

Public Audit Report Use of Renewable Energy Sources Potential in Lithuania

15 January 2010 No VA-P-20-2-1
Vilnius

Summary

Audit started 2009-04-07
Audit concluded 2010-01-15

Full audit report in Lithuanian is available at the
National Audit Office website www.vkontrole.lt

The audit aim was to examine and evaluate the state input into the use of potential of renewable energy sources (RES). RES based Lithuanian energy could be an effective measure not only in solving the urgent problem of national energy independence but also in addressing environmental issues (e.g. reducing amount of greenhouse gasses).

Existing abundance and variety of RES resources in Lithuania provide favourable conditions for achieving those aims. The country also has such types of renewable energy sources that are not available in the neighbouring countries, for instance geothermal energy, that could be used to generate electricity. Lithuania is in the second place in the European Union according to biomass potential per capita and in the first place according to biomass suitability for bio-fuel. Thus Lithuania has sufficient potential of renewable energy sources not only to fulfil its EU obligations - to increase the share of energy from renewable energy sources in final consumption of energy from 15 percent in 2005 to 23 percent in 2020, where the share of RES for all types of transport would make at least 10 percent of RES - but also to go further thus ensuring energy safety.

However there is a risk that those possibilities might remain unused or used ineffectively as due to the lack of physical qualities and reserves for each type of RES as well as technical and economic limitations their efficient use is possible only if complex approach is ensured in the use of RES including not only energy production but also its supply and consumption.

During the audit we determined that complex use of RES in Lithuania is not ensured due to the following main reasons:

- RES energetic is developed not having revised the National Energy Strategy although after its approval in 2007 Lithuanian energy environment, both internal and external, had undergone essential changes, for instance decommissioning of the Ignalina Nuclear, unpredictably rapid increase in fossil fuel prices.
- The quantities and qualities of RES resources have not been analysed as carefully as to allow making optimal decisions concerning their use;

- The existing procedure for provision of EU support for the use of RES does not allow to increase its efficiency;
- Existing promotion measures are not sufficient for the RES development:
- Not all the possibilities for promotion of RES are used while adjusting producer, supplier and user interests;
- Priorities and principles of the National Strategy for Sustainable Development of adjusting environmental and energy goals are not always followed when using RES:
- Priority is not attached to increasing 'green' share in RES based energy and this does not allow reducing the country's need for fossil fuel. It is especially important in bio-fuel production;
- Not all the possibilities of Lithuanian science are used in the development of RES. The audit reports provide recommendations aiming at providing more favourable conditions to promote the uses of RES: to revise the National Energy Strategy and some of legal acts regulating this area, to improve the system for promoting the use of RES, to increase 'green' share in energy production.

The Prime Minister Office and the Ministry of Energy prepared a plan for implementation of the audit recommendations.