of the amount of energy from renewable energy sources for which a guarantee of origin has been issued.”*

#### 1.1.1 Disclosure Figures

No disclosure figures available.

#### 1.1.2 Environmental Information

Information on CO2 emissions and radioactive waste should be disclosed in Lithuania.

#### 1.1.3 Suppliers Fuel-Mix Calculations

No information was found on the fuel mix calculations carried out in Lithuania.

#### 1.1.4 Acceptance of GOs

In terms of acceptance and recognition of GO the Lithuanian law stipulates:

*“The Republic of Lithuania shall recognise guarantees of origin issued by other Member States exclusively as proof of the elements referred to in Article 28(1) and in paragraph 7 of Article 29 of the RES Law . The Republic of Lithuania may refuse to recognise a guarantee of origin only when it has well-founded doubts about its accuracy, reliability or veracity. A decision on a guarantee of origin issued by another Member State shall be adopted by an the competent body or institution authorised to it. The Government or an institution authorised by it shall notify the European Commission of a refusal to recognise the guarantee of origin issued by another Member State and its justification.”*

Nevertheless no information on criteria used for this assessment is available.

### 1.2 Guarantees of Origin for Electricity from Renewable Energy Sources and High-Efficient Cogeneration

Rules for the issue of guarantees of origin for electricity from renewable energy sources were approved by Order No 4-346 of Minister of Economy on October 72005 (Valstybes zinios, No 122-4375, 2005<sup>1</sup>), (Rules on issue of guarantees of origin). Amendments to this law were introduced through the new RES Law on the purposes, issuance, transfer and use of the GO.

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<sup>1</sup> [http://www3.lrs.lt/pls/inter2/dokpaieska.showdoc\\_l?p\\_id=263748](http://www3.lrs.lt/pls/inter2/dokpaieska.showdoc_l?p_id=263748)



In Lithuania and through the introduction of the new RES Law GO are issued for RES-E, RES-H/C and RES-CHP. Within this law, GO are issued:

*“With a view to providing proof to final consumers about the share of energy, as supplied by the energy supplier, or the amount which is produced from energy from renewable sources, a unit of electricity produced from renewable energy sources and supplied to electricity grids and heat produced from renewable energy sources and supplied to the heat supply system shall be issued a guarantee of origin”.*

GO are provided to power generating companies which are registered in the Database of Certificates of Origin. For that a company must submit the request, permit to generate power and /or permit to expand power-generating capacities.

The issuing body is the transmission system operator, which was at the time of the writing of the legislation Liettuvos Energija AB, but currently is Litgrid AB. The issuing body was appointed to its task through the implementation of Order No 4-346. The guarantee of origin system is fully operational, but not based on EECS.

From 1.1.2010 the transmission system operator task has been carried out by company Litgrid. The central registry for guarantees of origin was previously publicly available at Lietuvos Energija<sup>2</sup>, but the current registry can be found at Litgrid's site<sup>3</sup>. Statistical information about the volumes<sup>4</sup> and information about issuance of RE-GO and CHP-GO<sup>5</sup> are available. Statistics are in Lithuanian and for kWh of electricity production, although with the new law they should be issued for each MWh.

### 1.2.1 RES-GO and H/C-GO System

In terms of GO the Lithuanian law sets:

- the standard unit of GOs is 1 MWh as opposed to the previous 1 kWh.
- the rules on cancellation are specified so that a GO is cancelled once it is used.
- the role of GOs: demonstrating to the end user that the consumed electricity is derived from renewable sources. GOs are issued in electronic form for electricity, heating or cooling.
- the use of a guarantee of origin must take place within 12 months of production of the corresponding unit of energy. A guarantee of origin not used within the specified period shall be cancelled.

Moreover the Law defines that a GO shall specify:

- the energy type: electricity, heating or cooling;
- the energy source from which the energy was produced and the start and end dates of production;
- the identity, location, type and capacity of the installation where the energy was produced;
- whether and to what extent the installation has benefited from investment support, whether and to what extent the unit of energy has benefited in any other way from a national support scheme, and the type of support scheme and/or support measure;
- the date on which the installation became operational;
- the date and country of issue and a unique identification number

GOs are by law clearly distinguished from renewable energy targets and target flexibility mechanisms. Financially supported renewable production is not entitled to receive GO.

The information provided by producers is checked by the State Energy Inspectorate under the Ministry of Energy. The information is checked in the course of scheduled checks as well as at the request of the institution administering the GO.

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<sup>2</sup> <http://www.lpc.lt/lt/main/klm>

<sup>3</sup> [http://www.litgrid.eu/go.php/kilm\\_gar\\_registr](http://www.litgrid.eu/go.php/kilm_gar_registr)

<sup>4</sup> <http://www.litgrid.eu/index.php?1973822023>

<sup>5</sup> [http://www.litgrid.eu/go.php/Kilmes\\_garantiju\\_pazymejimai](http://www.litgrid.eu/go.php/Kilmes_garantiju_pazymejimai)

### 1.2.2 CHP-GO System

The legislative framework for CHP-GO is in place<sup>6</sup> and it is in line with the requirements of the CHP directive. CHP-GO are issued by Litgrid and the database for CHP-GOs has been operational since May 2008. The same database is used as for RES-GO and H/C-GO.

### 1.2.3 EECS

No EECS domain exists.

### 1.2.4 GO Statistics

Statistics of the issued GO are available in Lithuanian at: <http://www.litgrid.eu/index.php/services/certification-of-origin/certification-of-origin/580>. No statistics of cancellations, exports or imports could be found.

## 1.3 RES-E Support Schemes

A detailed list of support schemes can be found in Article 3 of the new law. Main support mechanisms are FIT, purchase obligation and investment support. GOs cannot be issued for financially supported production.

## 2 Proposals for Improvement of the Tracking System

The following proposals are made in accordance with the RE-DISS Best Practice Recommendations<sup>7</sup> (BPR), which have been agreed by the Participating Domains of the RE-DISS Project.

### 2.1 Proposals regarding general regulation on tracking systems

Disclosure should be more detailed and EECS GO implemented.

### 2.2 Proposals regarding Disclosure

- BPR [17]: Besides GO, only Reliable Tracking Systems (which may include contract based tracking) and the Residual Mix should be available for usage for disclosure. No other tracking mechanisms should be accepted.
- BPR [19]: Lithuania should clarify whether and under which conditions the use of GOs by end consumers is allowed. Such GO use should not be based on ex-domain cancellations performed in other countries. If consumers are allowed to use GOs themselves, a correction should be implemented in the disclosure scheme which compensates for any “double disclosure” of energy consumed.
- BPR [23,24]: (Other) Reliable Tracking Systems (RTS) should be defined where appropriate based on criteria of added value, reliability and transparency.
- BPR [25-28]: A residual mix should be introduced in order to account for untracked consumption and it should be calculated according to the RE-DISS methodology, following the RE-DISS schedule for RM calculations. Lithuania should cooperate with the RE-DISS project in the calculation of the European Residual Mix.

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<sup>6</sup> [http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc\\_l?p\\_id=320738](http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=320738)

<sup>7</sup> Version 2.2, August 2014

- BPR [29, 30, 32]: It is important to regulate contract based tracking clearly since this is much used.
- BPR [34, 35]: Cancellations of GO relating to production periods in a given year X which take place until 31 March of year X+1 should count for disclosure in year X. Later cancellations should count for disclosure in year X+1. This would also require revision of the timeline which currently applies within the country.

### 2.3 Proposals regarding RE-GO and CHP-GO

- BPR [1a, 1b, 2]: The metered production periods for purposes of issuing GO should not be longer than a calendar month.
- BPR [1b]: Metered production periods for issuing GOs should not run across the start and end of disclosure periods. Longer intervals up to one year are acceptable for very small plants, for example.
- BPR [2]: If possible, issuing of GOs should be done DIRECTLY after the end of each production period.
- BPR [3b]: GOs that have reached this lifetime should be collected into the Residual Mix
- BPR [4]: An extension to this lifetime can be granted if a GO could not be issued for more than [six] months after the end of the production period for reasons which were not fully under the control of the plant operator. In this case, the lifetime of the GO might be extended to [six] months after issuing of the GO.
- BPR [5a, 5b]: Cancellations of GO relating to production periods in a given year X which take place until a given deadline in year X+1 should count for disclosure in year X. Later cancellations should count for disclosure in year X+1. (In case that disclosure periods differ from the calendar year (see item [31]), the deadline should be defined accordingly. Deadline is set on 31 March X+1.
- BPR [6]: The same allocation rule should apply for expired GO (see item [3]): The date of expiry thus determines the disclosure period for which information from expired GO will be used.
- BPR [7]: The implementation of GO in all countries in Europe should be based on the European Energy Certificate System (EECS) operated by the Association of Issuing Bodies (AIB). In case that national GO systems are established outside the EECS, then EECS should at least be used for transfers between registries.
- BPR [7a]: The GO system should be established according to EECS.
- BPR [7b]: The AIB Hub for international transfers should be used.
- BPR [8]: Reliable linkages should be established with countries which are not EECS members.
- BPR [9a]: Market participants of the respective domain should be provided the possibility to export their GOs and thus participate in the European internal market for electricity.
- BPR [9b]: So-called ex-domain cancellations of GO, where a GO is cancelled in one registry and a proof of cancellation is then transferred to another country in order to be used there for disclosure purposes, should only be used if there is no possibility for a secure electronic transfer and if there is an agreement on such ex-domain cancellations between the competent bodies involved. Statistical information on all ex-domain cancellations should be made available in order to support Residual Mix calculations.
- BPR [10.2]: Verification mechanisms should be implemented for ongoing control of registered data (e.g. re-audits, random checks, etc).
- BPR [10.3]: Correct accounting of RES share of combustion plants should be assured by adequate measures such as those recommended by the EECS Rules (cf part N5.3.2).
- BPR [10.4]: The competent body can correct errors in GOs it has issued before they are exported, and is the only one with this competence.

- BPR [11a]: The GO system should be extended beyond RES & cogeneration to all types of electricity generation, which should all be handled in one registry.
- BPR [11b]: GOs should be issued for all electricity production, unless an RTS applies for that production, e.g. for the disclosure of supported electricity.
- BPR [11c]: Competent bodies should consider to make the use of GOs mandatory for all electricity supplied to final consumers.
- BPR [13.5]: An exported GO should be marked as removed from the exporting registry.
- BPR [13.7]: Registries should be audited on a regular basis
- BPR [15b]: GO should "ideally" combine the functionalities of a RES-GO and a CHP-GO.
- BPR [16]: In the medium to longer term, GO should be the only "tracking certificate" used. Any other tracking systems of a similar purpose and function as GO should be closely coordinated with GO and eventually converted to GO.

## 2.4 Proposals regarding Acceptance of GO

Regarding acceptance of GO the following should be considered:

- Within the rules set by the respective Directives, Lithuania should consider establishing their criteria for the acceptance of imported GO for purposes of disclosure:
  - These criteria should address imports at least from all EU member states, other members of the European Economic Area (EEA) and Switzerland. The parties to the Energy Community Treaty should be considered as well, as soon as GO imports from these countries become relevant.
  - The criteria should specify the electronic interfaces, specifying data format and contents of GO to be imported, which the respective country accepts for imports of GO (such as the EECS Hub and any other interfaces accepted).
- Conditions for the recognition of GO from other countries should be that they were issued based on Art. 15 of Directive 2009/28/EC or compatible national legislation, and that they meet the explicit requirements set in Art. 15, e.g. regarding the information content of the GO.
- The recognition of GO from other countries should be rejected in case that these countries have not implemented an electricity disclosure system.
- The recognition of GO from other countries should be rejected in case that the country which has issued the GO or the country which is exporting the GO have not implemented adequate measures which effectively avoid double counting of the attributes represented by the GO. Such adequate measures should ensure the exclusivity of the GO for representing the attributes of the underlying electricity generation, implement clear rules for disclosure, establish a proper Residual Mix or equivalent measures, and ensure their actual use. Furthermore, the adequate measures should ensure that attributes of exported GO are subtracted from the Residual Mix of the exporting country and cannot be used for disclosure at any time in the issuing or the exporting country by explicit mechanisms, unless the GO is re-imported and cancelled there.

Regarding acceptance of GO the following BPR should be implemented:

- BPR [20a]: Lithuania should choose one of the two following options and apply it consistently for all foreign GO :
  - Rejection of GOs only relates to the cancellation of GOs and subsequent use for disclosure purposes in the respective country and should not restrict the transfers of GOs between the registry of the considered country and the registries of their countries. This means that the decision about the recognition of a GO should not hinder its import into the considered country.
  - Rejection of GOs implies blocking their import to the national registry.

- BPR [20b]: The choice of one or the other option should be transparent for all market parties and clearly communicated.
- BPR [21] Within the rules set by the respective Directives European countries should consider their criteria for the acceptance of imported GOs for purposes of disclosure.
  - These criteria should address imports at least from all EU member states, other members of the European Economic Area (EEA) and Switzerland. The parties to the Energy Community Treaty should be considered as well, as soon as GO imports from these countries become relevant.
  - The criteria should specify the electronic interfaces, specifying data format and contents of GOs to be imported, which the respective country accepts for imports of GOs (such as the EECS Hub and any other interfaces accepted).
  - Conditions for the recognition of GOs from other countries should be that they were issued based on Art. 15 of Directive 2009/28/EC or compatible national legislation, and that they meet the explicit requirements set in Art. 15, for example, regarding the information content of the GOs.
  - The recognition of GOs from other countries should be rejected if these countries have not implemented an electricity disclosure system.
  - The recognition of GOs from other countries should be rejected if the country which has issued the GOs or the country which is exporting the GOs have not implemented appropriate measures which effectively avoid double counting of the attributes represented by the GOs. Such appropriate measures should ensure the exclusivity of the GOs for representing the attributes of the underlying electricity generation, implement clear rules for disclosure, establish a proper Residual Mix or equivalent measures, and ensure their actual use. Furthermore, the appropriate measures should ensure that attributes of exported GOs are subtracted from the Residual Mix of the exporting country and cannot be used for disclosure at any time in the issuing or the exporting country explicit mechanisms, unless the GOs are re-imported and cancelled there

## 2.5 Further proposals regarding Disclosure

- BPR [39b]: Suppliers offering two or more products which are differentiated regarding the origin of the energy should be required to give product-related disclosure information to all their customers, including those which are buying the “default” product of the supplier.
- BPR [40]: There should be clear rules for the claims which suppliers of e.g. green power can make towards their consumers. There should be rules how the “additionalty” of such products can be measured (the effect which the product has on actually reducing the environmental impact of power generation), and suppliers should be required to provide to consumers the rating of each product based on these rules.
- BPR [41]: Claims made by suppliers and consumers of green or other low-carbon energy relating to carbon emissions or carbon reductions should also be regulated clearly. These regulations should avoid double counting of low-carbon energy in such claims. A decision needs to be taken whether such claims should adequately reflect whether the energy purchased was “additional” or not.

## 2.6 Matrix of disclosure related problems and country-specific proposals

Problem	Country-specific proposal
Possible double counting in different explicit tracking instruments	BPRs: [7], [7a], [7b], [8], [9a], [9b], [10.2], [10.3], [10.4], [11a], [11b], [11c], [13.5], [13.7], [16], [17], [23], [24], [29], [30], [32]
Double counting of attributes in implicit tracking mechanisms	BPRs: [5a], [5b], [6], [9a], [9b], [11a], [11b], [11c], [13.5], [13.7], [21], [23], [24], [25], [26a], [26b], [27], [28], [29], [30], [32]
Double counting within individual supplier's portfolio	BPRs: [39b]
Loss of disclosure information	BPRs: [3b], [11a], [11b], [11c], [13.5], [13.7], [15b], [19]
Intransparency for consumers	BPRs: [11a], [11b], [11c], [13.5], [13.7], [23], [39b], [40], [41]
Leakage of attributes and/or arbitrage	BPRs: [1a], [1b], [2], [5a], [5b], [6], [9a], [9b], [13.5], [13.7], [19], [28], [34], [35]
Unintended market barriers	BPRs: [4], [7], [7a], [7b], [8], [9a], [9b], [20a], [20b]

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*Note: This Country Profile expresses the interpretation of the RE-DISS project team of the qualitative data collected from the respective Competent Bodies of the domain and/or other sources.*