



**LIETUVOS RESPUBLIKOS ENERGETIKOS MINISTERIJA
MINISTRY OF ENERGY OF THE REPUBLIC OF LITHUANIA**

Gedimino pr. 38, LT-01104 Vilnius, Lithuania, tel. +370 5 203 4407,
fax +370 5 203 4692, e-mail info@enmin.lt

According to the list of addressees

-11-2018

No (17.2-16K)3-

**RE: INFORMATION ABOUT PLANNED DEVELOPMENT OF ELECTRICITY
GENERATING CAPACITIES**

In part 42.4 of the National Energy Independence Strategy approved by the Seimas of the Republic of Lithuania on 21 June 2018 on ensuring capacity adequacy of the Lithuanian power system, it is emphasised that there is a need to ensure reliable capacity adequacy of the Lithuanian power system until and after the project for synchronisation of the Lithuanian electric power system with the synchronous grid of Continental Europe is implemented. It is also provided that taking security, technological, social, and economic feasibility into account, it may be necessary to install additional flexible generation capacities in Lithuania by the end of 2023 and/or implement storage and flexible demand management measures to ensure capacity adequacy of the electric power system.

On 19 September 2018, researchers from the Kaunas University of Technology (KTU) Department of Electrical Power Systems presented the first probabilistic adequacy assessment of the Lithuanian power system through 2030 at the Ministry of Energy.¹ The assessment showed that in the near future, the development of reliably available and effective local capacities will be necessary in Lithuania to ensure capacity adequacy of the power system and system reliability. Meanwhile, load regulation potential in ensuring system adequacy is limited and does not substantially impact capacity adequacy. The conclusions of the assessment also state that due to tightening environmental standards and ageing generation, the challenge of insufficient capacity adequacy may become particularly relevant as of 2024. In addition, smooth operation of the Baltic power system and reliable electricity supply will have to be ensured as of 2025, after transition to the synchronous mode of operation with the grid of Continental Europe.

¹ A summary of the probabilistic adequacy assessment of the Lithuanian power system through 2030 can be found at this link: http://enmin.lrv.lt/uploads/enmin/documents/files/LEES_adekvatumo_vertinimo_santrauka.pdf

Article 18(3) of the Republic of Lithuania Law on Electricity stipulates that if no one is interested in installing new generation facilities in accordance with the procedure established in Article 16 of this law, an institution delegated by the Government shall announce a tender (auction) for installing new generation capacities and/or energy efficiency and demand management measures. The tender (auction) procedure may only be applied when, based on the authorisation procedure provided for in Article 16 of this law, the generation capacities to be built or the energy efficiency and demand management measures to be taken are insufficient to ensure security of supply.

In light of the above, and in order to objectively evaluate the additional measures to ensure adequacy of the electric power system (as provided for in Article 18(3) of the Republic of Lithuania Law on Electricity), we would like to ask you to provide information on whether you are planning, after evaluating power market trends in the Baltic region in the short and medium term, to develop reliably available electricity generating capacities with a total output of more than 10 MW and an expected launch date before 2024.

If possible, we would ask you to specify the type, capacity and launch date of the planned electricity generating capacities.

Please submit this information to the Ministry of Energy by 23 November 2018.

Minister of Energy

Žygimantas Vaičiūnas