

UPDATES ON THE LATEST DEVELOPMENTS IN LITHUANIA

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Chair

National Commission for Energy Control and Prices

03/05/2016 - Vilnius, Lithuania



MAIN REGULATORY ISSUES

2015-12-10 – NCC approved TYNDP 2015-2024

2015-12-15 – NCC designated Nord Pool AS as NEMO for 4 years

2015-12-30 – NCC approved the export-fee for 3rd countries

2015-12-30 – NCC approved the electricity prices for 2016

2015-12-30 – NCC issued license for Energijos Skirstymo Operatorius AB since January 1, 2016 merging LESTO AB and a JSC Lietuvos dujos

2016-02-25 – NCC approved the new Rules on evaluation of technological, financial and managerial criteria of energy utilities

2016-02-25 – NCC changed the Rules on information provision

2016-03-07/17/25 – NCC provided explanatory notes regarding REMIT obligations

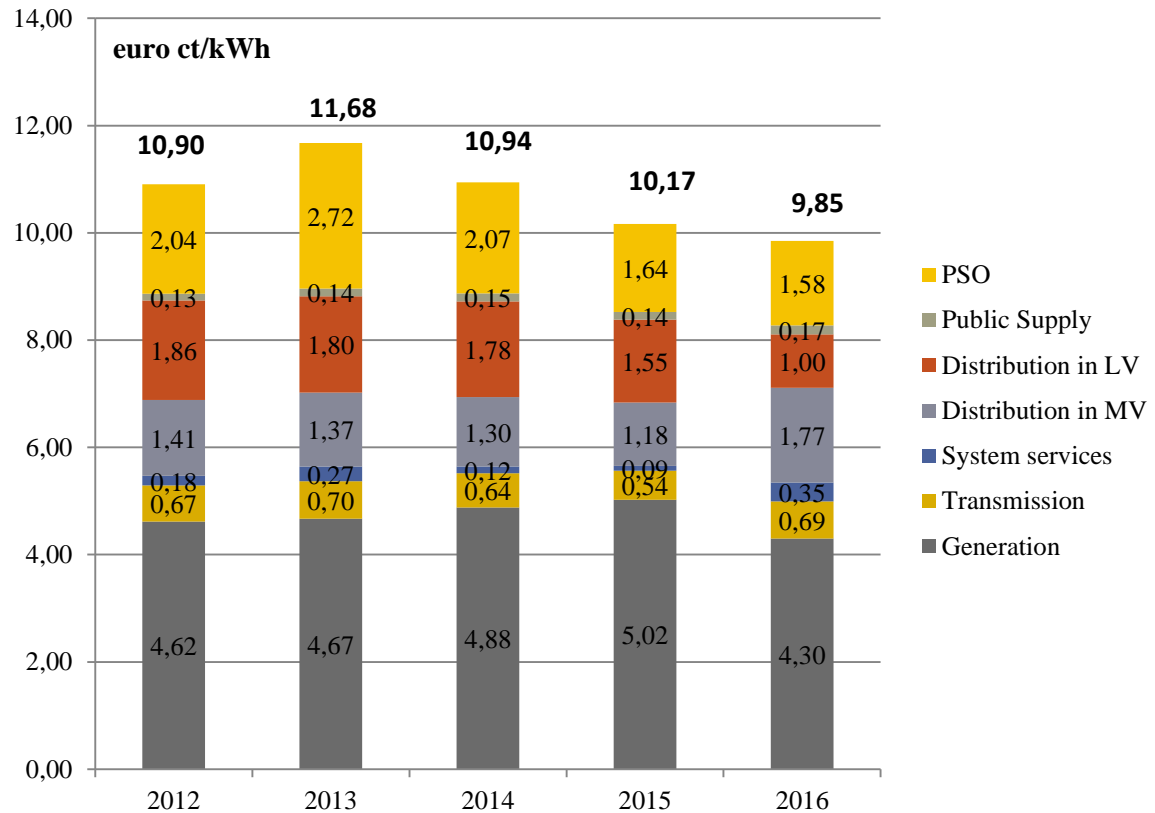
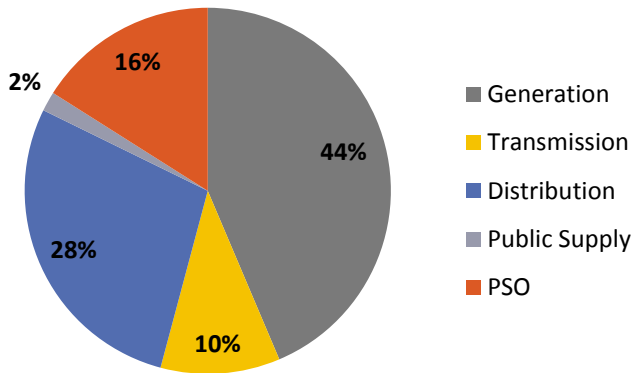
2016-03-24/ – NCC changed the Rules on quality requirements

2016-04-13 – NCC set the new minimum quality levels for 2016-2020

2016-04-21 – NCC approved the new connection fee

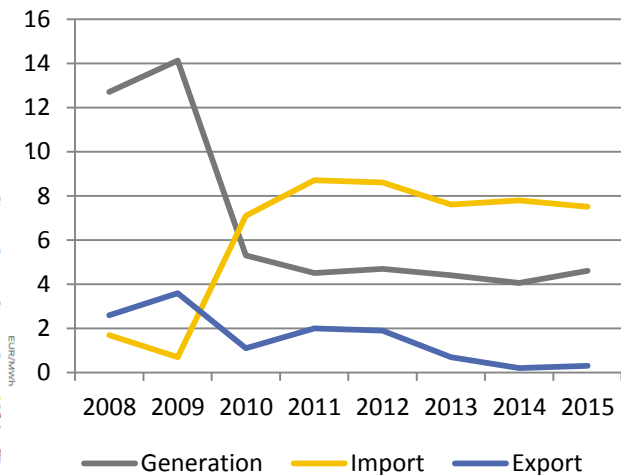
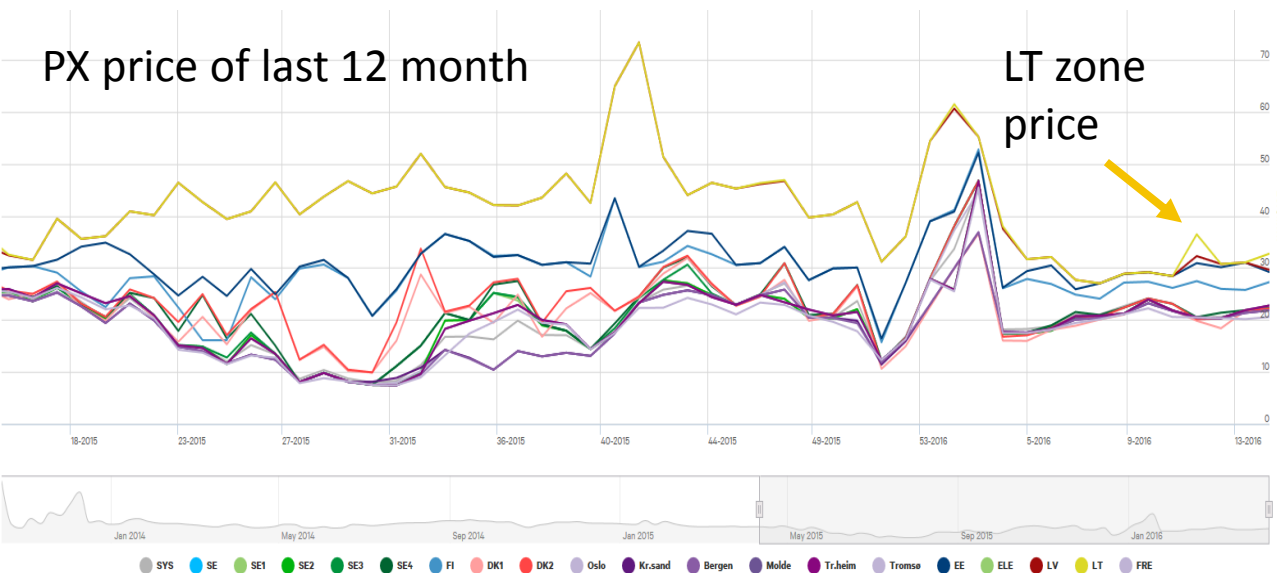
ELECTRICITY PRICES FOR 2016

- Energy, public service obligation and distribution in MV prices decreased by more than 10%, some other components increased significantly (14-118%)
- The average electricity price for 2016 reduced by 6%



ELECTRICITY MARKET DATA OF 2015

- Local generation increased by 13% comparing 2014 mainly by Lithuanian Power Plant production (25%); RES generation was higher 12%: wind – 27%; biogas – 29%, biomass – 16%
- Final consumption was 10,02 TWh and 2% higher; Increased by industry and service of 2-3%; residentials – nearly same level 2,7 TWh
- Imported decreased by 5%, but still was high level – 66%; Import through LitPol Link was 15 GWh in 2015
- PX price reduced, but still high in the region



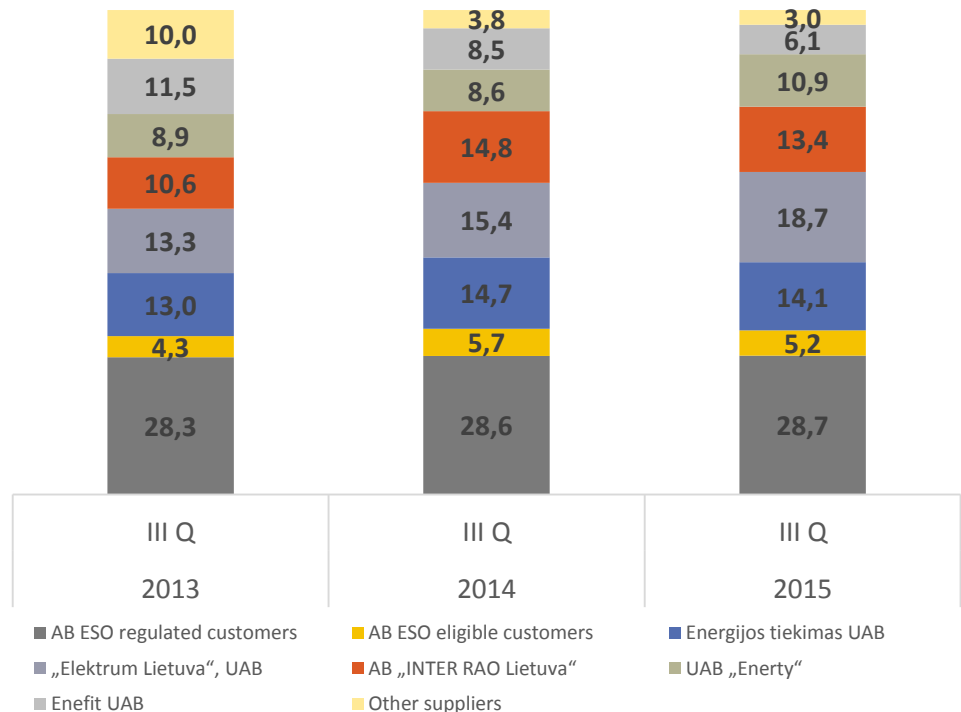
COMPETITION IN THE ELECTRICITY MARKET

- 19 active independent suppliers out of 35; 3 new licenses issued, but 13 licenses were suspended at the end of 2015
- Start of new 2 interconnections with Sweden (700 MW) and Poland (500 MW) since 2016 – more possibilities for market participant and more issues for NRAs and TSOs

- Elimination of quotas for CHPP since 2016 reduced competition especially in the cold season

- 2 main players in the wholesale market (PX), and 4 main suppliers >10% of retail market in 2015 IIIQ

Retail suppliers' part in the market, %



NEW QUALITY LEVELS FOR 2016-2020

- Annual minimum quality levels for TSO and DSO calculated on 5, not 3, years regulatory period of historical data
- Premium mechanism eliminated, while penalty mechanism for worse indicators remains
- Minimum quality level set for new regulatory period 2016-2020

TSO		DSO	
AIT	ENS	SAIDI	SAIFI
0,29	6,3	52,12	0,72
Min.	MWh	Min. per customer	Times per customer

NEW CONNECTION FEES

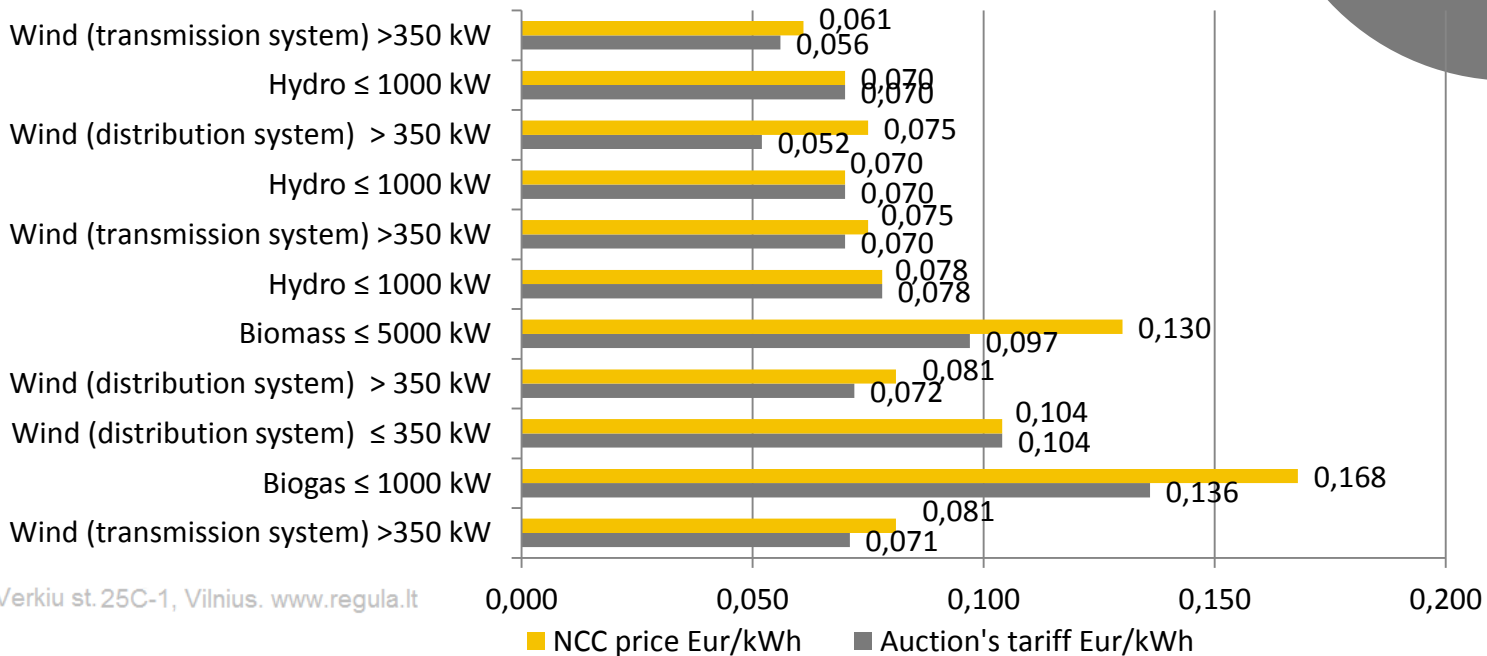
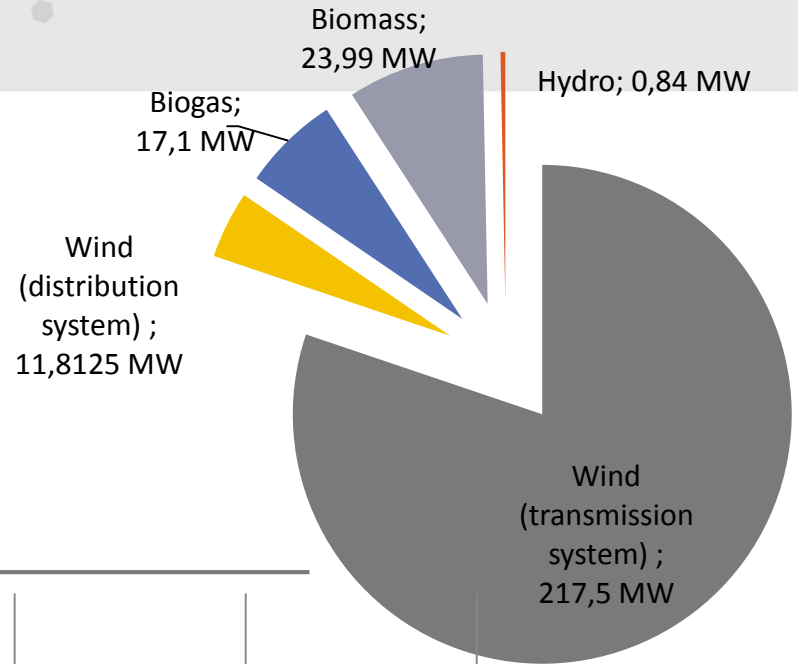
- 21/04/2016 new connection fees set for households and commercial customers
- According to the Law on Electricity households pay 20% and commercial – 40% of connection cost

Customer group	Households						Commercial customers					
	Fee of 1 kW, EUR			Fee of 1 m, EUR			Fee of 1 kW, EUR			Fee of 1 m, EUR		
	2015	2016	Change	2015	2016	Change	2015	2016	Change	2015	2016	Change
I group (<50kW; no need for project)	5,63	4,57	-19%	-	-	-	11,25	9,15	-19%	-	-	-
II group (<100kW)	25,32	30,69	+21%	4,36	3,42	-22%	50,64	61,39	+21%	8,71	6,83	-22%
III group (100-500 kW)	10,42	11,40	+9%	4,50	3,90	-13%	20,84	22,80	+9%	9,01	7,80	-13%



RES

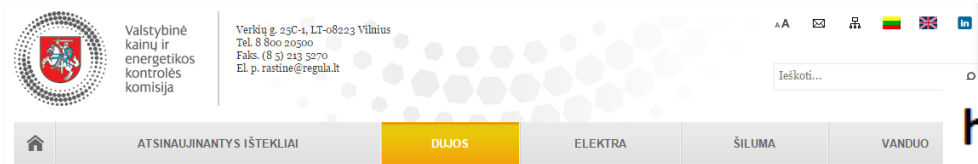
- Since 2012 NCC has organized 11 auctions and distributed more when 271 MW
- All quota is currently distributed, no amendments in law about quota, therefore no other auctions foreseen
- RES feed-in tariff stabilized in the recent quarters



CEREMP - Centralised European Register of Market Participants

- On 2 March 2015 CEREMP was opened to MP in Lithuania
- 67 MP are already registered in Lithuania CEREMP system (in Europe – 10977 have ACER codes)
- Registered 98 registered reporting mechanisms (RRM)
- Links in NCC and ACER websites:

<http://www.vkekk.lt/dujos/Puslapiai/remit.aspx>



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<https://www.acer-remit.eu/portal/home>



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REMIT

Naujienos

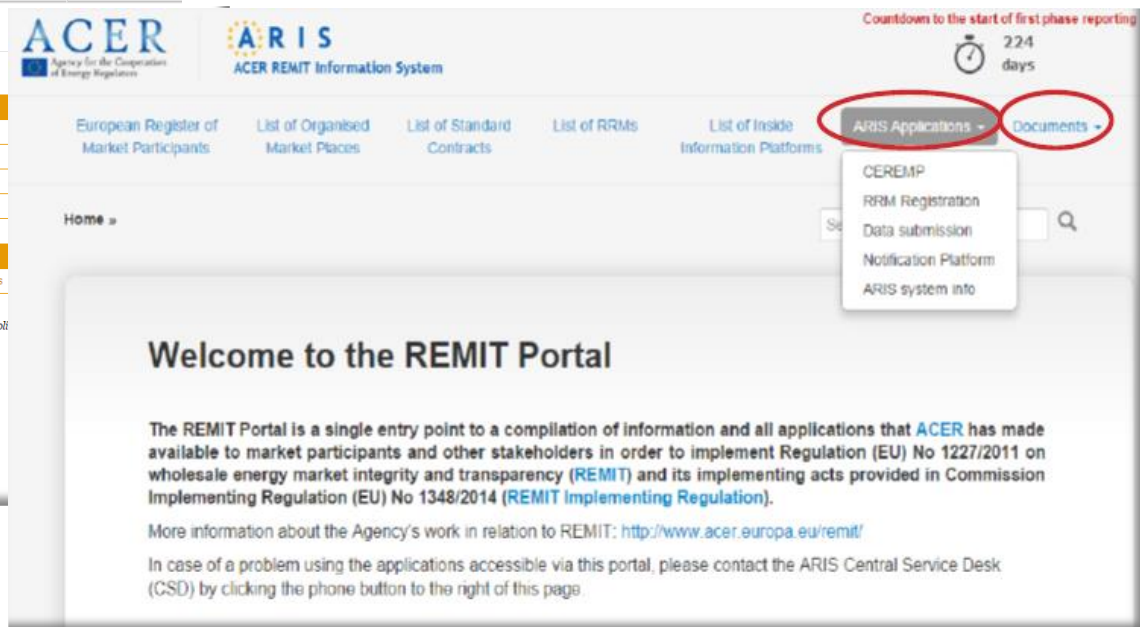
2015-07-27	Komisija ragina didmeninės energijos rinkos dalyvius registruotis CEREMP sistemoje
2015-03-25	Pasiektas Europos elektros ir dujų rinkos dalyvių registras ir standartinių sutarčių sąrašas
2015-03-02	Kovo 2 d. startuoja rinkos dalyvių registracijos CEREMP sistema
2014-12-20	Komisija informuoja apie priimtą REMIT įgyvendinimo reglamentą

REMIT

Kas yra REMIT?

- Dokumentai
- Rinkos dalyvių registracija
- Duomenų teikimo subjekto registracija
- Informacijos atskleidimas

REMIT DUK



ACER Agency for the Cooperation of Energy Regulators

ARIS ACER REMIT Information System

Countdown to the start of first phase reporting: 224 days

European Register of Market Participants | List of Organised Market Places | List of Standard Contracts | List of RRM | List of Inside Information Platforms | ARIS Applications | Documents

Home »

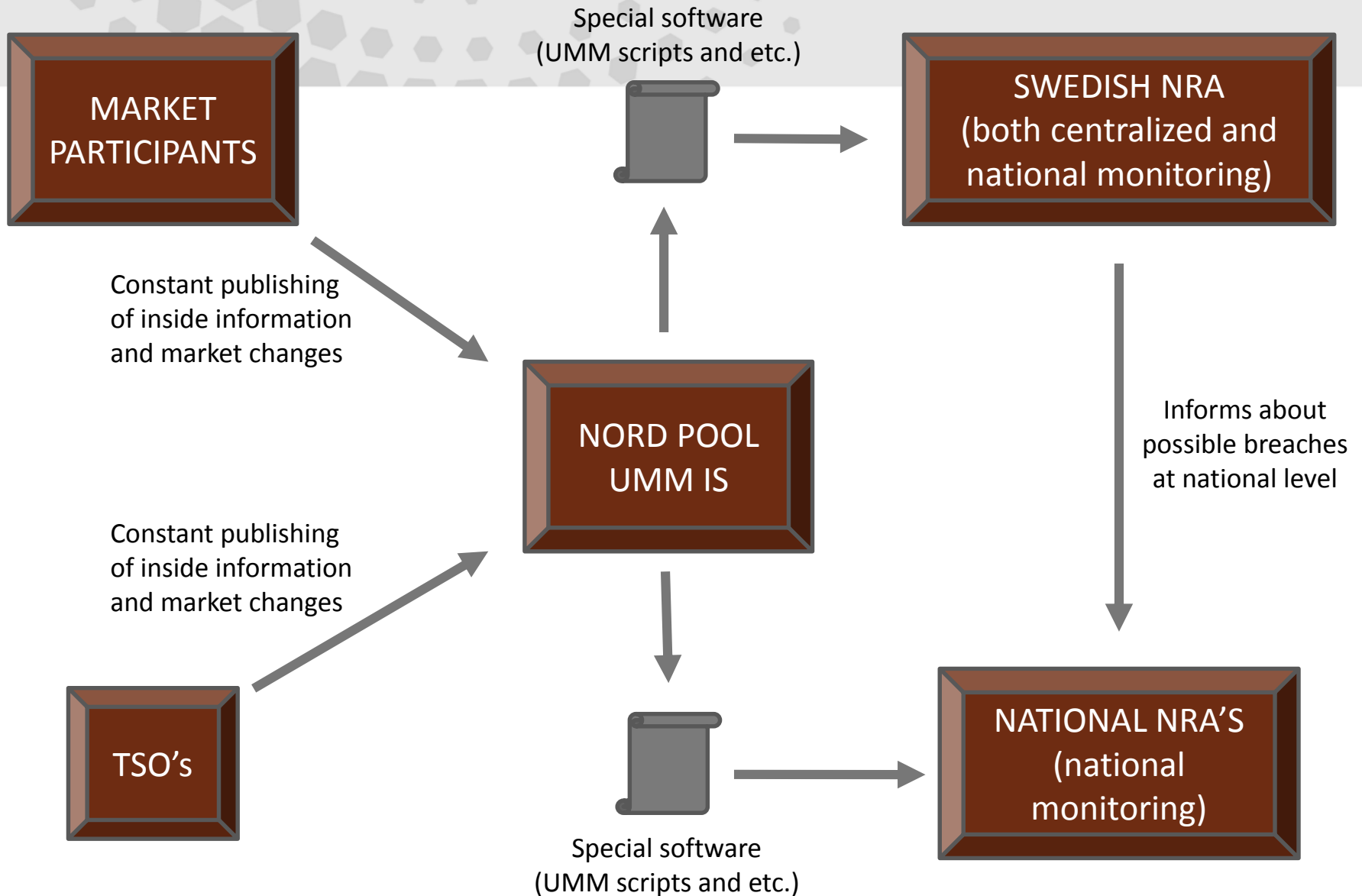
Welcome to the REMIT Portal

The REMIT Portal is a single entry point to a compilation of information and all applications that ACER has made available to market participants and other stakeholders in order to implement Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency (REMIT) and its implementing acts provided in Commission Implementing Regulation (EU) No 1348/2014 (REMIT Implementing Regulation).

More information about the Agency's work in relation to REMIT: <http://www.acer.europa.eu/remit/>

In case of a problem using the applications accessible via this portal, please contact the ARIS Central Service Desk (CSD) by clicking the phone button to the right of this page

REGIONAL MONITORING



UMM SCREENING

- Throughout the last 6 months, market participants have published over 1450 Urgent Market Messages (UMM) related to the Lithuanian price area
- During that period, the NCC has detected 11 possible breaches of the 4th article of REMIT. However, none of them were identified as breach of REMIT
- Based on UMM, trade information, which had been published during January of 2016, the NCC initiated an investigation on a possible breach of REMIT



RELATION WITH UMM

LEGISLATION

- REMIT
- Market Conduct Rules
- Transparency Regulation



USER GUIDES FOR MP

- Guidelines
- User manual
- User cases
- Help videos
- Emergency procedures

IT features

- Message list
- RSS
- E-mail notification
- CSV
- XML

COMING WORKS AND CHALLENGES

- Setting of new energy prices for 2016 II semester + smart metering pilot project for households
- Investigation of PX price peaks in January 2016
- Approval of Baltic CCR of 6 countries (FI, EE, LV, LT, PL, SE), but other CCR have issues - decision on 17 May 2016 – possibly with request for amendment and then forwarded to ACER
- Market Coupling Operator plan submitted on 14/04/2016 for approval
- Regional balancing pricing harmonisation
- Registration to CEREMP, market surveillance under REMIT, investigations on possible breach of REMIT
- Regional cooperation on improvement of LitPol Link usage management and cost evaluation
- Harmonisation of cost allocation rules between regulated sectors
- Common principles of import-export tariff
- Possible training for regional NRAs on financial and energy products led by Nord Pool and NASDAQ



Thank you