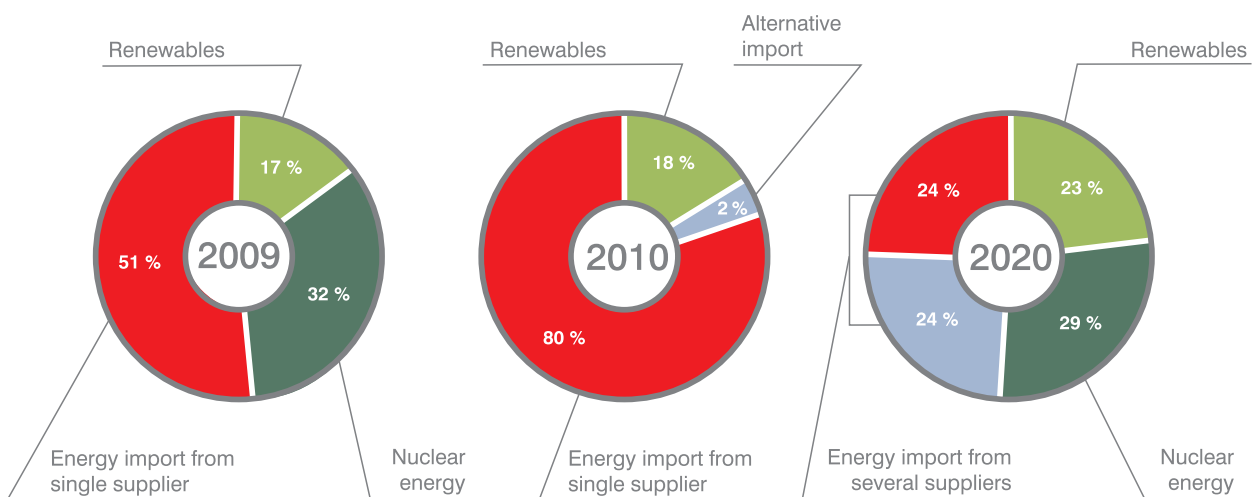


# LITHUANIAN ENERGY INDEPENDENCE

After the closure of the Ignalina Nuclear Power Plant, Lithuania is importing more than 80 % of energy from the single external energy supplier. Such dependence determines the energy insecurity of Lithuania as well as its economic and political vulnerability.

Lithuania must reduce its energy dependence on the single external energy supplier. We will achieve this by increasing local energy production (including the new regional nuclear power plant in Lithuania), by establishing alternative supply, and by fostering development of renewable energy sources. This will guarantee long-term energy security and competitive energy sector in Lithuania.

## Structure of Lithuanian Energy Sources



## Ultimate goal – ensuring long-term interests of consumers:

- stable and lowest possible energy price;
- competitive energy market, enabling consumer choice;
- reliable energy supply.

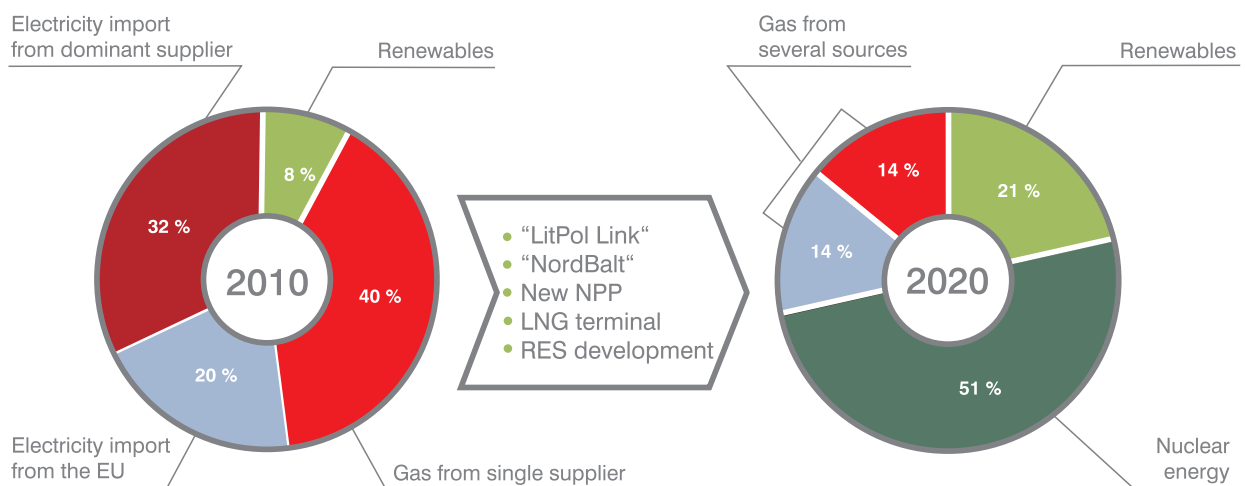
# I. Electricity: Production and Import

## Crucial problems

- Lack of the local competitive electricity generation capacities and absence of power interconnections with the EU.
- More than 60 % of electricity demand is supplied by poorly diversified electricity import.
- Electricity inside the country is produced from expensive imported gas, which increases electricity price for consumers.

## Strategic objectives

- Build power interconnections with the EU (“LitPol Link”, “NordBalt”) and new regional nuclear power plant (NPP) in Lithuania.
- Develop renewable energy sources (RES) for electricity production.
- Diversify import of gas used for electricity production – build liquefied natural gas (LNG) terminal.



**■ Absolute dependence on import**

**+** **Competitive and environmentally friendly local production**

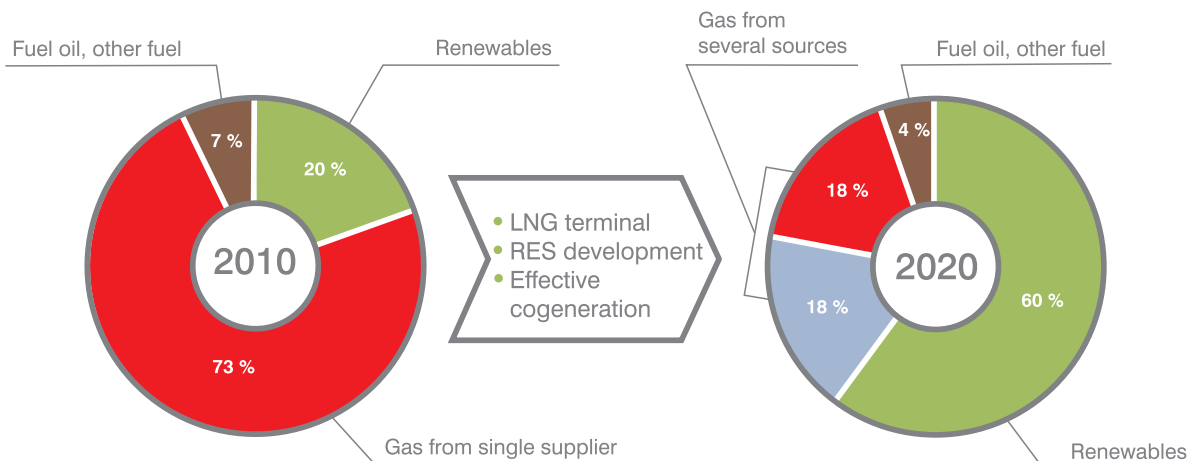
## II. Centralized Heating

### Crucial problems

- Lithuania's centralized heat production is mostly based on expensive gas (more than 70%), imported from single external supplier.
- Local and cheaper renewable energy sources' (biomass) potential remains unused.
- Absolute majority of CHP plants are based on expensive imported gas.

### Strategic objectives

- Diversify import of gas by building liquefied natural gas (LNG) terminal and thereby guaranteeing competitive gas price for heat production.
- Create legal framework to promote heat production from cheaper renewable energy sources (biomass).
- Promote effective energy cogeneration – simultaneous production of electricity and heat – from renewable energy sources.



**■ High heating price due to dependence on expensive imported gas**

**+ Lower heating price due to:**

- better use of biomass
- competitive gas price

## III. Gas Supply

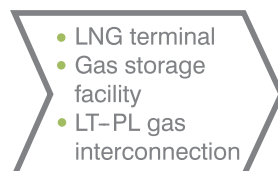
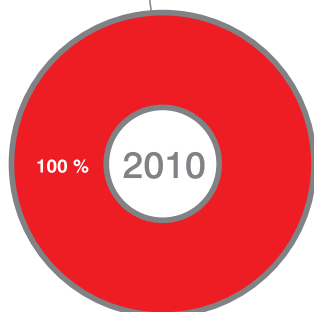
### Crucial problems

- Total dependence on single external gas supplier.
- High monopolistic price of gas.
- High risk of unstable gas supply.

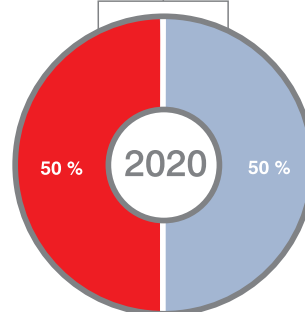
### Strategic objectives

- Decrease the demand of imported gas and diversify gas import (LNG terminal, Lithuania–Poland gas interconnection).
- Increase security of gas supply by building gas storage.

Gas from single supplier



Gas from several sources



#### — Dependence on single external supplier:

- monopolistic gas price
- risk of unstable gas supply



#### + Diversified gas import:

- competitive gas price
- benefit to business and consumers

**By implementing strategic initiatives in the electricity, heating and gas sectors, and changing the structure of Lithuanian energy sources:**

- we will avoid negative impact on the economy and politics;
- we will become integral part of the EU energy market;
- energy price will be determined by market and competition but not by monopolistic supplier.