



New era of competition in Lithuanian electricity market: transformation of the national producer

Lietuvos Energijos Gamyba (LEG)

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26/04/2017 Vilnius

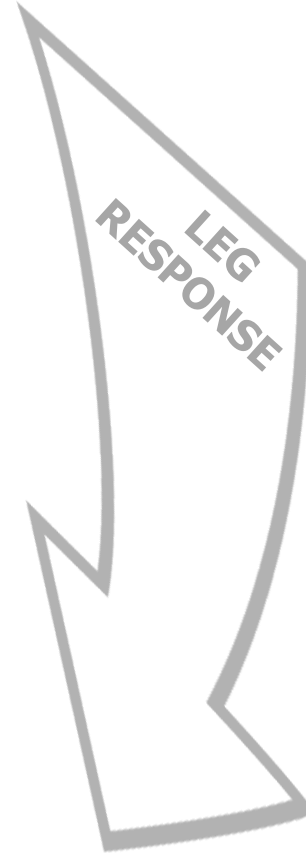
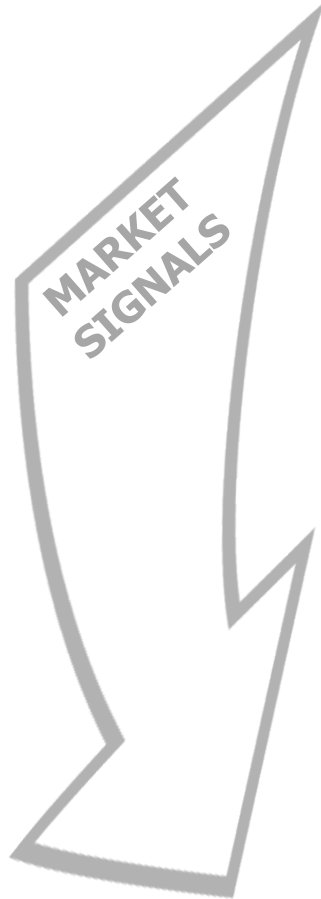
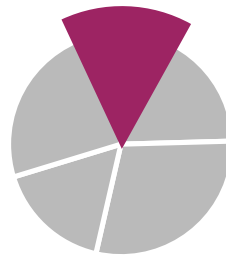
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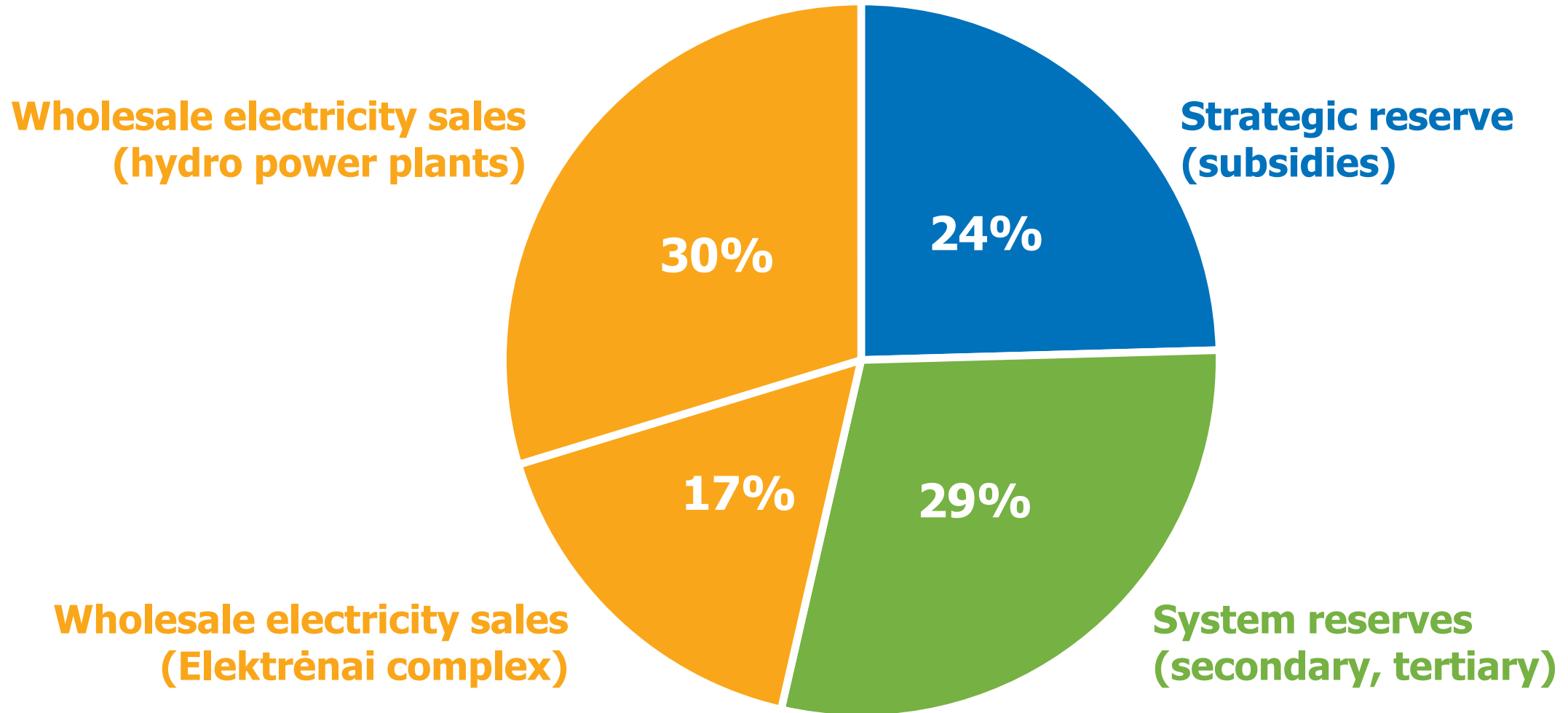
LEG in 2016

1. Electricity market
2. System reserves
3. Subsidies
4. Future priorities

LEG in 2020



LEG revenue 2016



Electricity market 2015-2016

Decrease in electricity price



41.9
Eur/MWh



36.5
Eur/MWh

Source: Nord Pool

Decrease in peak / off-peak price ratio



42
%



35
%

Source: Nord Pool

More electricity from the Baltics and Northern Europe



57
%



69
%

Source: Litgrid

More activity in intraday market



162
GWh



310
GWh

Source: Nord Pool

Electricity market 2015-2016: LEG response

MARKET SIGNALS



LEG RESPONSE

Increase in LEG-produced electricity sales in intraday market

x2

LEG power plants unavailable in 2016 due to unplanned causes only

5%
of time

More CCGT start-ups in Elektrėnai complex in 2016 vs. 2015

x4

Profit earned for subsidy reduction in 2016

€ 6 mln.

System reserves

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2ary

200 MW



400 MW



UNIQUE
SERVICE BY LEG

3ary

270 MW



505 MW



AUCTIONS FOR 2017:
260 MW + 224 MW

LEG
RESPONSE

Continue to
provide

Meeting TSO expectations for 2017

Gas?



€ 42 mln.

Heavy Fuel Oil

€ 32 mln.

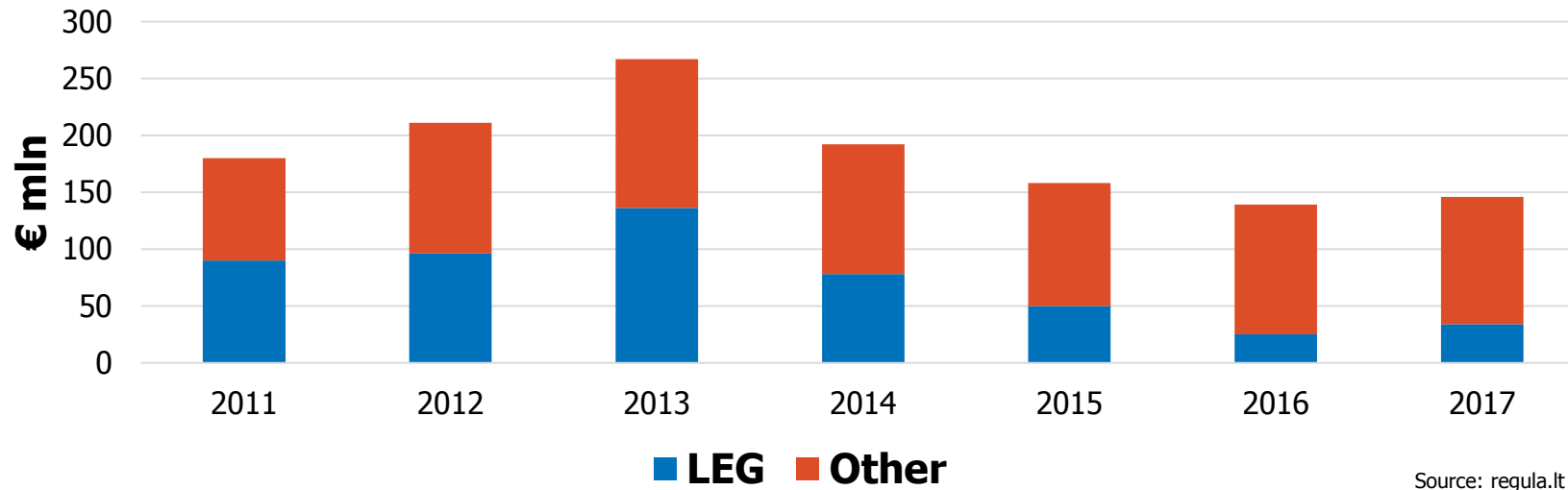
Engaged in
competition

Dominant player

Subsidies

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Subsidies for LEG and other producers 2011 - 2017



LEG RESPONSE

6/8
units under
decommissioning
since 2013 in
Elektrėnai complex

LEAN



New services
started in
2016

Organisational
changes



Profit earned for
subsidy reduction
in 2016

€ 6 mln.

Future priorities

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Support for RES development



Synchronisation with Western Europe



National reserves and local producers



Efficiency and innovations



LEG RESPONSE

Wholesale electricity sales (hydro power plants)

Wholesale electricity sales (Elektrėnai complex)



Strategic reserve (subsidies)

System reserves (secondary, tertiary)

Future priorities

MARKET SIGNALS

Support for RES development



Synchronisation with Western Europe



National reserves and local producers



Efficiency and innovations



LEG RESPONSE

New services



Thank You
Your questions?