NATIONAL ENERGY REGULATORY COUNCIL

Annual Report on Electricity and Natural Gas Markets of the Republic of Lithuania to the European Commission

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National Energy Regulatory Council

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1. FOREWORD

In 2024, the National Energy Regulatory Council (hereinafter – NERC), as the regulator of the Lithuanian energy sector, continued to contribute to decision-making at the European Union (hereinafter – EU) level, ensuring the integration of the common energy market, market resilience and harmonised application of legislation, protection of consumer rights and legitimate interests, and transparent and non-discriminatory operating conditions in the energy sector at the national level. NERC‘s decisions on these issues in 2024 helped Lithuanian consumers save as much as EUR 81.62 million.

On 9 February 2025, the synchronisation of the Baltic countries with Continental Europe was successfully completed – Lithuania, Latvia, and Estonia officially disconnected from the IPS/UPS electricity system and connected to the Continental European electricity grid. The synchronization process was implemented in accordance with the established timelines and technical requirements, in cooperation with European electricity transmission system operators (hereinafter – TSO). This strategic step has significantly strengthened the region’s energy security, reduced dependency on third countries and ensured more stable and reliable electricity supply, created conditions for more efficient integration of the Baltic States into the European electricity market, increased supply reliability and system resilience to disruptions, and promotes the development of a competitive and sustainable energy sector.
In preparation for synchronization with the Continental European grid, periodic meetings of the heads of regulatory authorities of the Baltic States took place in both 2024 and early 2025, with the aim of discussing the implementation of the synchronization project with Continental Europe and coordinating the regulatory authorities' actions in aligning the investment project aimed at enhancing grid resilience. In order to ensure a smooth process, NERC approved legal acts necessary for the synchronization of Lithuania's electricity system with the Continental European grid, providing the principles and rules for market functioning (TSO proposal for the Baltic balancing capacity market, the methodology for the calculation of balancing period capacity by the TSO of the Baltic capacity calculation region, and the standard conditions for imbalance settlement contract).
It is noteworthy that the synchronization of the Baltic States with the Continental European synchronous area will serve as a reference point for real-time data collection. Data gathered over a one-year period following synchronization will allow the regulatory authorities of the Baltic States to assess the reasonableness of the joint study on the potential merger of bidding zones.

Since 5 February 2025, the Baltic balancing capacity market began operating, with the Baltic States functioning as a single frequency control block and jointly procuring balancing capacity services through a common auction. By operating synchronously with the Continental European grids, the Baltic States face a greater need to ensure grid balance – technical capabilities are required to both increase and decrease electricity generation or consumption. The establishment of this new market allows businesses time to prepare for the transition and take advantage of emerging opportunities: to invest and build-up facilities whose services provided will later be purchased to ensure the stable operation of the electricity systems of the three countries. Since the launch of the Baltic balancing capacity market, NERC, in cooperation with the energy regulatory authorities of the other Baltic States, monitors this market: analyses and evaluates the behaviour of market participants in auction, constantly communicates with TSO, and addresses emerging problem situations and their resolution.

During the liberalization of the electricity supply market in Lithuania, residents have been given the opportunity to choose an independent electricity supplier. An independent supplier has already been chosen by 98% of first stage and 95% of second stage consumers. Meanwhile, consumer

activity in the third stage has been lower – 49% have selected an independent supplier. In order to protect the most vulnerable population groups, following the adoption of amendments to the Law on Electricity of the Republic of Lithuania (hereinafter – LE) vulnerable consumers and consumers with the lowest electricity consumption have been given the opportunity to remain under the public supply until 2030. They also have the right to choose an independent supplier at any time, and after choosing one, to return to public supply.

In 2024, NERC improved legal regulation – in order to ensure better quality of consumer advisory services the Description of the Electricity Transfer Reliability and Quality of Service Indicators was amended establishing a new consumer advisory quality indicator for network operators; also the Methodology for the Setting of Fees for the Connection of Electricity Facilities to Electricity Networks was amended ensuring more balanced coverage of the costs of electricity network development.

In the implementation of Council Regulation (EU) 2022/1854 of 6 October 2022 on emergency intervention to address high energy prices, which set a cap on market revenues for producers not exceeding EUR 180 per MWh of electricity generated, and in accordance with the Methodology for Determining Market Revenues and Calculating Revenue Surpluses approved by NERC, EUR 12.40 million was collected by 31 March 2025. This law also imposed an additional obligation on NERC to control the correctness and justification of the surplus revenue amounts calculated by the entities subject to surplus revenue payment; accordingly, in 2024, NERC continued to assess the surplus revenue amounts declared by revenue surplus entities.

On 15 January 2024, a public tender for the use of the marine area for the development and operation of power plants using renewable energy resources was announced, which was organised in accordance with Article 22 of the Law on Energy from Renewable Sources of the Republic of Lithuania (with incentives). On 22 April 2024, this tender with incentives was declared void, as only one person submitted an application to participate. On November 18, 2024, the tender was re-announced, but by the decision of the Government of the Republic of Lithuania on January 29, 2025, it was suspended. NERC actively participated by submitting proposals to refine the tender model and a cost-benefit analysis in order to create the greatest possible value for consumers, also NERC will continue to fulfil its responsibilities related to the implementation of the tender this year. After NERC updated the tender conditions, the tender was renewed on June 9, 2025.

In 2024, a significant milestone for Lithuania’s energy sector, ensuring the country’s long-term energy security and independence, was the taking ownership of the liquefied natural gas (LNG) storage vessel “Independence”, one of the most important energy infrastructure assets in Lithuania.

NERC approved amendments aimed at optimising the price regulation methodology for the natural gas sector. These amendments will enable a more effective response to changes in the international gas market and a more balanced distribution of costs among different consumer groups. The update of the methodology also aims to address issues related to the reclassification of consumer groups and rate differences, promoting more accurate, fairer and, in the long term, more sustainable gas price regulation.

In 2024, the issue of merging the Baltic bidding zones was also addressed, which, in the opinion of NERC, would benefit market participants and end users.

The Chair of the Council Renatas Pocius

2. MAIN CHANGES IN THE GAS AND ELECTRICITY SECTORS

2.1. Market Development and Supervision

- Electricity market

In 2024, the amount of electricity imported to Lithuania's Power System (hereinafter – LPS) decreased by 13.04% compared to 2023 and accounted for 64.7% of the total electricity demand in the country (which was 13.2 TWh). In 2024, the country generated 7.66 TWh of electricity, imports amounted to 8.52 TWh, and exports amounted to 3.11 TWh. Electricity consumption in the country in 2024 amounted to 11.5 TWh. The total installed capacity of power plants increased in 2024 and reached 6,360 MW (5,259 MW in 2023).

In 2024, investments in the electricity sector amounted to EUR 583.82 million, i.e. 14.74% or EUR 74.98 million more than in 2023 (EUR 508.84 million). Investments in the distribution system amounted to EUR 337.72 million (an increase of EUR 0.67 million), in transmission – EUR 216.79 million (an increase of EUR 53.37 million), and in production companies – EUR 29.30 million (an increase of EUR 23.96 million).

In 2024, 2,475 undertakings in the electricity sector were subject to NERC regulation. This included licensed or permit-regulated activities of independent power supply and aggregation, transmission, distribution, public supply and electricity generation, as well as permits to develop generation capacity.

As many as 11 of these undertakings were subject to price regulation. At the end of 2024, the following undertakings held licences issued by NERC: AB "Litgrid", electricity transmission system operator (TSO), AB "Energijos skirstymo operatorius", AB "Achema", UAB "Dainavos elektra" and AB "Akmenės cementas" – electricity distribution system operators (DSO), UAB "Ignitis", public electricity supplier.

At the end of 2024, 38 undertakings held independent electricity supply licences issued by NERC, four of which supplied electricity to household consumers and 24 to non-household consumers.

At the end of 2024, 2,176 undertakings (natural and legal persons) held permits issued by NERC to generate electricity (excluding prosumers), 283 undertakings (natural and legal persons) had permits issued by NERC to develop power generation capacity.

Fig. 1. Number of the market participants regulated by NERC in the electricity sector in 2024

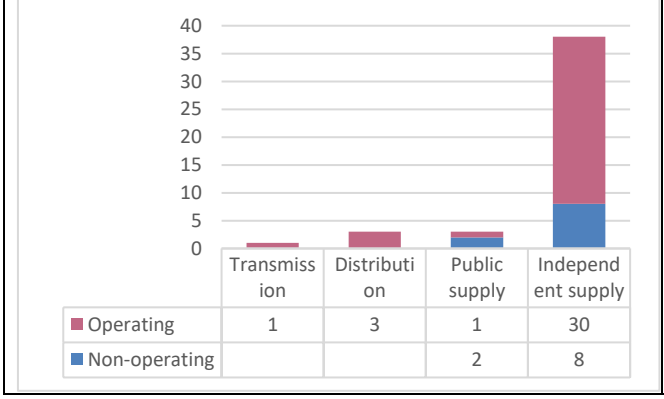
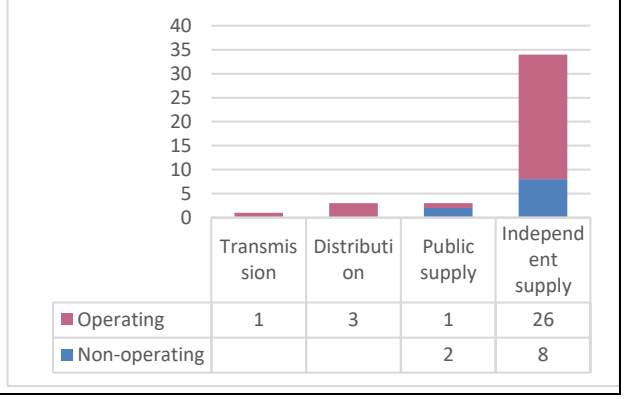
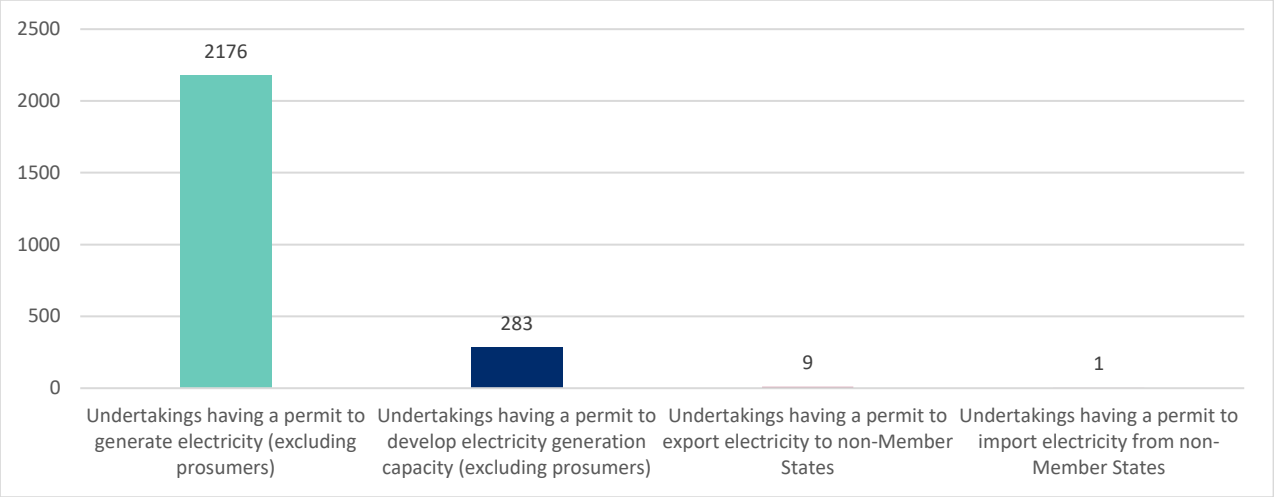


Fig. 2. Number of the market participants regulated by NERC in the electricity sector in 2023



Source: NERC.

Fig. 3. Number of the market participants regulated by NERC in 2024



Source: NERC.

On 1 January 2024, amendments to the LE came into force, changing the validity period of permits to develop power generation capacity, and amendments to the Law on Energy from Renewable Sources, which stipulated that producers, who are on the 2 GW list, have the right to submit an application to the network operator within three months of the date of entry into force of the amendments to this law for the return of the security for the fulfilment of obligations, or producers seeking to further develop power generation capacity, have the right to submit an application to NERC for an extension of the permit to develop solar energy generation capacity for the period from the date of issue of the development permit until the entry into force of the amendments to this law. In accordance with the amendments to the aforementioned laws, NERC extended the validity period of 118 permits for the development of power generation capacity in 2024. In total, the validity period of 178 permits for the development of power generation capacity was extended in 2024.

To encourage as many electricity market participants as possible to become involved in electricity generation and consumption processes, NERC actively cooperated with the market by presenting the benefits of establishing Citizens' Energy Communities (CEC) and Renewable Energy Communities (REC). NERC provided consultations on the establishment of CECs and RECs, explained the benefits of community power plants to their members in effort to increase the efficiency of electricity consumption, reduce electricity bills and use green electricity for the needs of community members. In accordance with Article 22^2 of the LE, the Procedure for Granting and Revoking the Status of a Citizens' Energy Community and for Providing Information on Citizens' Energy Community, approved by Resolution No. O3E-289 of NERC on 17 March 2023, "On the Granting and Revoking the Status of a Citizens' Energy Community and the Approval of the Procedure for Providing Information about Citizens' Energy Community", 23 CECs status were granted in 2024, i.e. more than three times the number compared to 2023. Also, in accordance with Article 20^2 of the Law on Energy from Renewable Sources and the Rules for Issuing Permits for Activities in the Electricity Sector, approved by Resolution No. 829 of the Government of the Republic of Lithuania on 7 August 2019 "On the Approval of the Rules for Issuing Permits for Activities in the Electricity Sector", one REC status was granted.

In accordance with the provisions of the Rules for Issuing Permits for Activities in the Electricity Sector mentioned above, NERC issued permits to develop power generation capacity (366), to develop power generation capacity for hybrid power plants (46), permits to develop energy storage

facilities (13) and permits to produce (144), as well as permits to carry out activities of independent power demand aggregator (6) and independent electricity supply (6).

- Natural gas market

In the natural gas sector, NERC regulated 78 undertakings in 2024. In the natural gas sector transmission, distribution, storage, regasification of liquefied natural gas (LNG), supply and market operator activities are licensed or regulated by permits.

In 2024, natural gas imports amounted to 29,980 GWh, down 21.5% from 38,175 GWh in 2023. In 2024, compared to 2023, sales in the wholesale market of the natural gas sector decreased by 38.5%, from 22,728 GWh to 13,968 GWh, while sales in the retail market decreased by 19.5% (from 6,560 GWh to 5,279 GWh). In 2024, UAB GET Baltic traded 8.37 TWh of natural gas on the natural gas market. Compared to 2023, the volume of natural gas sold on the natural gas market by UAB GET Baltic was 8% lower.

Revenue of the natural gas sector (transmission, distribution, LNG regasification, supply) amounted to EUR 1,041 million in 2024, i.e. almost 33.6% less than in 2023 (EUR 1,569 million) due to lower natural gas product prices. In 2024, a total of EUR 162 million was invested in the natural gas sector, i.e. 2.8 times more than in 2023 (EUR 57.5 million).

After verifying that the natural gas transmission service prices submitted by AB Amber Grid are reasonable and objective, do not exceed the established revenue cap, and are correctly differentiated to avoid cross-subsidisation between system user groups, NERC confirmed the Lithuanian gas TSO rates for 2026, according to which the average price of gas transmission services for Lithuanian consumers will be EUR 1.52 per megawatt hour (EUR/MWh). This is 5% less than the gas transmission price of EUR 1.60/MWh applicable in 2025.

2.2. Implementation of the Clean Energy Package

No additional legislative amendments related to the implementation of the Clean Energy Package were adopted in 2024.

European Resource Adequacy Assessment (ERAA) 2023

In 2024, the European Union Agency for the Cooperation of Energy Regulators (ACER) approved the ERAA 2023 prepared in accordance with Article 23 of Regulation (EU) 2019/943. The purpose of the ERAA is to identify resource adequacy challenges and provide a robust and objective basis for policy decisions, in particular when assessing the need for capacity mechanisms.

This is the first time in the three years of ENTSO-E assessments that ACER has approved the ERAA. Given that the ERAA 2023 is the last assessment to be carried out and needs to be done within a three-year implementation period to comply with the ERAA methodology and improvements made by ENTSO-E, ACER considers the ERAA 2023 to be sufficient. However, in order for the ERAA to be fully compliant with the methodology and a reliable tool for policymakers, ACER is of view that ENTSO-E should strengthen the ERAA 2024 in line with the recommendations set out in ACER's decision.

Report on the Review of the Baltic TSOs' Bidding Zones

The current trend is to analyse the splitting of bidding zones to reduce the impact of structural congestion on the overall electricity market and to look for solutions of this kind. Based on the latest simulations carried out by ACER in 2023 for the Baltic bidding zones, it was concluded that there is no reason to further split the Baltic bidding zones, and scenarios for merging these zones were not analysed. The most important basis for ACER's decision is the results of the simulations, which show that the long-term benefits for the Baltic countries and continental Europe would not be sufficient if the zones were split. However, ACER noted that in the event of a merger of bidding zones, there is also a certain potential risk of a drop in short-term liquidity and the emergence of new congestions due to changes in the electricity system. In Decision No 17/2023, ACER concluded that the current configuration of bidding zones in the Baltic region is appropriate and that no preference should be given to proposing alternative configurations of bidding zones. It should be noted that using a model in line with the ACER methodology priority is given to the splitting of bidding zones over their merger. However, this conclusion does not preclude the possibility of exploring possible Baltic bidding zones merger in future reviews or initiating them by the Baltic national regulatory authorities or TSOs, analysing the potential benefits and costs.

In 2024, NERC, together with the Estonian and Latvian regulators, agreed that, after synchronisation with continental Europe, relevant data would be collected for use in a future study on the feasibility and potential benefits of merging the Baltic bidding zones.

Discussions were also held with the Estonian and Latvian regulatory authorities on the possible future integration of the Baltic bidding zones. It was agreed that, to this end, a study should be carried out on the capacity of the transmission system and the necessary changes, the possible impact on the markets and a cost-benefit analysis of such a merger. It was also agreed that the data necessary for the study on transmission system capacity and the possible impact of necessary changes on the markets will be collected after the Baltic countries are synchronised with continental Europe.

Electricity Price Comparison Tool

The aim is to facilitate price comparison of independent electricity suppliers and the selection of a supplier. In September 2021, NERC introduced a new Electricity Price Comparison Calculator for household consumers – a tool that facilitates the process of choosing an independent electricity supplier and provides consumers with more information about the electricity tariffs applied by suppliers. The Calculator allows consumers to compare offers of different independent electricity suppliers according to criteria relevant to consumers: the consumer's annual (monthly) electricity consumption, the number of time zones, fixed or variable price offers, renewable energy requirements, the duration of the price fixation offered in the plan (1-12 months, 13-24 months, 25-36 months or price offers for a period longer than three years). The Calculator is upgraded as needed ensuring comparison of the plans offered on the market. Once the criteria have been selected, the consumer is presented with the plans offered by suppliers, from the cheapest to the most expensive. In 2024, the Calculator was supplemented with a non-household (business) consumer environment. The Calculator can be found at https://skaiciuokle.vert.lt/.

3. THE ELECTRICITY MARKET

3.1. Regulation and technical functioning of the grid

- Unbundling of activities

- Article 59(1)(j) of Directive (EU) 2019/944: Cross-subsidisation

In 2024, there were no changes regarding the implementation of the LE provisions related to the unbundling of activities and control of AB "Litgrid" and AB "Energijos skirstymo operatorius"[1]. In accordance with these provisions, NERC controls the effective unbundling of activities in the energy sector, the independence of transmission and distribution activities from commercial interests and the avoidance of cross-subsidisation. These legal provisions also remained unchanged in 2024. NERC continuously monitors and controls how electricity TSOs and DSOs ensure the independence and unbundling requirements set out in Articles 54(1) and (3) of the LE in the course of their business, through the use of the following means:

1. **Application of the terms of reference for the verification of regulated activity reports.** Since 2019, after NERC has approved the Terms of Reference for the Verification of Regulated Activity Reports, compliance with the unbundling requirements for regulated activity and accounts is additionally monitored through detailed verification procedures for regulated activity reports conducted by independent auditors. Reports on the verifications carried out by independent auditors concerning compliance with the unbundling requirements for regulated activities and accounts are annually submitted to NERC. No significant irregularities concerning the unbundling requirements for regulated activities and accounts were observed. In 2024, the annual Terms of Reference for the Verification of Regulated Activity Reports were approved/renewed and will be used for the verification of the Regulated Activity Reports submitted to NERC in 2025.

2. **Requirement to submit a regular compliance report.** NERC applies the requirement for DSOs to have a compliance programme developed in accordance with criteria/requirements approved by NERC. In accordance with this programme, DSOs shall report to NERC on non- discrimination of electricity network users, non-discriminatory access to electricity distribution networks and the conditions of use of electricity distribution networks, the independence of DSO activities from the interests in the generation and supply activities, measures taken to avoid cross-subsidisation of these activities. DSOs shall make publicly available and submit to NERC an annual report on their compliance programme by 1 May each year.

- Network development and optimisation

- Article 59(1)(k) of Directive (EU) 2019/944: Investment plans

The supervision of AB "Litgrid" investment plans is carried out in accordance with the conditions set out in the LE. The TSO AB "Litgrid" submits to NERC at least every two years (by 1 July) a 10-year transmission network development plan, which shall include an assessment of the current and

[1] In the event of a change of circumstances which would prevent the implementation of the requirements of unbundling of activities and separation of accounting laid down in Articles 54(1) and (3) of the LE, AB "Energijos skirstymo operatorius" shall be obliged to inform NERC no later than within 5 working days from the change in said circumstances. No such change of circumstances has been recorded in 2024.

projected electricity supply and demand and the conclusions of a probable electricity system adequacy assessment. As part of its coordination, NERC assesses the investments already implemented by TSO, adjusts the investments previously agreed but not yet implemented, their deadlines, the costs of works, etc.

On 31 October 2024, NERC agreed on the LPS Development 400-110 kV Networks Plan 2024-2033 submitted by AB “Litgrid”.

The planned investments for the development and upgrading of the electricity transmission network in 2024-2033 will amount to around EUR 2.70 billion, which is 33% more than the amount planned for the development and upgrading of the network in the 2022-2031 plan.

The main investments in 2024–2033 will be targeted at the rehabilitation and repairs of the electricity infrastructure (54%), network development (28%), and strategic projects (15%).

During 2024, AB “Litgrid” has made significant progress in the implementation of Projects of Common Interest (PCI) and other strategic (synchronisation) projects.

With the implementation of the Synchronisation Investment Programme, the LPS became synchronised with the electricity networks of the continental Europe on 9 February 2025 – the final step towards Lithuania's energy independence. The Baltic power systems operate in a single synchronous area together with the systems of other European countries. The synchronisation project has enabled Lithuania to achieve energy independence, therefore, it is highly important in terms of national security; the infrastructure deployed within the scope of the synchronisation project helps integrate more electricity generation from renewable sources into the Lithuanian system, contributes to Lithuania's goal to become a country that produces 100% of the required electricity from wind, solar and other renewable sources in 2050, and is also beneficial in economic terms as it creates equal competitive conditions for generators, and promotes investments on the market.

In addition, the following developments took place in 2024:

- continued Harmony Link project: the procurement of the cable and converter station was decided in April 2023 to be terminated due to excessively high bidding prices. A feasibility study for the construction of the onshore link is being carried out. To connect the new 220 kV line, a new 330/220/110 kV transformer substation (hereinafter – TS) would be constructed on the Lithuanian side next to the existing 110 kV Gižai TS substation and connected to the 330 kV Bitėnai-Kruonis PSHP overhead line;
- continued construction of the 330 kV Vilnius–Neris transmission line. The contract works of the line continued in 2024, the project completion is expected in 2025;
- continued project for the construction of the 330 kV Kruonis PSHP–Bitėnai electricity transmission line – the new line will reinforce the transmission network in Western Lithuania and ensure its reliable operation after the disconnection from the electricity system of Russian Kaliningrad and Belarus. In 2024, contract works were carried out, with the project completion estimated in 2025;
- continued project for the construction of the 330 kV Darbėnai–Bitėnai electricity transmission line (the new 330 kV Darbėnai–Bitėnai line will start in Darbėnai, will go around Klaipėda to Bitėnai, at the border of the Russian Kaliningrad region. It will be formed in two stages. The first stage involves the reconstruction of the section from the future Darbėnai switchyard to the Kretinga–Klaipėda district border (around 30 km), changing the line from

single-circuit to double-circuit. The second stage continues with the reconstruction of the Klaipėda–Grobinė line in Klaipėda district (around 15.5 km), the construction of a new section of the line around the city of Klaipėda (around 12 km) and the reconstruction of around 79 km section of the Klaipėda–Šyša–Bitėnai line from the newly constructed line to the Bitėnai transformer sub-station);
- continued LPS project for the installation of new synchronous compensators;
- continued construction of the 330 kV "Mūša" and "Darbėnai" switchyards.

Since 2018, DSO AB "Energijos skirstymo operatorius", as a DSO serving more than 100,000 consumers, publishes investment plans on its website in accordance with the obligation laid down in Article 39^1 of the LE. Before publishing the 10-year plan for the development, renewal, modernisation of and investment in the distribution networks, DSO carries out transparent and public consultations with the competent public authorities and other stakeholders. On 24 January 2025, NERC agreed on the investment plan for 2024-2033. AB "Energijos skirstymo operatorius" expects that the investment needs for the development and upgrading of the electricity distribution network for the period 2024-2033 will amount to around EUR 3.31 billion, which is 17% higher than the investment needs for the period 2022-2031 (EUR 2.82 billion). The increase in the volume of expected investments is mainly driven by the increase in the cost of contracting works and materials and the growing number of connections of new consumers in the electricity sector. The bulk of the investment (49%) will be dedicated for the connection of new consumers, the second by volume share of investment (40%) bus will be allocated to improving the resilience and reliability of the electricity network, to rehabilitate the 110-35 kV and 10-0,4 kV electricity network. The remainder (11%) will be used for other investments (construction/development of the electricity network, smart electricity meters, information systems of smart meters, transport, other fixed property, information systems of technology assets and management systems).

- Article 59(1)(l) of Directive (EU) 2019/944: Smart grid development

Every year, AB "Litgrid" implements reconstruction projects for transformer substations and electricity transmission lines, replacing outdated equipment with the latest technologies, measurement, monitoring and control systems. This enables advanced monitoring and management of LPS. Ensuring the supply of electricity to the facilities of electricity consumers, increasing the security of electricity supply, reducing maintenance and operational management costs, developing and modernising smart grids allow for a more efficient and reliable energy consumption, and increases the market integration of renewable energy sources.

AB "Litgrid" has carried out tests of artificial intelligence and sensor technologies that can contribute to the successful operation of renewable energy plants. Special devices installed on overhead lines measured weather conditions and an innovative model assessed the current and predicted potential line capacity. The test results show that the technology increased the transmission line capacity by an average of 52% compared to the design capacity.

The Dynamic Line Rating (DLR) technology is promising in enabling renewable energy plants to generate more electricity without constraints.

The new physical sensors installed on the overhead line measured weather conditions, line wire temperature, current, vibration strength and frequency, and allowed for the assessment of the

conductor deflection. The innovation was installed on the 110 kV Palanga–Vėjas 1 overhead line in Palanga district. In addition, an innovative model for capacity assessment was developed for the 330 kV Kaunas–Šiauliai overhead line.

As the technology has proved its worth, it is expected to be deployed by the end of 2026 on selected 110 kV and 330 kV lines, totalling around 20% of the transmission network.

In 2024, DSO AB "Energijos skirstymo operatorius" continued to deploy self-healing network (operating without dispatcher involvement during faults) solutions. In order to expand remote and automatic network management (smart grid) in 2024 through the installation of remote dispatcher-controlled equipment, 2 unmanaged 10 kV distribution points were reconstructed where fault location is automated in the Distribution Management System (DMS).

To increase the manageability of the 10 kV network, lines were reconstructed, and remote-control devices were installed to ensure that the maximum number of customers disconnected during a single fault using remote control solutions is 600 or less. In 2024, 13 such 10 kV lines have been automated. The deployment of switching devices in selected network segments is planned to be further expanded with the automation of more than 70 10 kV lines in 2025, where switching devices will detect and disconnect (isolate) the faulted section of the network without the dispatcher intervention, i.e. the implementation of the Fault Location Isolation Restoration (FLIR) automation programme, which is installed on the circuit breakers and launches the FLIR recovery program in case any circuit breaker is triggered.

In 2024, a newly introduced advanced technology Asset Management System was used to collect representative data on distribution networks, as well as the planning and management of network maintenance was automated.

In 2024, all the modules foreseen in the project have been completed, enabling market participants (independent suppliers, operators, demand aggregators, third parties) to exchange data via a centralised energy data platform (Data Hub). In 2024, a new service for third parties was launched on the market. This service allows electricity market participants to access historical consumption data in a secure and digitised way, subject to a contract and customer consent. In 2024, the regulation of energy data exchange in the electricity sector via the Data Hub, which did not exist in legislation before, was introduced.

As of July 2022, AB "Energijos skirstymo operatorius" started mass deployment of smart electricity meters for electricity consumers. According to data provided by ESO, 1.07 million smart electricity meters were installed until 17 February 2025. Following the investment plan agreed with NERC on 19 September 2019, smart meters are installed in two stages: by 2025 and by 2037. The roll-out started with consumers with the highest consumption and business customers (around 1.33 million smart meters are expected to be installed by the end of 2025), to be followed by the remaining consumers. In stage I (for consumption of over 1000 kWh/year), smart metering is used by 75% of Lithuanian household and 90% of business customers. Overall, 53% of household and 90% of business customers use smart metering out of the total number of Lithuanian electricity consumers. The meters installed record around 90% of the distributed electricity volume.

- Network tariffs

- Article 59(1)(o) of Directive (EU) 2019/944: Evolution of network tariffs

Tariffs for transmission and distribution services

After assessing the TSO's costs, NERC has set a 21.3% lower price cap for the transmission service for 2025 compared to 2024. The decrease in the price of the transmission service for 2025 is due to the decrease in technological costs, the allocation of congestion management revenues to amortise the increase in the transmission tariff, the return of surplus earnings for the period from 2022 to the first half of 2024, and the correction of the costs modelled by the Long Run Incremental Cost Model (LRAIC) for the years 2022-2023.

Having assessed the historical costs and discrepancies of the distribution network operator with more than 100,000 consumers in its service territory, NERC set a 7.1% lower price cap for electricity distribution service over MV networks and a 6.3% lower price cap for electricity distribution service over LV networks for 2025. The reasons for the decrease in the price of the distribution service: lower estimated costs for technological losses compared to 2024 due to the lower market price of electricity, a lower additional price component, and a reduction of allowable revenue with part of the excess of the return on investment for the period 2022-2023. The reasons for the increase in the price of the distribution service: higher OPEX (DU) and OPEX (non-DU) costs, which grow as a result of changes in wages and inflation rates, as well as due to additional repair costs and additional staffing required to carry out the repairs estimated for 2025, higher depreciation costs and return on investment due to the higher investments made in the assets and the higher weighted cost of capital.

Following the differentiation of the distribution service prices by AB "Energijos skirstymo operatorius", NERC approved for household customers a new tariff plan "Effective" for the distribution service, which includes a power component. Consumers may choose this plan on a voluntary basis.

The component for ancillary services for 2025 is 1.6816 ct/kWh (1.3091 ct/kWh in 2024). Compared to 2024, the component for ancillary services increases by 29% due to the estimated costs actually incurred and not recovered in 2023, the planned isolated operation test, and the increase in the volume of ancillary services purchased.

Table 1. *Price caps for electricity transmission and distribution services for 2024–2025 (ct/kWh)*

Undertaking		Regulatory period, years	Price cap 2024	Price cap 2025	Difference, %
Electricity transmission					
Electricity transmission (AB "Litgrid")		2022-2026	1.329	1.046	-21.29%
System services		-	1.3091	1.6816	28.45%
Electricity distribution					
ESO	*MV*	2022-2026	1.235	1.147	-7.13%
	LV		2.817	2.639	-6.32%
Small distribution network operators					
AB "Achema"		2025-2029	1.32	0.77	-41.67%
AB "Akmenės cementas"	*MV*	2025-2029	1.825	1.904	4.33%

	LV		2.083	2.082	-0.05%
UAB “Dainavos elektra“	*MV*	2025-2029	1.555	1.541	-0.90%
	LV		2.826	3.174	12.31%

Source: NERC.

Prices for reserve capacity services and isolated operation services

Taking into account the results of the Electricity Reserve Capacity Services Markets Research Report approved by NERC in February 2019, AB “Ignitis gamyba” was recognised as having significant market power on the market for the provision of tertiary active power reserve for voltage management on the 330 kV transmission network and secondary emergency active power reserve, while AB “ORLEN Lietuva”, AB “Panevėžio energija” and UAB “Kauno termofikacijos elektrinė” were recognised as having significant market power on the market for the provision of tertiary active power reserve for the restoration of secondary emergency active power reserve. Accordingly, the prices of these services are regulated.

As of 2023, the tertiary active power reserve service is no longer booked. Instead of the tertiary active power reserve service, Units 7 and 8 of the Elektrėnai Complex (hereinafter – EC) of AB “Ignitis gamyba”, together with the combined cycle unit (hereinafter – CCU) of EC, provide TSO with the availability of power generation facilities. In 2025, the volumes of these services amount to 260 MW from EC Unit 7, 260 MW from EC Unit 8 and 371 MW from CCU. AB “Ignitis gamyba” ensures the provision of frequency restoration reserve and reactive power and voltage control services through its own managed facilities.

In September 2024, TSO AB “Litgrid” publicly announced that it expects to require 1,169 MW/h of generation availability in 2025 in order to ensure the isolated operation of the electricity system. The isolated operation service will require the capacity of all generators capable of providing isolated operation services. Also, AB “Litgrid” informed that the full capacity of EC Unit 7, EC Unit 8 and CCU facilities will be booked for the isolated system operation service. In view of the above, NERC set the price caps for 2025 for the secondary active power reserve (frequency restoration reserve) service of the Kruonis Pumped Storage Hydroelectric Plant (hereinafter – PSHP), as the division of AB “Ignitis gamyba”, for the isolated operation service of EC Unit 7, EC Unit 8 and CCU, as the division of AB “Ignitis gamyba”, as well as for the services of AB “Panevėžio energija”, AB “ORLEN Lietuva” and UAB “Kauno termofikacijos elektrinė”. NERC also set a price cap for the revenue from the service of prevention and elimination of accidents and malfunctions to be provided by AB “Ignitis gamyba” in 2025 together with the Kaunas Algirdas Brazauskas hydroelectric power plant and Kruonis PSHP. Once the Baltic TSOs have disconnected their energy systems from the IPS/UPS system and synchronised with the Continental European synchronous area, the price for the secondary active power reserve service (frequency restoration reserve) is no longer applicable. In order to ensure equal conditions of competition, the price caps for the above services are confidential and shall not be made public.

NERC has set the price cap for the isolated power system operation reserve service of the designated storage operator UAB “Energy Cells” at EUR 4.17/MW/h (excl. VAT) for 2025.

Table 2. *Volumes of facilities required to ensure the isolated operation of the electricity system for 2025*

Electricity producer name	Unit name	Capacity, MW
AB "Ignitis gamyba"	B-7	260
AB "Ignitis gamyba"	B-8	260
AB "Ignitis gamyba"	CCU	371
UAB "Kauno termofikacijos elektrinė"	T-110/120 No. 2	104
AB "Panevėžio energija"	G1,2	30
AB "ORLEN Lietuva"	TG-1(TG-2)	67

Source: NERC.

Price of the services of public interest (SPI)

NERC determines the need for the services of public interest (SPI) funds, SPI prices and the distribution of funds to SPI providers. The total need for SPI services in 2024 was EUR 26.469 million, of which: EUR 24.905 million were allocated to the generation of energy from renewable energy sources (hereinafter – RES), EUR 1.320 million – for balancing RES generation, which is carried out by the distribution system operator AB "Energijos skirstymo operatorius", and the remaining amount (EUR 0.244 million) – for covering administrative costs. The planned need for SPI funds for 2025 amounts to EUR 7.051 million, of which EUR 6.414 million are foreseen for the promotion of RES generation, EUR 0.430 million – for the balancing of RES generation, and the remaining amount (EUR 0.208 million) – for covering administrative costs.

Table 3. *Budget and prices for SPI funds in 2023 to 2025*

	2023		2024		2025	
	Planned	**Paid**	**Planned**	**Paid**	**Planned**	**Paid**
Total SPI funds, EUR million, of which:	**11.46**	**22.504**	**26.469**	**21.069**	**7.051**	
Support for electricity generation from RES (including balancing and centralised purchasing), EUR million	9.38	20.551	26.225	20.810	6.844	
Repayment of SPI funds under Article 74^1 of the LE, EUR million	1.9	1.766	0	0.018	0	
SPI price, ct/kWh	**H1**	**H2**	**H1**	**H2**	**H1**	**H2**
	-0.78	**0**	**0**		**-0.039**	

Source: NERC.

The main reason for the difference between the disbursed and the planned SPI funds is the difference between the forecast average and actual electricity market price, as well as between the forecast and actual production volumes. It should be noted that due to the surplus of the SPI budget accumulated in the previous years, there is no need to collect additional SPI funds in 2025, and considering that the SPI budget collected is higher than the forecast SPI demand for 2025, the negative SPI price has been set for 2025.

The cost of using networks for prosumers

In accordance with the Law on Energy from Renewable Sources, it has been assigned to the competence of NERC to set the prices for household prosumers for the electricity network usage service (hereinafter – the service price), which are set as four options, equating the service price to the tariff for the electricity network use chosen by the household prosumers.

When calculating the service prices, account is taken of the distribution system operator's justified capital; operating and other costs related to the provision of the service; the annual volumes of electricity generated and fed into the grid by prosumers; the volumes of electricity withdrawn from the grid by household prosumers; the installed capacity of household prosumer installations; and the benefits accruing to the operator. The service prices are expressed as a percentage of the volume of electricity produced and supplied to the network (Option III). The price is also influenced by the forecast electricity market price.

Taking into account that NERC, by Resolution No O3E-171 of 15 February 2024[2], published differentiated prices for electricity distribution services of AB "Energijos skirstymo operatorius", which entered into force on 1 April 2024 and reduced the prices for household consumers of both MV and LV networks by an average of 0.4 ct/kWh (without VAT), NERC Resolution No O3E 261 of 28 February 2024 reduced the prices approved by NERC Resolution No O3E-1753 of 30 November 2023 for the services provided by AB "Energijos skirstymo operatorius" to household prosumers for 2024, with effect from 1 April 2024.

Table 4. *Comparison of the prices applied for prosumers using payment options I to III from 1 April 2024 and before 31 March 2024*

Options	**Units of measurement**	**From 1 April 2024**		**Before 31 March 2024**		***Change*** *(%)*	
		MV	**LV**	***MV****	***LV****	***MV***	***LV***
Option I. Service price paid per 1 kWh of electricity recovered from the network	Eur/kWh	**0.026**	**0.055**	0.030	0.059	***-0.004*** *(-13.3)*	***-0.004*** *(-6.8)*
Option II. Service price paid per 1 kW of installed capacity of the power plant	Eur/kW/year	**22.16**	**48.52**	25.52	52.02	***-3.36*** *(-13.1)*	***-3.50*** *(-6.7)*
	Eur/kW/month	**1.85**	**4.04**	2.13	4.34	***-0.28*** *(-13.1)*	***-0.3*** *(-6.9)*
Option III. The service price expressed as a percentage of the volume of electricity supplied to the electricity network by the household prosumer during the storage period	%	**20**	**32**	22	33	***-2*** *(-9.1)*	***-1*** *(-3)*
Option IV. The service price equated to the selected electricity transmission service tariff	Equivalent to the 1 kWh prices of the transmission service tariffs published by NERC Resolution No O3E-171 of 15 February 2024						

Source: NERC.

By Resolution No O3E-1533 of 28 November 2024, NERC approved the prices for the services provided by AB "Energijos skirstymo operatorius" to household prosumers for 2025, which remained unchanged compared to 2024 under Option I, with a slight increase under Option II in the LV network, and a slight decrease under Option II in the MV network. The service price under Option III increased by 9.4–15%, driven by a 28% increase in the additional price component for the distribution service, which has been set at EUR 0.016816/kWh for 2025 compared to EUR 0.013091/kWh for 2024, and a 13% lower forecast market price (EUR 0.08228/kWh for 2025 and EUR 0.09472/kWh for 2024).

[2] NERC Resolution No O3E-171 of 15 February 2024 "On the publication of the prices for the electricity distribution service of AB "Energijos skirstymo operatorius" and their application procedure in 2024 and the coordination of the methodology for differentiating the distribution service prices".

Table 5. *Comparison of the prices for the services provided by AB "Energijos skirstymo operatorius" to household prosumers in 2024 (valid from 1 April) and 2025*

Options	Units of measurement	2024		2025		Change, % (percentage points)	
		MV*	LV**	MV	LV	MV	LV
Option I. Service price paid per 1 kWh of electricity recovered from the network	Eur/kWh	0.026	0.055	**0.026**	**0.055**	***0***	***0***
Option II. Service price paid per 1 kW of installed capacity of the power plant	Eur/kW/year	22.16	48.52	**22.27**	**47.46**	***0.5***	***-2.2***
	Eur/kW/month	1.85	4.04	**1.86**	**3.96**	***0.5***	***-2***
Option III. The service price expressed as a percentage of the volume of electricity supplied to the electricity network by the household prosumer during the storage period	%	20	32	**23**	**35**	***15***	***9.4***
Option IV. The service price equated to the selected electricity transmission service tariff	Equivalent to the 1 kWh prices of the transmission service tariffs published by NERC Resolution No O3E-1445 of 15 November 2024[3]						

*MV: Medium voltage network
**LV: Low voltage network

Source: NERC.

Fees for connection to the electricity network

By 30 November of the current calendar year at the latest, NERC shall calculate, approve and publish on its website the fees and maximum design capacities for the connection of consumer equipment in the relevant year.

In early 2024, NERC made a change to the pricing principles for the network connection service, cancelling the fee for network construction and providing that all network connection costs are to be covered through a 1 kW network development rate. The changes to the Methodology for Determining the Fees for Connecting Electrical Equipment have also ensured a more consistent coverage of the costs of electricity network development, with each consumer connected to the network paying for the development of the electricity network in proportion to the capacity of their installation.

NERC, having assessed the actual costs incurred by AB "Energijos skirstymo operatorius" in connecting consumers to the network, set fees for connecting consumers to the network in 2025. The increase in fees was influenced by the increase in the contract fees for contract works, as well as higher prices of materials of AB "Energijos skirstymo operatorius" and contractors.

[3] NERC Resolution No O3E-1445 of 15 November 2024 "On the publication of the prices for the electricity distribution service of AB "Energijos skirstymo operatorius" and their application procedure in 2025 and the coordination of the methodology for differentiating the distribution service prices".

Table 6. *Fees for installation or increase of the 1 kW permissible power of electrical equipment (100%*), the design fee (when prepared by the operator) and the maximum reimbursable design price, EUR without VAT*

Consumer group	Fee for installing or increasing the 1 kW permissible power of electrical equipment, EUR	Maximum reimbursable design fee, EUR	Maximum reimbursable design cost, EUR	1 kW network development fee, EUR
Group I	160.30	19.71	1,881.41	1.94
Group II	318.33	34.70	1,905.30	1.94
Group III	750.53	65.73	2,128.54	1.94
Consumers with a new connection or an increase in the permissible power greater than 500 kW	–	–	2,942.18	1.94
Consumers with a new connection or an increase in the permissible power of at least 1 MW or the geometric distance to the nearest 0.4/(6)10kV transformer >1,000 m	–	–	6,457.02	1.94

** 20% design fee and 80% reimbursable design cost for socially vulnerable consumers, 50% design fee and 50% reimbursable design cost for other consumers***

*** Other consumers (except: (1) vulnerable consumers, (2) consumers with at least 1 MW permissible power of the equipment connected to the distribution network for the first time or consumers who increase their permissible power by at least 1 MW and commit to the distribution network operator to maintain the capacity for 10 years of the connection date, (3) consumers with the permissible power of electrical equipment to be connected or the permissible power to be increased above 250 kW, and producers requiring transformer substations, transformer stations or distribution points for the connection of electrical equipment to the electricity network, as well as builders (developers) in the cases specified above, who wish to install those electricity networks and organise the installation works in accordance with the procedure established by the Ministry of Energy, as agreed with the distribution network operator).*

Source: NERC.

The fees calculated and approved by NERC (100%) for the connection of electrical equipment to the network apply to the following consumer groups:

Group I: consumers with the permissible power of electrical equipment to be connected or the permissible power to be increased or the total permissible power of 500 kW or less, where the geometric distance from the input electricity metering cabinet (the boundary of the electricity network ownership) to the nearest 0.4/(6)10kV transformer station is not more than 100 m (inclusive);

Group II: consumers with the permissible power of electrical equipment to be connected or the permissible power to be increased or the total permissible power of 500 kW or less, where the geometric distance from the input electricity metering cabinet (the boundary of the electricity network ownership) to the nearest 0.4/(6)10kV transformer station is between 100 m and 400 m (inclusive);

Group III: consumers with the permissible power of electrical equipment to be connected or the permissible power to be increased or the total permissible power of 500 kW or less, where the geometric distance from the input electricity metering cabinet (the boundary of the electricity network ownership) to the nearest 0.4/(6)10kV transformer station is between 400 m and 1,000 m (inclusive).

Tariff for the access to interconnection lines (hereinafter – AIL)

NERC sets the AIL tariff applicable to electricity exports to third countries in line with the amendments to the LE that entered into force in March 2014. For 2024, NERC has approved the AIL price for 2025 at EUR 10.46/MWh, which is 2.29% lower than in 2024 (EUR 13.29/MWh). However, the set price does not apply at present as there is no electricity trade with third countries. Up-to-date information on the AIL price is available on the NERC website www.vert.lt (in English) under "Regarding price of the service of access to interconnection lines"[4].

- Security and reliability regulation

- Article 59(1)(m) of Directive (EU) 2019/944: Security and reliability standards

In accordance with the Law on Energy of the Republic of Lithuania and the LE, NERC establishes and monitors compliance with the requirements for reliability of electricity supply and quality of services. In 2022, NERC set a minimum level of supply reliability for TSO AB "Litgrid" and DSO AB "Energijos skirstymo operatorius" for the new regulatory period 2022-2026, based on the actual average of the supply reliability indicators, with an improvement target, which is defined after assessing the impact on supply reliability of the investments in the reconstruction and upgrading of the electricity networks planned for the regulatory period. This requirement to set an improvement task was stipulated in 2021, following the amendment of the Electricity Supply Reliability and Quality of Service Requirements set out in NERC Resolution No O3-75 of 11 June 2009 on "Approval of the Description of the Electricity Supply Reliability and Quality of Service Indicators".

The reliability and quality of service indicators of electricity supply and their minimum levels are calculated separately for the electricity transmission system and the distribution network (see figures below). The lower the value of the indicator, the better the level of electricity supply reliability.

Reliability of electricity supply through transmission networks shall be measured by two indicators:
- amount of energy not supplied via the transmission network (ENS);
- average interruption time of energy supply (AIT).

Fig. 4. ENS and the minimum level for this indicator, MWh

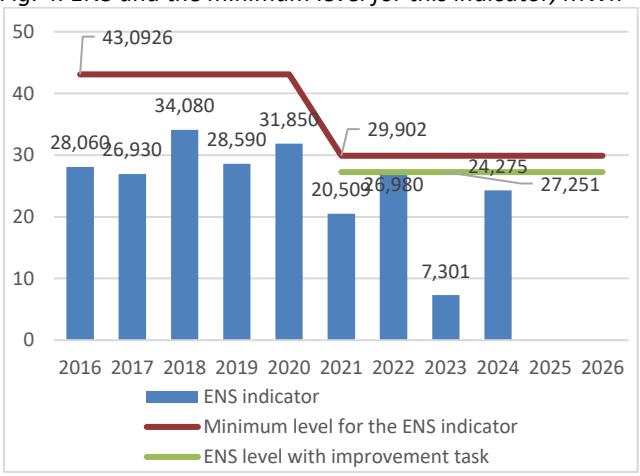
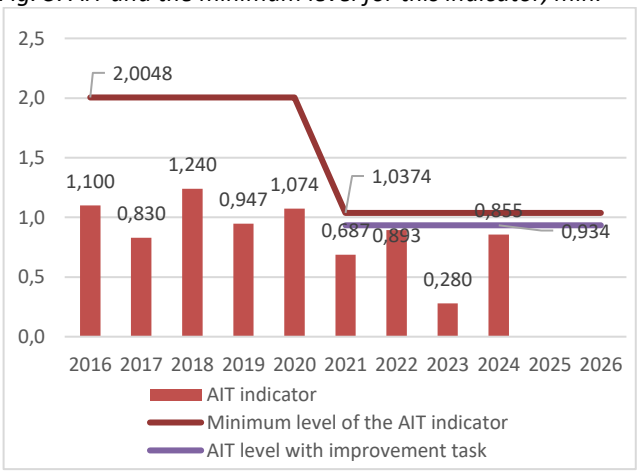


Fig. 5. AIT and the minimum level for this indicator, min.



Source: NERC.

[4] https://www.vert.lt/en/Pages/regarding-price-of-the-service-of-access-to-interconnection-lines.aspx

The reliability indicators set by NERC for the new regulatory period obligate TSOs to ensure that the technical quality of service is better than or equal to the minimum requirements, i.e. the average interruption time for consumers shall not exceed 0.934 minutes (with an improvement task of 8.9%), and the amount of electricity not supplied should not exceed 27.251 MWh (with an improvement task of 10%).

For TSOs, the actual ENS and AIT supply reliability indicators in 2022-2024 were within the minimum level set for 2022-2026.

Reliability of supply through distribution networks is measured by two indicators:
- System Average Interruption Duration Index (SAIDI);
- System Average Interruption Frequency Index (SAIFI).

Fig. 6. SAIDI and the minimum level for this indicator, min. per consumer

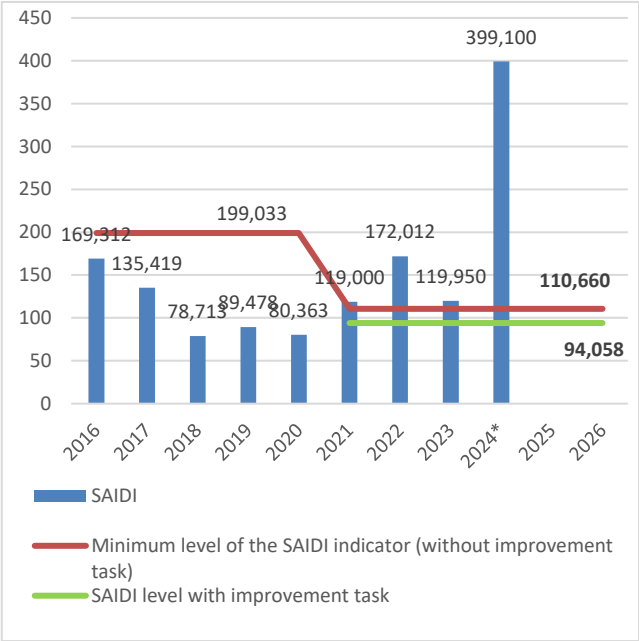
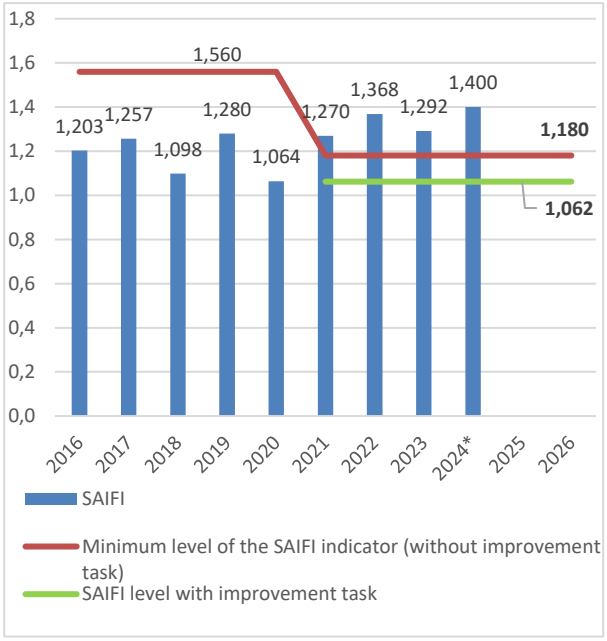


Fig. 7. SAIFI and the minimum level for this indicator, times per consumer



Source: NERC.

The reliability indicators set by NERC for the new regulatory period obligate DSOs to ensure that the technical quality of service is better than or equal to the minimum requirements, i.e. SAIDI for consumers should not exceed 94.058 minutes (with a 15% improvement task) per year, SAIFI per consumer due to the fault of DSO should not be higher than 1.062 times (with a 10% improvement task).

Measurement of the actual indicators of electricity transmission through distribution networks by AB “Energijos skirstymo operatorius”:
- Measurement of the SAIDI indicator – in all years (2022-2024), the indicator exceeded the established minimum level – 94.058 minutes; the SAIDI indicator was 172.012 minutes in 2022 (82.88% exceedance), 119.950 minutes in 2023 (27.53% exceedance), and 399.100 minutes in 2024 (324.31% exceedance, without eliminating exceptional cases);
- Measurement of the SAIFI indicator – in all years (2022-2024), the SAIFI indicator exceeded the set minimum level – 1.062 times; the SAIFI indicator was 1.368 times in 2022 (28.78% exceedance), 1.292 times in 2023 (21.66% exceedance), 1.400 times in 2024 (31.83% exceedance, without eliminating exceptional cases).

It should be noted that the SAIDI and SAIFI indicators of the year 2024 are shown without the elimination of exceptional transmission interruptions, therefore, the above-referred final 2024 indicators will be identified once decisions on the elimination of exceptional cases have been taken.

The final assessment of the indicators to identify the average of the indicators of the regulatory period will take place in 2027.

The requirements approved by NERC also set out the quality indicators for electricity transmission and distribution services. The minimum level of the quality indicators must be at least 95% for each calendar year. For distribution service providers, the following indicators have been set:

- the percentage of customers connected on time (within 20 working days of payment date of the connection fee), on a customer basis;
- the percentage of electricity distribution resumed on time (within 2 working days) to consumers who have paid their debts during the reporting period;
- the percentage of information provided to the consumer on time (at least 5 calendar days in advance) about planned interruptions due to network maintenance works in the reporting period;
- the percentage of timely completions of planned interruptions with maximum delay of 30 minutes in the reporting period;
- the percentage of faults at the consumer end resolved on time (within 5 working days) in the reporting period;
- the percentage of complaints from consumers and network users handled in a timely manner (within 30 calendar days) in the reporting period.

According to the DSO data from 2024, the average level of the provision of services to household and other consumers was as follows:

- the percentage of customers connected on time (within 20 working days of payment date of the connection fee), on a customer basis – 97.4%, which is in line with the requirements;
- the percentage of electricity distribution resumed on time (within 2 working days) to consumers who have paid their debts during the reporting period – 99.4%, which is in line with the requirements;
- the percentage of information provided to the consumer on time (at least 5 calendar days in advance) about planned interruptions due to network maintenance works in the reporting period – 99.88%, which is in line with the requirements;
- the percentage of faults at the consumer end resolved on time (within 5 working days) in the reporting period – 97.74%, which is in line with the set level;
- the duration of handling of complaints from consumers and network users was less than 30 working days, which is in line with the requirements (the average duration of handling DSO complaints was 7 calendar days).

There is only one quality of service indicator for the TSO, i.e. the percentage of complaints handled in a timely manner, and according to the data from 2024, the TSO had no complaints to be handled.

In order to assess the quality of consumer advice, a new quality indicator of consumer advice by communication and other means was introduced in 2024. This service quality indicator is measured by two indicators:

- the number of calls answered and the percentage of the total calls received during the reporting period, which shall be 95%;
- the percentage of repeated e-mail enquiries of the total e-mail enquiries received during the reporting period (the consumer makes the same enquiry concerning same question and

the object within 60 calendar days from the date of the reply to the enquiry), which shall be not more than 5%.

- Article 59(10) of Directive (EU) 2019/944: Congestion management

Pursuant to Article 19(5) of Regulation 2019/943, NERC drew up and published a congestion income report for 2024 (hereinafter – the Report), which has also been submitted to ACER. The Report is drawn up on the basis of data provided by the TSO:

1. In accordance with Article 19(5)(a) of Regulation 2019/943, the information to be provided shall cover the twelve-month period ending on 31 December of the previous calendar year, i.e. congestion income generated during the period from 1 January 2024 to 31 December 2024.

Table 7. *Congestion income generated for the period between 1 January 2024 and 31 December 2024*

Interconnector	Congestion income received, EUR
Lithuania – Latvia	641,135
Lithuania–Poland	28,937,607
Lithuania–Sweden	105,276,840
Total	**134,855,581**

Source: NERC.

2. Pursuant to Article 19(5)(b) of Regulation 2019/943, information shall be provided on the use of congestion income in accordance with Article 19(2), including specific projects and the amount of income transferred to a separate internal account line. According to the data provided by AB "Litgrid", the congestion income has been used in accordance with Article 19(2)(a) and (b) of Regulation 2019/943. The table below provides detailed information on the use of the income generated between 1 January 2024 and 31 December 2024.

Table 8. *Use of the resulting congestion income for the period from 1 January 2024 to 31 December 2024*

1.	Accumulated congestion income at the beginning of the period	**299,339,535**
2.	Purpose of use	Income used, EUR
2.1.	**Ensuring the use of allocated capacity in accordance with Article 19(2)(a) of the Regulation**	**2,313,703**
2.2	**Network investments under Article 19(2)(b) of the Regulation:**	**41,762 ,21**
	Construction of 330 kV Kruonis PSHP – Bitėnai transmission line	4,262,327
	Construction of the Harmony link	1,210,834
	Construction of the 330 kV Darbėnai – Bitėnai transmission line	7,387,894
	Construction of a new 330 kV Vilnius – Neris transmission line	14,864,723
	Installation of new synchronous compensators in the LPS	8,425,536
	Construction of the 330 kV "Mūša" switchyard	1,595,544
	Construction of the 330 kV Darbėnai switchyard	3,272,332
	Implementation of the Frequency Stability Assessment System (FSAS)	88,519
	Upgrading of the NordBalt HVDC control system to ensure frequency stability	254,253
	Developing a new energy balance and ancillary services system	400,761
3.	**Amount used in the calculation of network tariffs**	**0**
4.	**Income generated during the reporting period**	**134,855,581**
5.	**Remainder of income transferred to a separate internal account line (4. – 2.1. – 2.2.)**	**90,779,157**
6.	**Total spent in 2024 (2.1. + 2.2.)**	**44,076,424**
7.	**Accumulated congestion income at the end of the period (1. – 2.1. -2.2. – 3. + 4.)**	**390,118,691***

* Funds returned following the calculation of EU grants

Source: NERC.

3. In accordance with Article 19(5)(c) of Regulation 2019/943, information shall be provided on the amount used to calculate network tariffs.

The congestion income was not used to reduce the price cap of the transmission service – transmission tariff in 2024.

4. In accordance with Article 19(5)(d) of Regulation 2019/943, information shall be provided on the verification that the amount referred to in point (c) has been used in accordance with Regulation 2019/943 and the methodology developed pursuant to Article 19(3) and (4) of Regulation 2019/943. Having assessed the Report submitted by the company, NERC found that the use of the congestion income in accordance with Article 19(5)(c) of the Regulation complied with the requirements set out in Article 19 of the Regulation and Article 5(3) and (4) of the Methodology[5].

5. The amount of EUR 265 472 343, as part of the accrued balance of the congestion income (as of 31 December 2024), was added to the account of UAB "EPSO-G" group (see the table below).

Table 9. *Use of Accrued congestion income*

	Income used, EUR
Accrued income at the beginning of the period	299,339,535
Accrued income at the end of the period	**390,118,691**
Accrued balance at the end of the period*	124,238,665
Incl. added to the account of UAB "EPSO-G" group – temporarily used to finance the company's activities	265,472,343

* The difference between the balance of funds and accrued income is due to a mismatch between income (accounts) and revenue/expenditure.

Source: NERC.

- Monitoring the supply and demand balance

- Article 59(1)(v) of Directive (EU) 2019/944: Investment in generation and storage capacities in relation to security of supply

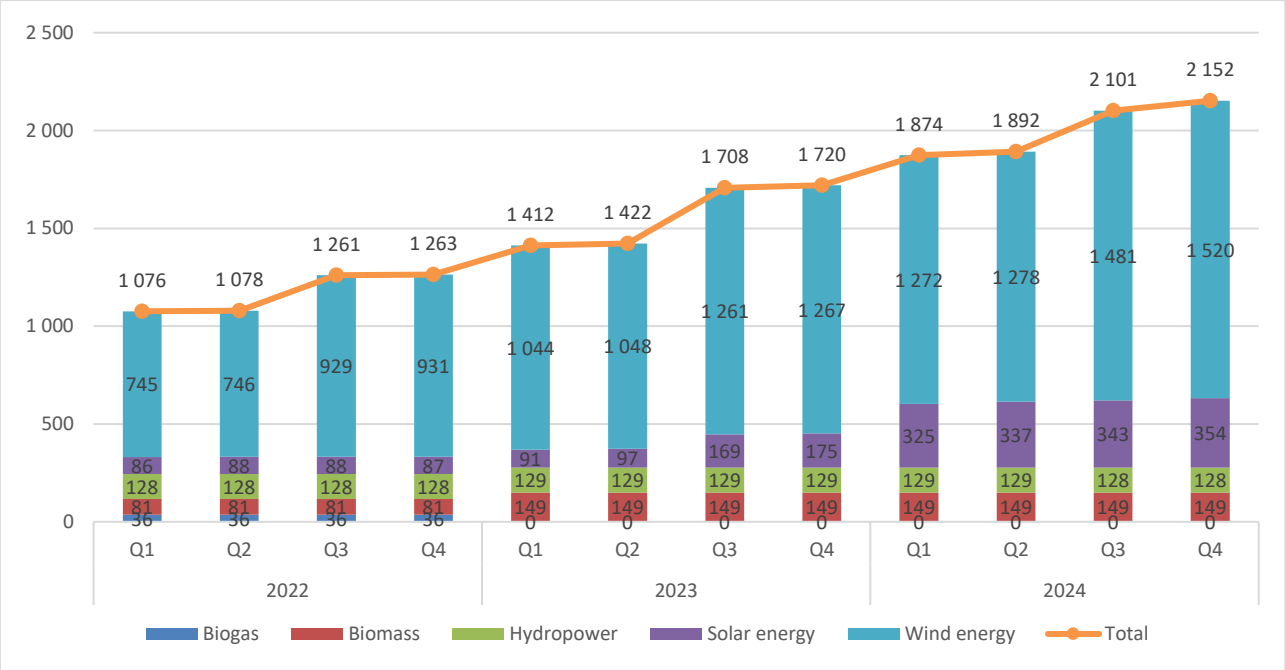
NERC monitors investments in generation capacity in accordance with the provisions of the LE by issuing permits for the development of power generation capacity and for the generation of electricity to persons other than those whose installed power of the generation facilities does not exceed 100 kW and persons seeking to become prosumers.

At the end of 2024, wind power accounted for the largest share of the total installed capacity of renewable energy sources, at 70.6%, followed by solar power at 16.5%[6], biomass at 6.9%, and thermal and hydroelectric power at 6.0%.

[5] By Decision No 38/2020 of 23 December 2020, the European Union Agency for the Cooperation of Energy Regulators (ACER) approved the Methodology for the Use of Congestion Income proposed by the TSOs on 3 July 2020.

[6] Excluding power plants operated by prosumers.

Fig. 8. Structure of RES by installed power 2022-2024, MW

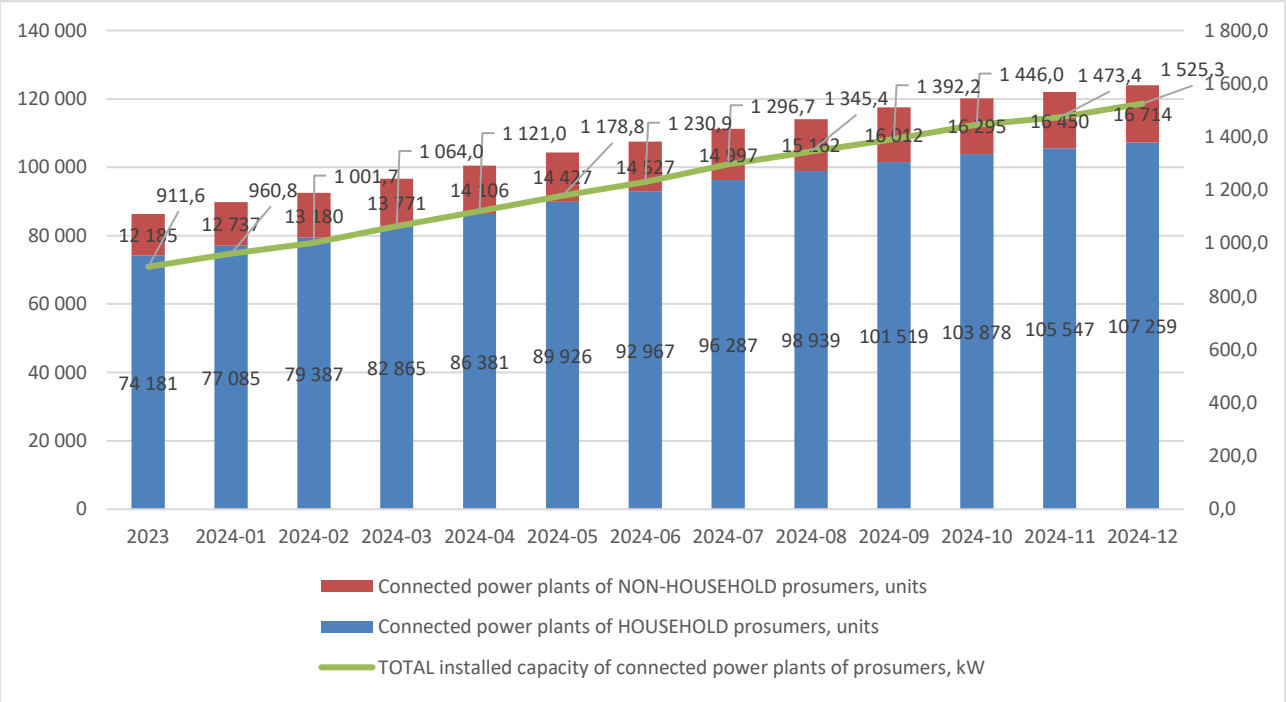


Source: NERC.

In 2024, the share of the installed capacity of RES power plants (excluding prosumers) in the total installed capacity balance accounted for 44.0%.

In accordance with the provisions of the Law on Energy from Renewable Sources, the electricity network operator provides monthly information to NERC on the connection conditions issued to prosumers and persons seeking to become prosumers and planning to construct or install power plants using renewable energy resources, which, according to the LE, do not require a permit to develop electricity generation capacities.

Fig. 9. Number of prosumers (including remote prosumers) and the total installed capacity of power plants



Source: NERC.

The number of prosumers (including remote prosumers) increased by 37,607 in 2024, of which 33,078, or 88%, were household prosumers and 4,529, or 12%, were non-household prosumers. In 2024, compared to 2023, the number of prosumers increased by 43.5% (household consumers by 44.6%, non-household consumers by 37.2%), and the total number of prosumers at the end of 2024 was 123,973, of which 107,259, or 86.5%, were household prosumers and 16,714, or 13.5%, were non-household prosumers.

In accordance with the Law on Energy from Renewable Sources, NERC approves the Procedure for the Organisation of Tenders and Granting of Permits to Use Parts of the Maritime Area for the Development and Operation of Renewable Energy Power Plants. On 30 March 2023, NERC published information on a Tender for the use of the maritime area for a fee for the development of power plants, i.e. without incentives. The winner of this Tender was announced on 12 October 2023. The Tender with incentives, i.e. the right to receive the winning transaction price for 15 years, using the Contract for Difference (CfD) model, was announced on 15 January 2024. NERC developed a description of the terms and conditions of tender with incentives[7], which allowed tenderers to offer the transaction price from EUR 107.18/MWh to EUR 64.31 MWh. On 22 April 2024, this Tender with incentives was declared unsuccessful, as only one undertaking submitted an application for participation in the tender. On 18 November 2024, NERC re-launched the tender with incentive and prepared a new description of the terms and conditions for the tender with incentives[8], allowing tenderers to offer a transaction price ranging from EUR 125.74/MWh to EUR 75.45/MWh. This tender with incentives, however, has been suspended by a Government decision of 29 January 2025 and will be resumed after the Government adopts a separate decision to resume the tender with incentives.

- Cross-border issues

- Article 59(1)(w) of Directive (EU) 2019/944: Technical cooperation between EU and third-country transmission system operators

On 9 February 2025, LPS was synchronised with the continental European electricity networks. The Baltic power systems operate in a single synchronous area together with the systems of other European countries. The synchronisation project has enabled Lithuania to achieve energy independence, therefore, it is highly important in terms of national security; the infrastructure deployed within the scope of the synchronisation project helps integrate more electricity generation from renewable sources into the Lithuanian system, contributes to Lithuania's goal to become a country that produces 100% of the required electricity from wind, solar and other renewable sources in 2050, and is also beneficial in economic terms as it creates equal competitive conditions for generators, and promotes investments on the market.

In preparation for the synchronisation and to ensure its smooth implementation, in 2024, legislation has been drafted and approved to regulate the rules and processes for the operation of the Baltic

[7] Approved by NERC Resolution No O3E-29 of 11 January 2024 “On the approval of the description of the terms and conditions for the tender for the use of the maritime territory for the development and operation of power plants using renewable energy sources, organized in accordance with Article 22 of the Law on Energy from Renewable Sources of the Republic of Lithuania”.

[8] Approved by NERC Resolution No O3E-1457 of 15 November 2024 “On the approval of the description of the terms and conditions for the tender for the use of the maritime territory for the development and operation of power plants using renewable energy sources, organized in accordance with Article 22 of the Law on Energy from Renewable Sources of the Republic of Lithuania”.

balancing capacity market for the purchase, sharing and exchange of balancing capacity, to define the principles for calculating capacity, and the procedure for pricing and settlement for the reserve services of the isolated operation of the electricity system.

- Implementation of network codes and guidelines

NERC is a member of ACER's Board of Regulators (BoR) and, as such, together with other regulators engages in the approval of common documents related to the EU energy market. As part of this work, in 2024 NERC also contributed to other important decisions related to the EES regulations (network codes and guidelines). In 2024, ACER adopted 13 decisions at EU level, with partial contribution on the part of NERC. Accordingly, the adoption of some of the legislation received in 2024 continued into early 2025. In this section, we present the main decisions which are of most relevance for Lithuania.

- Article 59(7) of Directive (EU) 2019/944: Network codes
- Load connection
- Requirements for generators
- High-voltage DC connectors
- Operation

NERC did not approve the value of lost load (VoLL) submitted by AB "Litgrid" for the Lithuanian bidding zone and obligated AB "Litgrid" to carry out a questionnaire survey of Lithuanian consumers and calculate the total VoLL applicable in the Lithuanian bidding zone in accordance with the requirements set out in the ENTSO-E Methodology for calculating the value of lost load, the cost of new entry and the reliability standard and submit it to NERC for approval, as the VoLL calculations presented in the study on determining the value of lost load in the Lithuanian electricity bidding zone submitted by AB "Litgrid" to NERC in 2024 was not in line with the ENTSO-E methodology.

NERC approved the methodologies for the synchronisation of LPS with the continental European electricity networks. The methodologies cover the rules for frequency containment reserve (FCR) dimensioning and additional properties, limits for the exchange and sharing of frequency containment reserve (FRR) and replacement reserve (RR) between synchronous areas, common settlement rules applicable for all exchanges in energy due to the frequency containment process and the ramping period of active power output, and common settlement rules applicable to all unintended exchanges of energy, which will enable Lithuania to ensure a stable and reliable electricity supply by connecting to the wider European network and will contribute to the objective of increasing the efficiency, non-discrimination, and transparency of European and national balancing markets.

The Baltic National Regulatory Authorities (NRAs) approved the Baltic TSOs' proposal for Operational Agreement for the Baltic Load-Frequency Control Area (LFC) Block and the methodologies included in the Agreement. The LFC block operational agreement provides for the establishment and implementation of terms and procedures related to the operation of the Baltic LFC block, thereby contributing to the increased safety and efficiency of the transmission network.

- Electricity emergency and restoration

During the reporting year, NERC did not take any decisions related to Commission Regulation (EU) 2017/2196 of 24 November 2017 establishing a network code on electricity emergency and restoration.

- Forward capacity allocation

On 12 November 2024, the Lithuanian and Swedish TSOs submitted a proposal to ensure that wholesale electricity market participants have the possibility to purchase long-term cross-zonal hedging products for the SE4-LT interconnection. Once the Lithuanian and Swedish regulatory authorities approve the proposal and it is implemented, it should contribute to the future development of the derivatives market and enable market participants to manage risks more efficiently, which could also have an indirect positive impact on final customers.

- Capacity allocation and congestion management

The following documents approved by ACER are relevant for the allocation of cross-zonal capacity for trading on wholesale energy markets such as the day-ahead market or the intraday market:

- **By Decision No 11/2024 of 24 September 2024, ACER approved the amended methodology for the price coupling algorithm and the continuous trading matching algorithm.**
In November 2023, ACER received a proposal from nominated electricity market operators (NEMOs) to amend the Market Coupling Algorithm Methodology approved by ACER in 2020, which establishes a regulatory framework for order matching algorithms and cross-zonal capacity allocation in the European day-ahead and intraday markets in electricity. It was necessary to amend the methodology, in particular the day-ahead coupling algorithm, in order to co-optimise the allocation of cross-zonal capacities for the exchange of balancing capacities or the sharing of reserves. Co-optimisation facilitates the integration of balancing capacity markets and enables more efficient use of cross-zonal capacities. The ACER decision requires NEMOs, in cooperation with TSOs, to carry out the necessary research and technological development (R&D) solutions to fully understand the technical feasibility, impacts and implications of integrating co-optimization into the price coupling algorithm. This research will consist of four phases and should be completed by November 2026. Once the necessary R&D studies have been completed, ACER will analyse the findings and discuss their implications with NEMOs and TSOs. Based on these discussions and, if necessary, ACER will request additional amendments to the algorithm methodology and related conditions. The updated methodology (in particular the day-ahead market coupling algorithm) would facilitate the efficient sharing of available cross-zonal capacities between bidding and exchanges in relation to electricity balancing services, thus facilitating the integration of balancing capacity markets.

- **By Decision No 12/2024 of 25 September 2024, ACER approved the TSO's proposal to amend the methodology for calculating scheduled exchanges resulting from single day-ahead coupling.**
The methodology describes how the scheduled exchanges between bidding zones NEMOs trading hubs are calculated in the single day-ahead coupling market. Improvements to the single day-ahead coupling algorithm are necessary in order to effectively implement the 15-minute Market Time Unit on the market. The amendments allow handling an increased volume of data within the limited calculation timeframe. To do so, a back-up functionality for the calculation of the scheduled

exchanges between bidding zones was introduced. To foster the implementation of the 15-minute MTU, ACER has also amended the single day-ahead coupling products methodology.

- **By Decision No 13/2024 of 26 September 2024, ACER approved NEMOs' proposal to amend the single day-ahead product coupling methodology, which lists all products that are eligible for inclusion within the EU single day-ahead coupling.** NEMOs deemed it necessary to amend the SDAC products methodology to:
• enable the implementation of the 15-minute Market Time Unit products in the SDAC;
• remove entry barriers for the market participants trading 15-minute MTU products;
• enable market participants to buy and sell electricity every 15 minutes throughout the day, thereby increasing market flexibility.

By this Decision ACER has reviewed the NEMOs' proposal and agreed to introduce a clear division between product categories, as well as to improve the overall structure of the document. The product range that NEMOs have presented to market participants as part of the SDAC meets the needs expressed by the market participants. In addition, it supports overall liquidity in relation to the SDAC. Therefore, the terms and conditions of SDAC products promote resilience to high electricity prices and intense competition in the generation, trading, and supply of electricity. These SDAC product terms contribute to the efficient long-term development of the electricity transmission system and the electricity sector in the EU, as all products increase the possibilities for efficient allocation of cross-border capacity, provide flexibility to the market, a wider choice of products, a more attractive offer to market participants, as well as the possibility for them to apply more flexible electricity pricing.

- Electricity balancing

ACER has decided to approve the proposal from the European Network of TSOs for Electricity (ENTSO-E) on the Regional Coordination Centres (RCC) function for setting the regional level of reserve capacity. This RCC function consists of two parts: the assessment of the availability of short-term sharing volumes and the determination of the minimum reserve capacity required at TSO level in the system operating region (SOR). The RCC will assess automatic frequency restoration reserves (aFRR), manual frequency restoration reserves (mFRR), and replacement reserves (RR).

ACER has decided to approve the proposal from ENTSO-E for a RCC function to facilitate the purchase of regional balancing capacities. This methodology will calculate the availability of bids for balancing energy not contracted on the European platforms by reserve type, direction and duration, in addition to the roles and responsibilities given to the RCCs under the scope of the harmonised cross-zonal capacity allocation methodology. The methodology covers FRR (aFRR and mFRR) and RR reserves.

At the beginning of 2024, NERC approved the proposal by **the Lithuanian, Latvian and Estonian TSOs (hereinafter – the Baltic TSOs) for the Baltic balancing capacity market**. It sets out how the Baltic balancing capacity market will operate, replacing the current reserve model. The Proposal includes common rules and processes for buying, sharing and exchanging balancing capacity. The Proposal also provides for a market-based allocation process. The Baltic TSOs foresee the use of demand reduction resources to reduce the amount of balancing capacity that needs to be procured from primary and reserve resources to meet the demand of the Baltic TSOs. The Baltic TSOs with

demand reduction resources will not be remunerated for activated capacity. Backup resources will be given lower priority than primary and demand reduction resources, provided that they do not increase the marginal price of the relevant bidding zone.

At the beginning of 2025, NERC approved the **standard terms and conditions of the imbalance settlement contract**, taking into account the provisions of EU regulations and the growing need for balancing capacity. The amendments aim to encourage better quality planning of electricity production and consumption by balancing responsible parties (BRPs).

NERC also approved amendments to the contract on the purchase and sale of isolated operation reserve service of the electricity system, which define the pricing and settlement procedure for the aFRR service of UAB "Energy Cells". The balancing services provided by UAB "Energy cells" will reduce the need for balancing capacity and thus will contribute to the reduction of balancing costs.

3.2. Promotion of competition and market functioning

- 3.2.1. Wholesale market

- Monitoring price levels, the level of transparency, the level and effectiveness of market opening and competition

- Article 59(1)(n) and (o) of Directive (EU) 2019/944

In order to ensure that the regulator is able to verify the reasonableness of the costs of undertakings for the purposes of attributing them to regulated activities, the regulatory activity reports submitted by undertakings to NERC shall be audited by auditors from 2019 onwards in accordance with the terms of reference approved by NERC, i.e. the specific requirements. The terms of reference may be revised annually, either by adjusting the requirements set or by keeping the existing ones in place.

In order to ease the administrative burden, electricity and natural gas DSOs serving fewer than 100,000 customers, liquefied petroleum gas undertakings, as well as electricity undertakings recognised as having significant market power in the provision of a replacement reserve service and/or an isolated operation of the electricity system, the price of which is regulated by the state and which meet other conditions laid down by NERC, may choose the terms of reference for the verification of regulatory activity reports in 2025, either the same terms of reference applicable to all regulated undertakings or separate terms of reference for the verification of the regulatory activity reports of electricity and natural gas undertakings approved in September 2020.

In the electricity sector, NERC applies price regulation to 11 undertakings. In 2024, NERC adjusted the price caps for two infrastructure undertakings (AB "Energijos skirstymo operatorius", AB "Litgrid") and, for the new regulatory period, set the price caps for three infrastructure undertakings (AB "Achema", UAB "Dainavos Elektra", AB "Akmenės cementas") and one public electricity supply undertaking (UAB "Ignitis"). NERC also set the prices for the services for ensuring reserve power and isolated operation of the electricity system for the providers of those services (AB "Ignitis gamyba", AB "Panevėžio energija", AB "Orlen Lietuva", UAB "Kauno termofikacijos elektrinė") and the price of the isolated operation reserve service of the electricity system for UAB "Energy Cells".

In accordance with the provisions of the LE, NERC continuously monitors and controls the compliance of electricity market participants with the requirements of transparency, non-discrimination and competition in the electricity sector set out in the LE and other legislation, compliance with the conditions and requirements for licensed or authorised activities in the electricity sector, and the protection and defence of consumers' rights and legitimate interests, including the reliability of information provided to consumers. Undertakings operating on the wholesale electricity market are obliged to make the information defined in separate legal acts publicly available. Following the approved description of information to be made publicly available, NERC publishes, on its website, a list of the information to be made publicly available by electricity undertakings[9] (hereinafter – the List). If deficiencies in the publicly published information are detected, NERC prepares recommendations concerning the compliance of the prices of services in the energy sector with the requirements of transparency, non-discrimination and other legal requirements.

Article 12(5) of the Law of the Republic of Lithuania "On the Implementation of Regulation (EU) 2022/1854" imposes an additional obligation on NERC to monitor the correctness and justification of the amount of excess revenue calculated by the undertakings paying the excess revenue, to carry out assessments and identify discrepancies in tax returns. In 2024, NERC continued assessments of the excess revenue amounts declared by excess revenue paying undertakings. In 2024, NERC verified the documents submitted by 84 excess revenue paying undertakings to the excess revenue administrator. In addition, NERC requested 10 excess revenue paying undertakings to provide clarification of the information or documents submitted, and assessed the correctness and justification of the calculations based on the available data, documents, as well as the breakdown of excess revenue calculations, and decided to approve the excess revenue amounts declared by 37 excess revenue paying undertakings, which amounted to EUR 935,991.45. NERC also assessed, recalculated, and made a decision on the revised excess revenue amounts of 13 undertakings, which amounted to EUR 2,380,565.70, and on the amounts to be refunded to these undertakings, which amounted to EUR 11,099.89.

NERC, in order to carry out market monitoring and in accordance with the Rules on the Provision of Information by Energy, Drinking Water Supply and Wastewater Management, and Surface Wastewater Management Undertakings, as approved by NERC, collects information from undertakings that require licences, permits, certificates and/or are subject to state-regulated prices. On the basis of the information provided by the undertakings, NERC regularly prepares semi-annual electricity market monitoring reports and publishes them on its website[10] in order to increase market participant awareness and to ensure that they have reliable information at their disposal.

The level of transparency in relation to wholesale prices is monitored in accordance with the provisions of Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (REMIT). In addition, NERC has set limits on the disclosure of information that is considered inside information in accordance with the Rules on the Supervision of Trading in Electricity and Natural Gas[11] adopted by NERC.

Supervision of trading on the electricity market is carried out by analysing the behaviour of market participants, i.e. the submission of transactions, including orders to trade, the conditions under

[9] https://www.regula.lt/elektra/Puslapiai/elektros-energetikos-sektoriaus-ukio-subjektu-viesai-skelbiamos-informacijos-sarasas.aspx

[10] https://www.vert.lt/elektra/Puslapiai/elektros-rinkos-apzvalga/rinkos-stebesena.aspx

[11] https://www.e-tar.lt/portal/lt/legalAct/fbc3b880c84711e69dec860c1f4a5372/asr

which they are entered into, the explanations given by market participants and other circumstances, in order to prevent wholesale electricity market abuse. As part of the REMIT implementation, NERC, together with ACER, carried out continuous supervision of the wholesale electricity and natural gas markets, analysis of information available on insider platforms in the Lithuanian bidding area (9 inadequate/inaccurate urgent market messages (UMMs) were identified in the gas and electricity sector).

NERC also carried out registration of market participants (10 market participants registered), assessment of bilateral contracts for wholesale energy products and compliance with REMIT requirements, and monitoring of orders placed, and transactions concluded by market participants on exchanges.

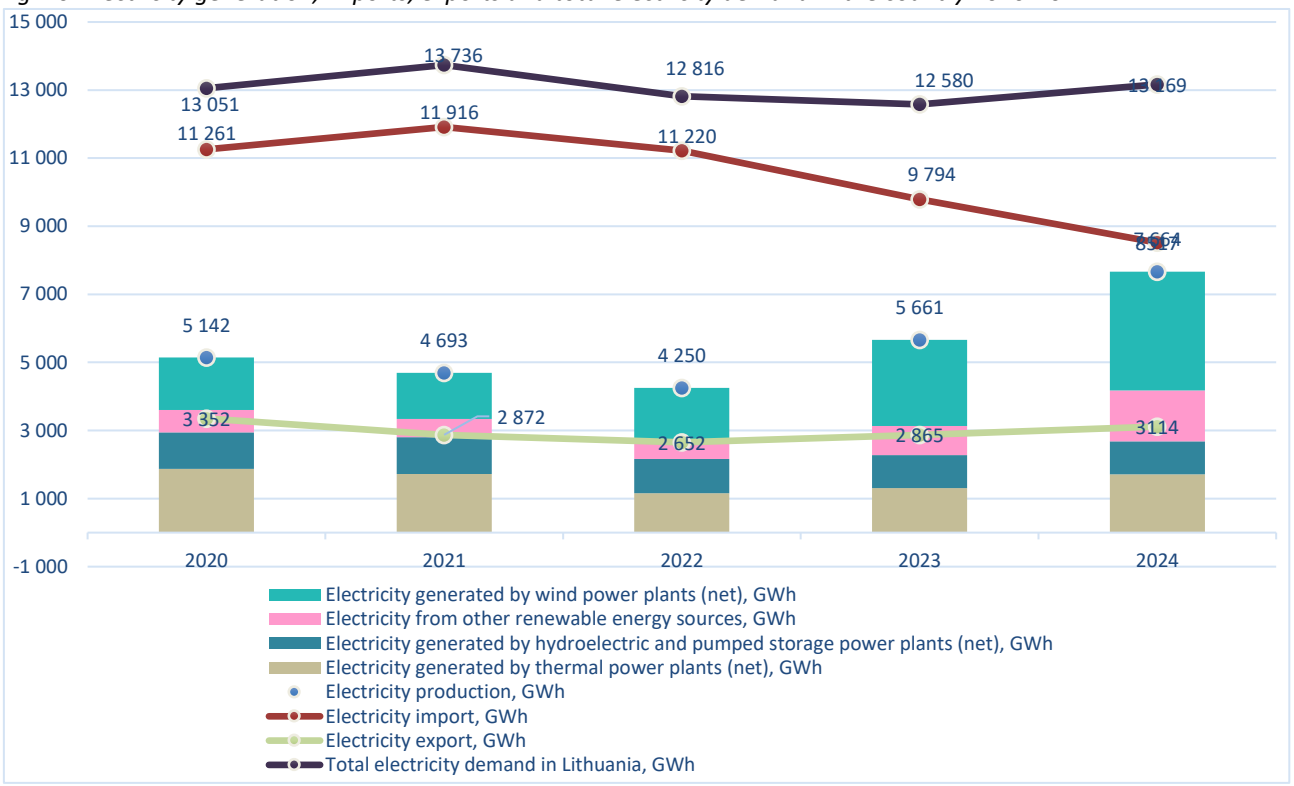
NERC is actively involved in the development of a common regional electricity market, including the development and implementation of various common legislation.

Harmonisation of rules between different EU countries should have a significant impact on the promotion of competition and the functioning of the market. Relevant measures implemented in relation to the implementation of the network codes are set out in the previous section – "Implementation of network codes and guidelines".

As in previous years, NERC published on its website all information related to its activities, such as news, various clarifications, statistical information, information on ongoing meetings, materials from public meetings, etc., in order to increase transparency, as well as the awareness of market participants and consumers.

Information on the country's total electricity demand, the amount of electricity produced (net) in the country and the amount of electricity imported and exported is presented in Figure 10 below.

Fig. 10. Electricity generation, imports, exports and total electricity demand in the country 2020-2024



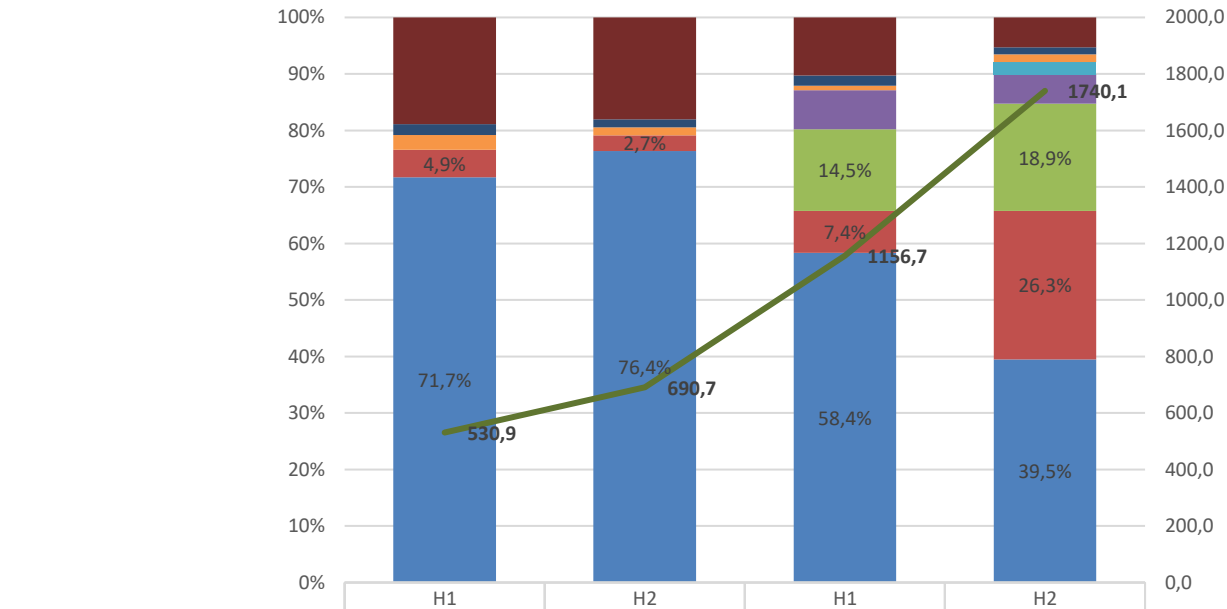
Source: NERC.

In 2024, the price of electricity in the Lithuanian price area, on the day-ahead market, was EUR 87.34/MWh. Imports accounted for 64.7% of the country's total electricity demand. For more information, see www.nordpoolgroup.com.

In the wholesale electricity market, 25 suppliers were operating in the purchasing and sale of electricity in 2024.

In 2024, there were three main suppliers on the wholesale electricity market: Eesti Energia AS, UAB "Ignitis", and Centrica Energy Trading AS. Together they accounted for 83% of total electricity sales on the electricity exchange in 2024.

Fig. 11. Structure of the electricity sales market on the electricity exchange by company, %, 2023-2024

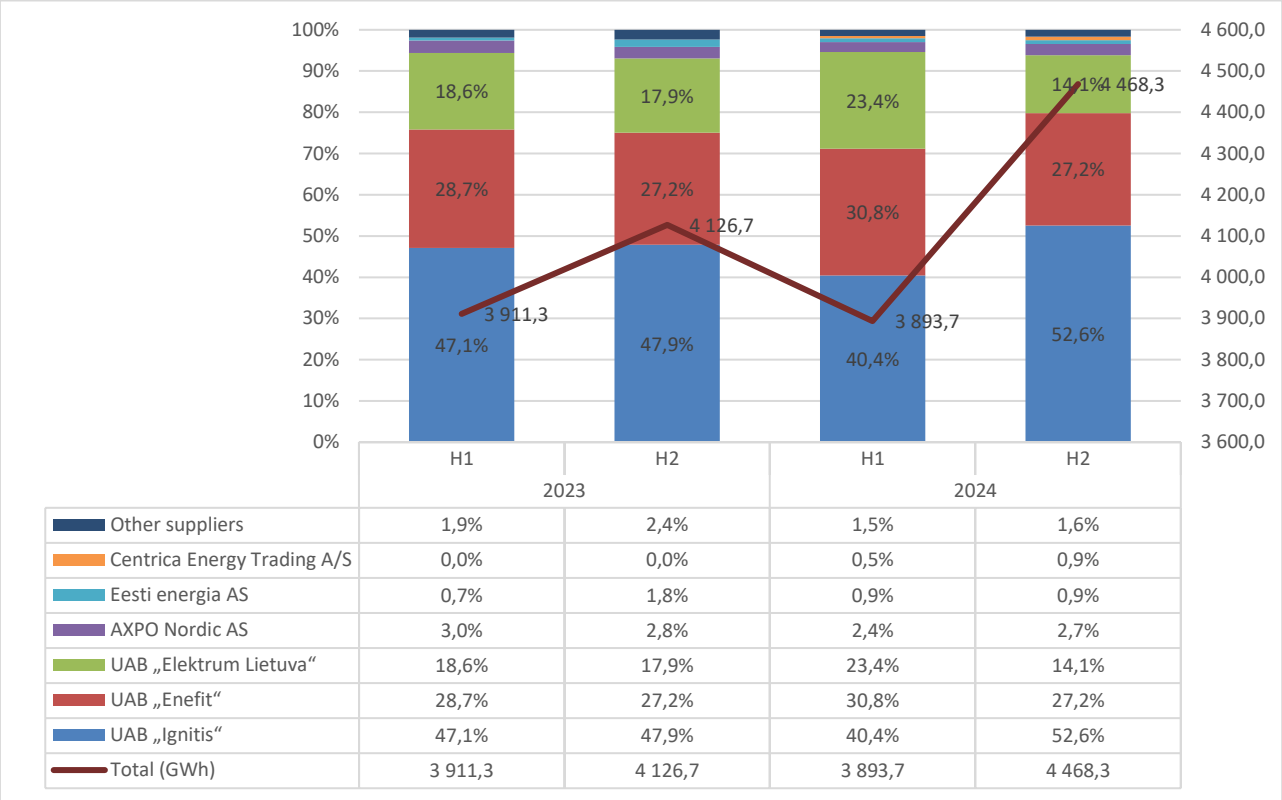


	H1 2023	H2 2023	H1 2024	H2 2024
Other suppliers	18,9%	18,0%	10,3%	5,3%
SIA „AOX Trade"	1,9%	1,4%	1,8%	1,3%
UAB „Scener"	2,6%	1,4%	0,8%	1,4%
Second Foundation Trading AG	0,0%	0,0%	0,0%	2,2%
UAB „Elenger"	0,0%	0,0%	6,9%	5,2%
Centrica Energy Trading A/S	0,0%	0,0%	14,5%	18,9%
UAB „Ignitis"	4,9%	2,7%	7,4%	26,3%
Eesti energia AS	71,7%	76,4%	58,4%	39,5%
Total (GWh)	530,9	690,7	1156,7	1740,1

Source: NERC.

In 2024, the largest purchases of electricity on the electricity exchange were made by UAB "Ignitis" (52.6%), UAB "Enefit" (27.2%), UAB "Elektrum Lietuva" (14.1%).

Fig. 12. Structure of the electricity purchase market on the electricity exchange by independent suppliers, %, 2023-2024



	H1 2023	H2 2023	H1 2024	H2 2024
Other suppliers	1,9%	2,4%	1,5%	1,6%
Centrica Energy Trading A/S	0,0%	0,0%	0,5%	0,9%
Eesti energia AS	0,7%	1,8%	0,9%	0,9%
AXPO Nordic AS	3,0%	2,8%	2,4%	2,7%
UAB „Elektrum Lietuva“	18,6%	17,9%	23,4%	14,1%
UAB „Enefit“	28,7%	27,2%	30,8%	27,2%
UAB „Ignitis“	47,1%	47,9%	40,4%	52,6%
Total (GWh)	3 911,3	4 126,7	3 893,7	4 468,3

Source: NERC.

- 3.2.2. Retail market

- Monitoring price levels, transparency levels, level and effectiveness of market opening and competition

- Article 59(1)(o) of Directive (EU) 2019/944: Market opening and competition

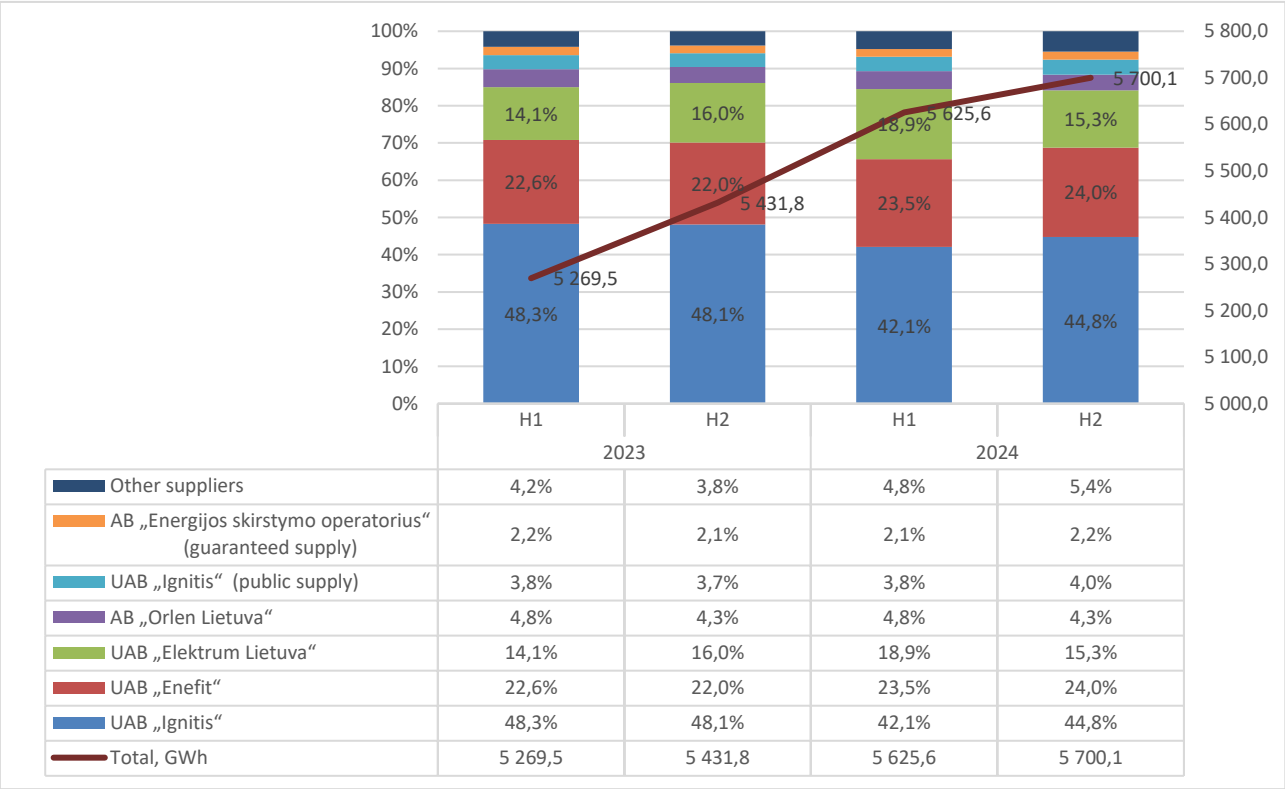
The retail market is, in principle, monitored and controlled under the same principles as those set out in Section 3.2.1. Since 2013, all non-household customers have been paying for their electricity at market prices and, if necessary, guaranteed supply to these consumers is ensured for a maximum of six months. Household consumers also have the right to choose an independent electricity supplier and to purchase electricity on the market or under bilateral contracts.

The number of consumers in the country in 2024, compared to 2023, increased from 1,877,560 to 1,896,804, of which 1,710,249 (90.2%) are household consumers. The consumption of non-household customers purchasing electricity at public prices changed marginally and amounted to 0.108 TWh in 2024 (0.103 TWh in 2023). Consumption by household customers purchasing electricity at public prices amounted to 0.334 TWh in 2024, showing an increase of 11.6% as compared to 2023 (0.299 TWh). Compared to the previous year, in 2024, the number of household customers purchasing electricity from independent electricity suppliers increased from 1,232,928 to 1,238,727.

In 2024, the three largest independent electricity suppliers in the retail independent supply market were: UAB “Ignitis”, UAB “Enefit”, and UAB “Elektrum Lietuva”. In terms of electricity supplied to the market, their share in the retail market was 84.3%. Among the largest independent electricity

suppliers in 2024, UAB “Elektrum Lietuva” (+2.0%), UAB “Enefit” (+1.5%) increased their market shares, as compared to 2023.

Fig. 13. Structure of retail market sales by supplier, %, 2023-2024



	2023 H1	2023 H2	2024 H1	2024 H2
Other suppliers	4,2%	3,8%	4,8%	5,4%
AB „Energijos skirstymo operatorius“ (guaranteed supply)	2,2%	2,1%	2,1%	2,2%
UAB „Ignitis“ (public supply)	3,8%	3,7%	3,8%	4,0%
AB „Orlen Lietuva“	4,8%	4,3%	4,8%	4,3%
UAB „Elektrum Lietuva“	14,1%	16,0%	18,9%	15,3%
UAB „Enefit“	22,6%	22,0%	23,5%	24,0%
UAB „Ignitis“	48,3%	48,1%	42,1%	44,8%
Total, GWh	5 269,5	5 431,8	5 625,6	5 700,1

Source: NERC.

In the second half of 2024, the average forecast electricity price on the Lithuanian market was 8.353 ct/kWh, while in the first half of 2025 it was 8.811 ct/kWh. The average retail price of the public supplier in the second half of 2024 for a typical household consumer was 6.776 ct/kWh (purchase of electricity, taking into account the excess income collected by the supplier and returned to consumers), while in the first half of 2025, it was 7.508 ct/kWh (purchase of electricity, taking into account the excess income collected by the supplier and returned to consumers).

The public electricity price for household consumers purchasing electricity from medium voltage networks was 10.367 ct/kWh (excl. VAT) in the second half of 2024, 10.496 ct/kWh (excl. VAT) in the first half of 2025; for purchasing electricity from low voltage networks, the price in the second half of 2024 was 15.885 ct/kWh (excl. VAT), in the first half of 2025 it was 16.484 ct/kWh (excl. VAT).

In 2024, NERC also completed a scheduled inspection of AB “Energijos skirstymo operatorius” in order to assess the validity of the attribution of regulated asset values to medium and low voltages in 2016–2018. The inspection was completed on 31 October 2024, with the company being required to submit information to NERC within six months on the specific measures planned to improve the accounting of regulated operational assets and the components used to calculate them, their implementation deadlines for ensuring that the accounting documents contain accurate, valid, easily comparable, and traceable information. The company must also revise its accounting rules (Description of Regulated Accounting System).

In 2024, NERC commenced 11 inspections, with the aim of 10 of them being to assess whether the independent electricity suppliers used the compensations allocated from the State budget

according to their intended purpose, i.e. to reduce the purchasing prices of electricity for household consumers during the energy crisis, while the purpose of the remaining one inspection was to assess whether the regulated undertaking, by allowing the cryptocurrency mining equipment to be installed on its territory, had not violated the requirements set for regulated activities.

- Article 59(1)(o) of Directive (EU) 2019/944: Prices for household consumers

Since 1 July 2025, a new tariff plan “Effective” for the distribution service, which includes a power component, has been presented on the market for household consumers. The plan aims at a more effective use of the network encouraging household consumers to renounce the power they do not use. Consumers may chose this plan on a voluntary basis. The single-time zone tariff “Effective” provides for a power component of EUR 1 per kW/month (with VAT) and an energy component that is 8.6% to 22.9% lower.

Household consumers, like non-household consumers, have the right to choose an independent electricity supplier and purchase their electricity on the market or through bilateral contracts. Household consumers who have not chosen an independent electricity supplier, as well as vulnerable consumers, are supplied with electricity at the public electricity price by a public supplier operating in the territory specified in the license.

Compared to the previous year, the average annual consumption per household has increased from 1,817 kWh to 1,833 kWh (increase of 0.9%).

UAB “Ignitis” carries out both public electricity supply and independent electricity supply activities. In 2024, this company supplied 67.2% of the total electricity consumed by household customers, of which 18.9% was supplied at the public electricity price (16.7% in 2023). In 2024, as in 2023, the share of public electricity supply in the retail market accounted for around one tenth of the total electricity consumption by household customers.

According to the provisions of the LE, for electricity consumers whose facilities are connected to electricity networks managed by TSO, the guaranteed electricity supply is ensured by the DSO serving more than 100,000 consumers, and for electricity consumers whose facilities are connected to electricity networks managed by the DSO, the guaranteed electricity supply is ensured by that DSO. At the end of December 2024, 40,674 household consumers were covered by the services of the guaranteed supplier (40,543 household consumers in 2023).

Price cap for public electricity supply: UAB “Ignitis” sells electricity at public tariffs to household consumers who consume less than 1,000 kWh of electricity per year and have not chosen an independent supplier – the price cap for public electricity supply service for 2025 is set at 0.913 ct/kWh. This is a decrease of 0.051 ct/kWh compared to 0.964 ct/kWh in 2024. The price decrease is related to the planned increase in electricity supply in 2025.

NERC has set the price cap for public electricity for the second half of 2024 and first half of 2025. Comparing these half-years, the price cap for consumers connected to medium-voltage networks increased by approximately 1.2%, while for consumers connected to low-voltage networks, it increased by 3.8%. The part of the price regulated by NERC decreased by 16.8% for medium-voltage consumers and by 1.5% for low-voltage consumers, but the overall increase in the price was due to an increase in the purchase price of electricity, which includes the return of the revenues received

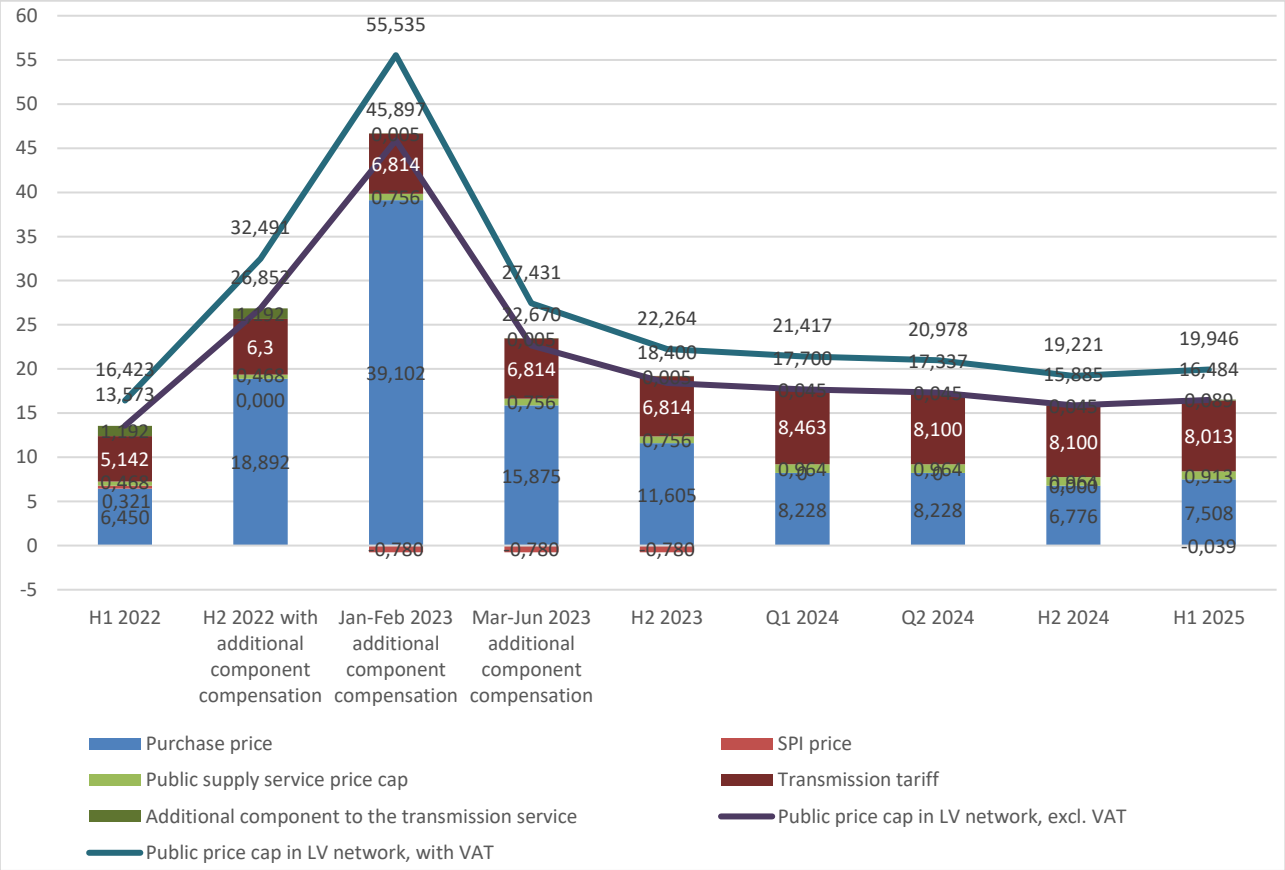
in excess of the company's actual electricity purchase costs. NERC decreased the costs of electricity purchase by EUR 3.3 million, excluding VAT, in the second half of 2024 and the first half of 2025.

Household consumers pay for their electricity according to the public tariffs set by NERC. The final electricity price for end-users consists of the following:

- purchase price;
- SPI price;
- price for purchasing ancillary services (formerly, system services);
- transmission service price;
- price for distribution services over medium- and low-voltage networks;
- supply price;
- additional component.

It should be noted that the Ministry of Energy prepared and submitted a draft amendment to the LE in February 2025, which proposes to continue public electricity supply for socially vulnerable consumers and household consumers who consume less than 1,000 kWh per year until 2030.

Fig. 14. Public electricity price in the first half of 2022 – first half of 2025 (ct/kWh excluding VAT and including VAT)



Source: NERC.

- Article 59(1)(o) of Directive (EU) 2019/944: Pre-payment system

The pre-payment system applies to the following services provided by the largest DSO:

- disconnection-connection upon request of the client;
- disconnection- connection after payment of the debt;
- other.

The pre-payment system for consumers purchasing electricity from a public electricity supplier applies to the services listed in the table below.

Table 10. *Services of a public electricity supplier subject to a prepayment system*

Service group	Service explanation/comments
Remuneration for bailiff's actions	Applies to clients whose debt has been referred to bailiffs for recovery.
Remuneration for notarial acts	Applies to clients who have signed bills of exchange and have not paid them on time, the notary is paid a fee for issuing the enforcement record.
Advance payment for electricity consumed	The service has never been provided.
Penalty for failure to fulfil contractual obligations	The service has never been provided.
Legal action administration fee (lawyer's services, commission fee for payment order and confirmation of stamp duty payment order, other costs)	Applicable to clients whose debt has been taken to court, judicial debt recovery has been carried out.
For interest awarded by the court	The service has never been provided.
Stamp duty	Applies to clients whose debt has been referred to court.

Source: NERC.

- Article 59(1)(o) of Directive (EU) 2019/944: Dynamic price contracts

At the end of 2024, around 205,514 dynamic price contracts were concluded with household consumers. In the second half of 2022, smart meters were launched, allowing consumers to start choosing dynamic price contracts more actively (about 10,000 dynamic price contracts in 2022). For consumers with smart meters, the DSO AB "Energijos skirstymo operatorius" offers an electricity tariff plan called "Smart", in which the following time intervals are applied: night, morning, day and evening energy components. The Saturday, Sunday and public holidays time intervals are split into the corresponding time intervals of energy components of night and day.

Since 1 July 2025, the tariff plan "Smart" has been renamed to 4-time zone tariff "Standard".

- Article 59(1)(o) of Directive (EU) 2019/944: Smart meter use

According to the most relevant data, 1.07 million smart meters have been installed as of 17 February 2025. By 31 December 2024, 1.03 million smart meters have been installed.

DSO AB "Energijos skirstymo operatorius" began mass installation of smart electricity meters for commercial consumers and household consumers with the consumption of more than 1,000 kWh/year in the second half of 2022. NERC is remotely monitoring the project, i.e. AB "Energijos skirstymo operatorius" developed a monitoring system and has received the approval of NERC. In 2022, 2023 and 2024, AB "Energijos skirstymo operatorius" submitted to NERC project implementation reports and supporting documents confirming that the financial and economic benefits generated are in line with the financial and economic indicators set out in the investment project coordinated by NERC.

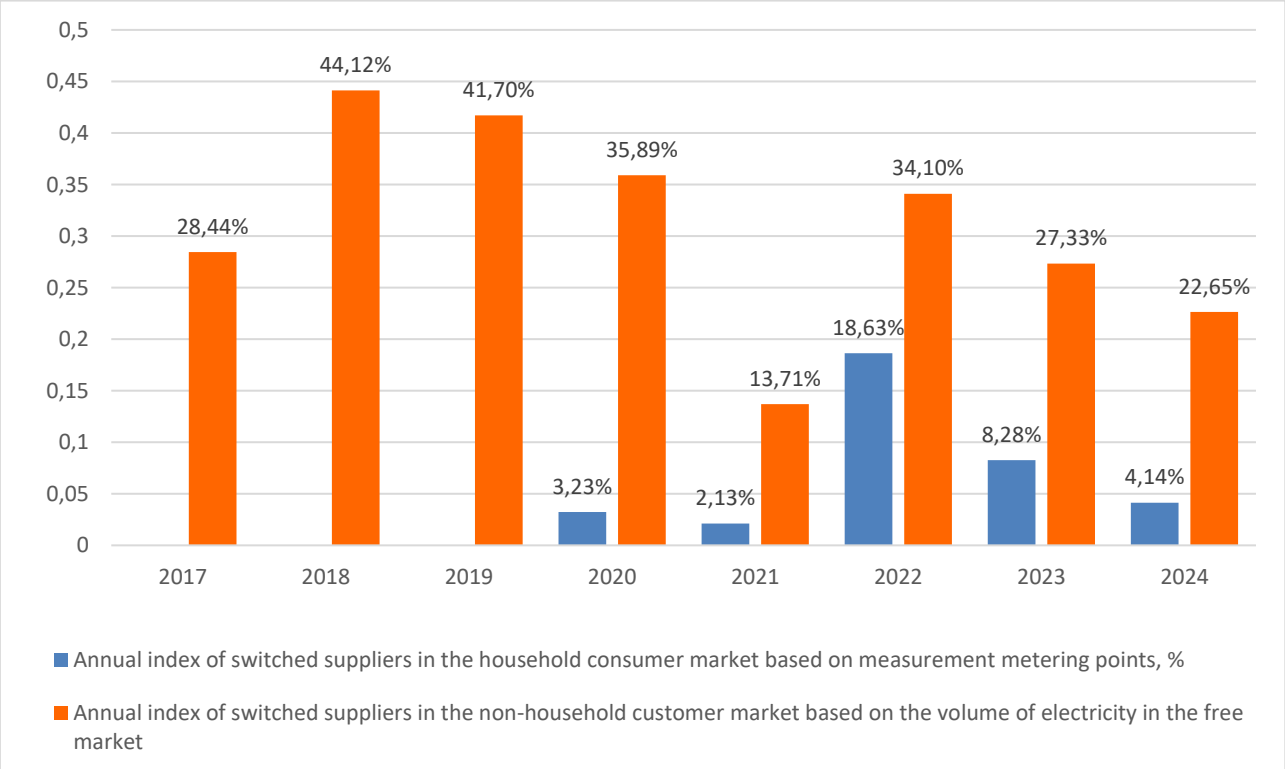
In 2024, all the modules foreseen in the project have been completed, enabling market participants (independent suppliers, operators, demand aggregators, third parties) to exchange data via the Data Hub.

- Article 59(1)(o) of Directive (EU) 2019/944: Electricity supplier switching index

Following the adoption of the amendments to the LE in May 2020 and with the launch of the liberalisation of the electricity supply market for household consumers, household consumers, like commercial consumers, also have the right to choose an independent electricity supplier and to buy electricity on the market or under bilateral contracts. By 7 March 2025, an independent electricity supplier has been chosen by 98% (95,125 consumers) of consumers in Stage I, 95% (699,592 consumers) of consumers in Stage II, and 49% (451,332 consumers) of consumers in Stage III, and a total of 1,246,558 consumers (with the total number consumers in Stages I to III exceeding 1,749 million). In 2021, it was decided to extend the deadline for Stage II consumers (consuming 1,000-5,000 kWh/year) for choosing a supplier and concluding a contract to 18 June 2022. In 2022, it was decided to extend the deadline for Stage III consumers (consuming up to 1,000 kWh/year) for choosing a supplier and concluding a contract to 1 January 2026. On 13 February 2025, a draft amendment to the LE was submitted, proposing to extend the liberalization of the electricity market for another four years, i.e. until the beginning of 2030, and to allow small consumers consuming up to 1,000 kWh of electricity per year, as well as socially disadvantaged or disabled household consumers, to use public electricity supply.

The figure below shows the annual index of switched suppliers in the non-household consumer market by the volume of electricity and in the household consumer market by number of measurement metering points. In 2024, the annual index of switched suppliers in the non-household consumer market based on the volume of electricity in the free market was 22.65% and in the household consumer market based on the number of metering points was 4.14%. In 2024, the annual switching index for the non-household consumer market in terms of the electricity volume on the free market decreased by 4.68% and for the household consumer market in terms of the number of metering points decreased by 4.14%, compared to 2023.

Fig. 15. Annual switching index in 2017-2024 for the non-household consumer market by electricity volume on the free market and for the household consumer market by metering points, %.



Source: NERC.

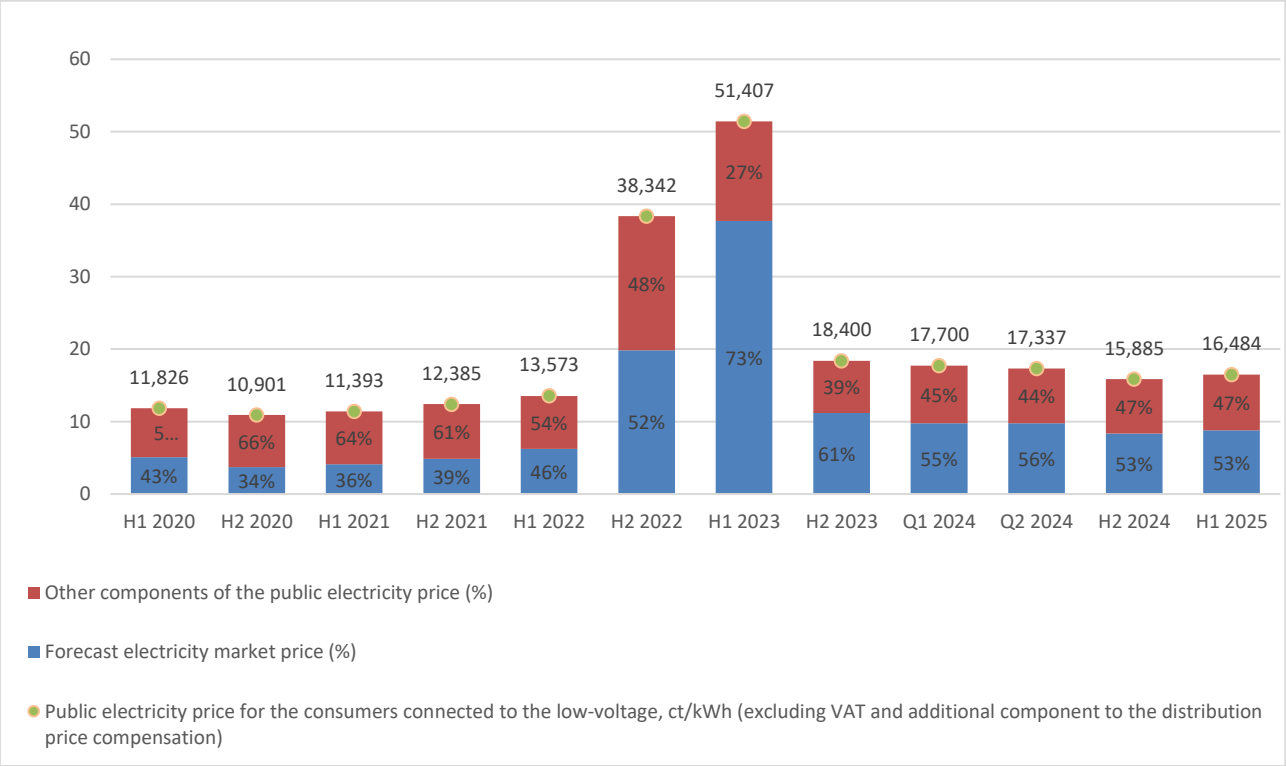
- Article 59(1)(o) of Directive (EU) 2019/944: Charges for maintenance services

NERC assesses the repair, maintenance, operation, personnel, administrative and other costs of electricity transmission system operator (AB "Litgrid"), the main distribution system operator (AB "Energijos skirstymo operatorius"), as well as the smaller DSOs (AB "Achema", AB "Akmenės cementas", UAB "Dainavos Elektra") according to the annual reports on the regulatory activities. Economically justified maintenance costs of electricity transmission activities and electricity distribution activities are included when setting the price cap for the TSO transmission service and the price caps for the DSO distribution services over medium and low voltage networks.

- Article 59(1)(o) of Directive (EU) 2019/944: Relationship between household and wholesale prices

In accordance with the Methodology for Setting of the Price Cap for Electricity Transmission, Distribution and Public Supply Services and of Public Supply, as approved by NERC, one of the components of the public electricity price is the purchase price of electricity. This price consists of the forecast electricity market price, determined by NERC in accordance with the Methodology for Setting of the Forecast Electricity Market Price and Reference Price, as approved by NERC, and other costs related to the purchase of electricity, such as electricity exchange fees, electricity balancing costs, and the adjustment of the share of the forecast and actual costs of the purchase of electricity.

Fig. 16. Share of the electricity market price (%) in the public electricity price cap for the first half of 2020 - the first half of 2025

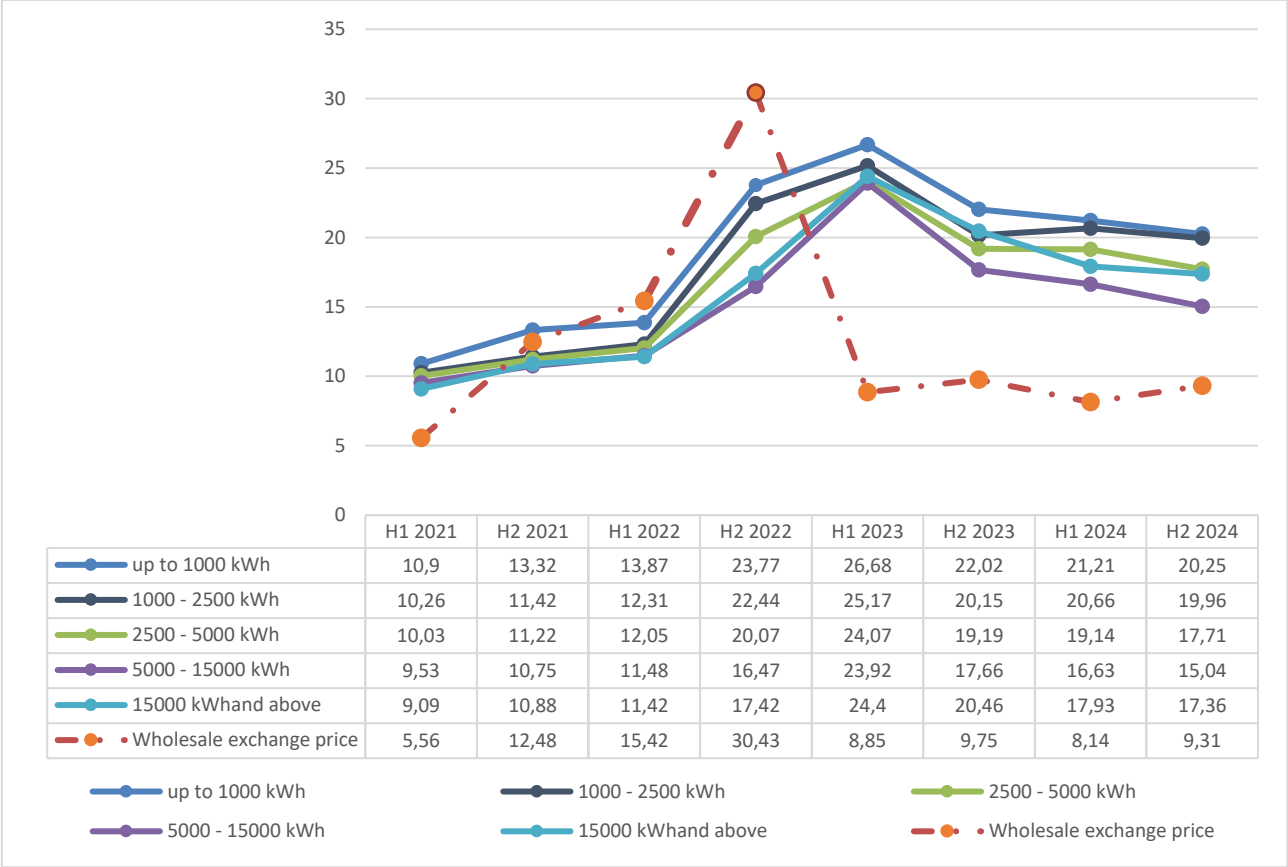


Source: NERC.

The forecast electricity market price for 2024 and 205 in the public purchase price of electricity applicable to household electricity consumers is 53% of the total public electricity price applied to consumers connected to low-voltage networks.

After a record high in 2022, the electricity price on the Nord Pool electricity exchange steadily declined in 2023 and 2024. The average annual price of electricity fluctuated by about 1% from EUR 89.00/MWh in December 2023 to EUR 89.69/MWh in December 2024. The average exchange price in 2024 (EUR 87.34/MWh), compared to 2023 (EUR 94.44/MWh), decreased by 7.51%.

Fig. 17. Development of the average electricity market price (ct/KWh) for household consumers and the average electricity price (ct/KWh) on the Nord Pool exchange in the first half of 2021 - second half of 2024



	H1 2021	H2 2021	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	H2 2024
up to 1000 kWh	10,9	13,32	13,87	23,77	26,68	22,02	21,21	20,25
1000 - 2500 kWh	10,26	11,42	12,31	22,44	25,17	20,15	20,66	19,96
2500 - 5000 kWh	10,03	11,22	12,05	20,07	24,07	19,19	19,14	17,71
5000 - 15000 kWh	9,53	10,75	11,48	16,47	23,92	17,66	16,63	15,04
15000 kWhand above	9,09	10,88	11,42	17,42	24,4	20,46	17,93	17,36
Wholesale exchange price	5,56	12,48	15,42	30,43	8,85	9,75	8,14	9,31

Source: Nord Pool, Eurostat, NERC calculations

According to Eurostat data (https://ec.europa.eu/eurostat/data/database), in the second half of 2024, the average electricity price for household electricity consumers consuming up to 1,000 kWh from 2021 increased by about 86% (from 10.90 in 2021 to 20.25 ct/kWh in 2024), but the comparison of the average purchase price of electricity in the second half of 2024 with the price in the first half of 2024 shows a decrease of around 4.52%.

- Article 59(1)(o) of Directive (EU) 2019/944: Distortion or restriction of competition

Article 8(9)(15) of the Law on Energy establishes that NERC should monitor whether there are any occurrences of contractual practice that restrict competition, including exclusivity clauses, which may prevent or restrict large non-household consumers from entering into simultaneous contracts with more than one supplier.

The procedures for submitting information on distortions or restrictions on the electricity market, including the provision of appropriate information, and for submitting investigations of relevant cases on the market to the Competition Council of the Republic of Lithuania should be carried out in accordance with the procedures established by law. NERC carries out market research in order to ensure effective competition in the electricity sector and, at the same time, to prevent market

participants from applying excessive prices or price pressure to the detriment of market participants due to lack of effective competition. It should be noted that no such cases were identified in 2024.

- Article 59(1)(s), Article 5(1) of Directive (EU) 2019/944: Competitive prices

Pursuant to the provisions of the Law on Energy, once every five years, NERC publishes recommendations related to the compliance of prices for the services in the energy sector with transparency, non-discrimination and other requirements laid down in legislation and submits them to the Competition Council of the Republic of Lithuania. NERC approved these recommendations by Resolution No O3-373 of 19 June 2015 "Regarding the Approval of the 2015 Recommendations Relating to Compliance of Prices for the Services Within the Energy Sector with Transparency, Non-discrimination and Other Requirements Laid Down in Legislation"[12]. They are published on the NERC website[13]. The most recent recommendations will be drawn up and published in the nearest future.

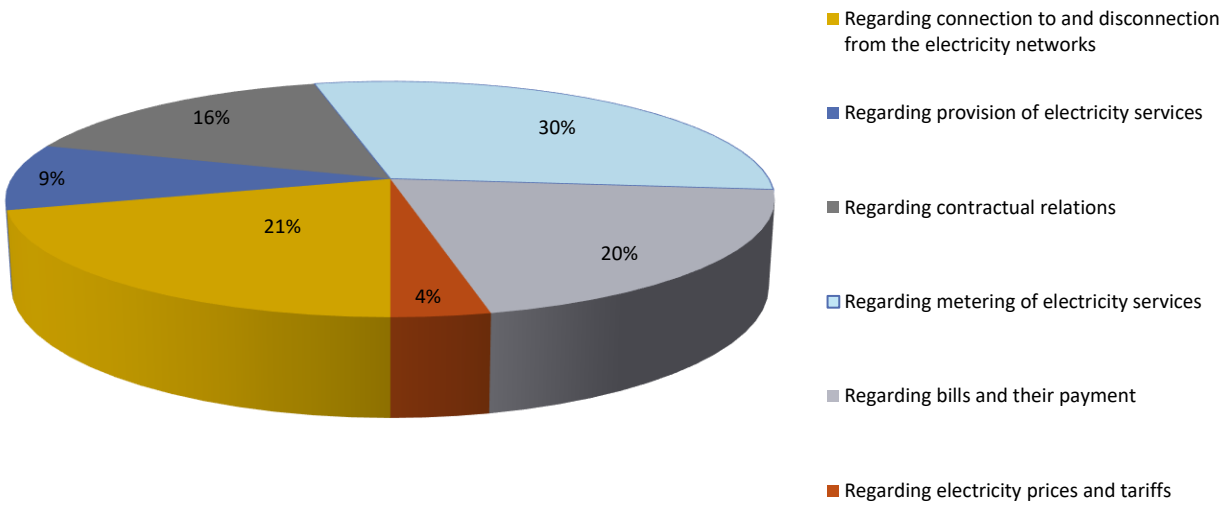
For more information on electricity prices and competition in the retail market, see "Market opening and competition".

- **Consumer protection and examination of applications**

- Article 59(1)(o) of Directive (EU) 2019/944: Complaints by household consumers

In 2024, NERC received 1,603 applications from natural persons concerning the electricity sector. It should be noted that a single application often concerns several issues (e.g. billing and applicable prices, billing and accounting, service provision and applicable prices), which means that the number of applications received is lower than the total number of applications by their type.

Fig. 18. Distribution of applications in the electricity sector in 2024 (%) by the type of the application



Source: NERC.

[12] https://www.vert.lt/Docs/nutarimas_373_.pdf
[13] https://www.vert.lt/Puslapiai/statine/komisijos-nutarimu-sarasas.aspx.

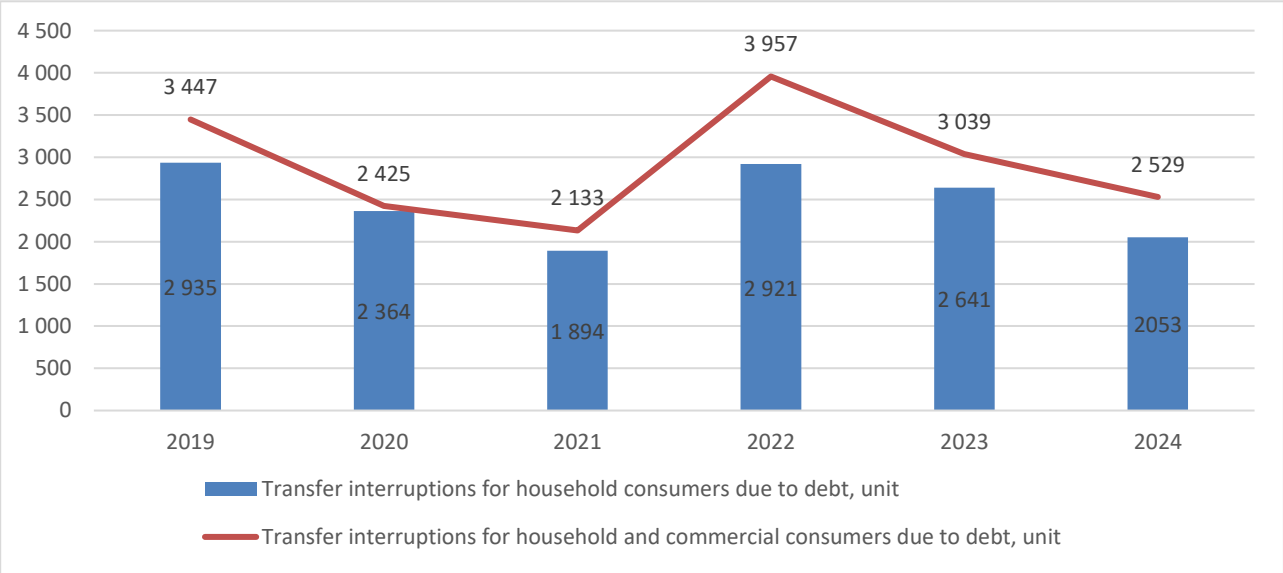
- Article 59(1)(o) of Directive (EU) 2019/944: Disconnection of consumers from the electricity network

In Q1-Q4 2024, AB "Energijos skirstymo operatorius" interrupted the transfer of electricity to 1,947 consumers, including 1,539 household consumers, due to unpaid debts. In the case of debt, the interruption of electricity is carried out at any time of the year. No power cuts are performed where:

- maximum daily air temperature is below minus 15 (fifteen) degrees Celsius;
- a maximum daily air temperature is above plus 30 (thirty) degrees Celsius;
- on Fridays, Saturdays, Sundays, public holidays and pre-holidays, except in certain cases where the temporary interruption of the transfer of electricity is not due to the fault of the network user, and the interruption of the transfer of electricity is due to the fault of the network user. In such cases, the supply to the consumer may be interrupted on the day following the end of the circumstances set out in this point, provided that the vulnerable consumer has been notified about that in accordance with the procedure laid down in the Rules for the Supply and Use of Electricity and in the other legal acts implementing the LE.

The average number of working days between the date of notice of payment and the date of disconnection, if payment is not made, is 22 working days.

Fig. 19. Electricity transfer interruptions due to debt in 2019-2024



Source: NERC.

- Article 59(1)(p) of Directive (EU) 2019/944: Restrictive contractual practices

No restrictive contractual practices were identified in 2024.

- Articles 5(2) and 59(1)(s) of Directive (EU) 2019/944: Protection of vulnerable consumers and consumers in energy poverty

Measures for the protection of vulnerable customers are provided for in the LE and the Description of the Procedure for the Application of Additional Guarantees for Socially Vulnerable Electricity Consumers approved by Resolution No 527 of the Government of the Republic of Lithuania of

27 May 2015 “On the Approval of the Description of the Procedure for the Application of Additional Guarantees for Socially Vulnerable Electricity Consumers”.

Under the LE, household consumers, including vulnerable consumers, have the right to:

(1) unilaterally terminate, free of charge, the electricity transfer service contract and/or electricity sale and purchase contract upon notifying the network operator and/or supplier in writing no later than 2 weeks prior to the planned agreement termination date;
(2) conclude electricity sale and purchase contracts of indefinite duration with the public supplier in cases where the household consumer does not choose an independent electricity supplier or the independent supplier of their choice fails to fulfil the assumed obligations and the household consumer intends to purchase electricity from the public supplier, as well as an electricity sale-purchase contract of indefinite duration with an independent supplier and an electricity transfer service contract with the distribution network operator.

It should be noted that as part of the liberalisation of the electricity market, the public supplier had to ensure the public supply of electricity to vulnerable consumers until 1 January 2026. However, a draft amendment to the LE has been submitted and it has been proposed to extend the liberalisation of the electricity market for another four years, i.e. until the beginning of 2030, and to allow small consumers consuming up to 1,000 kilowatt-hours (kWh) of electricity per year, as well as socially disadvantaged or disabled household consumers to use public electricity supply.
The LE also provides additional measures for the protection of the rights and legitimate interests of vulnerable consumers. Vulnerable consumers should not be subject to restriction and/or interruption of the supply and/or transfer of electricity where they fail to pay for the electricity supplied or fully or partially pay for the electricity transfer service or other related services within a specified period of time, provided that the debt of such vulnerable consumers to the distribution network operator or supplier amounts or amounted up to three basic social allowances.

In all cases, vulnerable consumers may not have their electricity supply and/or transfer interrupted on Fridays, Saturdays, Sundays, public holidays and pre-holiday days, or in emergencies (where the maximum daily air temperature is below minus 15 °C or above plus 30 °C) due to a failure or improper fulfilment of the obligation to pay. In such cases, the supply to the consumer may be interrupted on the day following the end of the aforementioned specified circumstances, provided that the vulnerable consumer has been notified in accordance with the procedure laid down by law.

Vulnerable consumers shall have the right to settle with the DSO or supplier by the last day of the month following the calendar month during which the electricity is transferred and/or supplied or other related services are provided to the consumer (unless longer settlement periods have been agreed upon at the request of the vulnerable consumer). In addition, where vulnerable consumers fail to pay for the electricity supplied or fully or partially pay for the electricity transfer service or other related services within the prescribed time limit, no interest will be charged for 3 months from the date of the missed deadline.

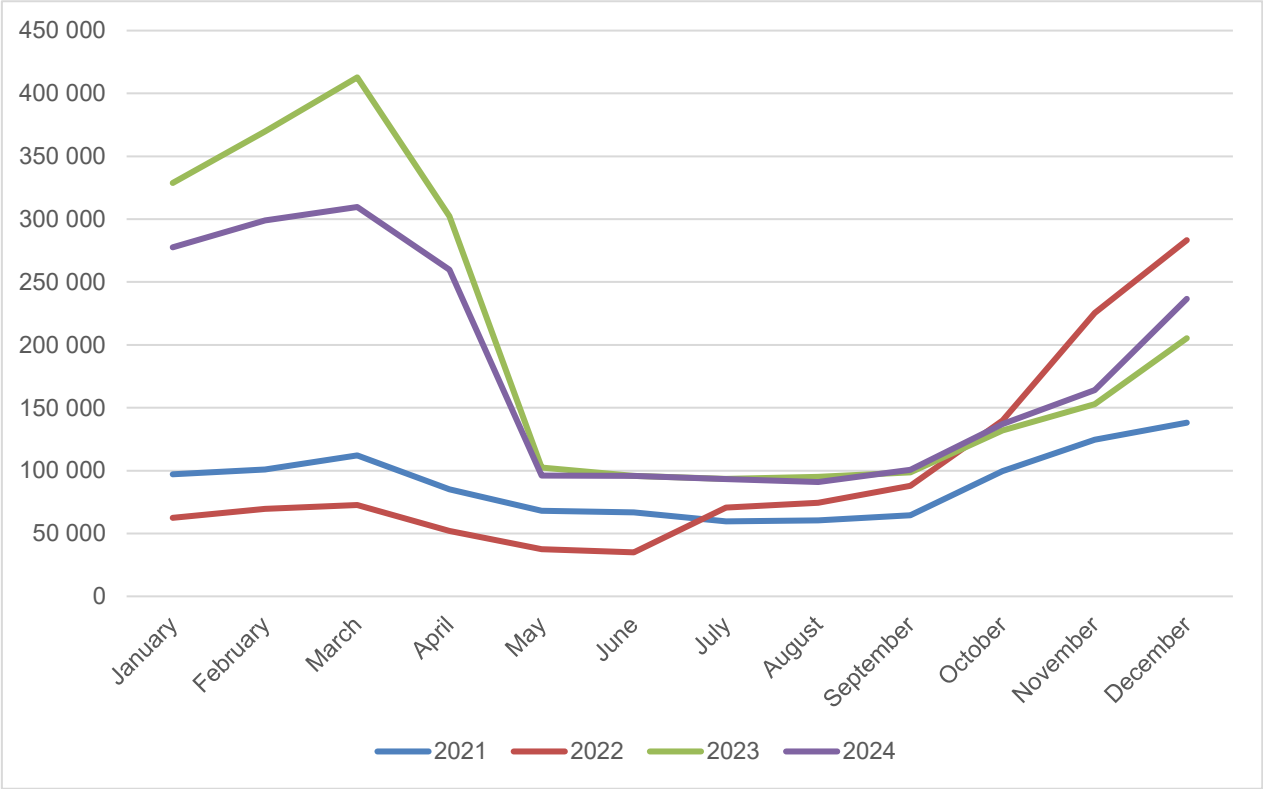
For vulnerable consumers, when connecting electrical equipment to electricity networks managed by the DSO, if the connection fee exceeds EUR 600, 60% of the connection fee will be paid within 10 calendar days of the signing of the consumer’s connection service agreement, and the remainder of the fee will be paid within 10 calendar days following the completion of the contracting works. The connection service should be provided once the first instalment of the connection service fee has been paid by the vulnerable consumer. The DSO should notify the vulnerable consumer of the completion of the contracted works and deliver to the vulnerable consumer the documents

necessary for payment in accordance with the procedure set out in the connection service contract. When the consumer's or producer's electrical equipment or energy storage facilities are connected to the distribution network, the vulnerable consumers should pay 20% of the costs incurred by the distribution network operator or the rate approved by NERC on the basis of this amount.

The smart metering system should be installed free of charge at the request of a vulnerable consumer when such a request is made by a vulnerable consumer or a consumer who is disabled, as defined in the Law of the Republic of Lithuania on the Social Integration of the Disabled.

The Description of the Procedure for the Application of Additional Guarantees for Socially Vulnerable Electricity Consumers, approved by the Government of the Republic of Lithuania, stipulates that if a vulnerable consumer wishes to receive a hard copy of the payment document, the DSO or the public supplier cannot require the consumer to cover the costs of the provision of such hard copy.

Fig. 20. Number of vulnerable consumers in 2021-2024



Source: NERC.

- Articles 5(3), 5(4) and 59(1)(s) of Directive (EU) 2019/944: Intervention by setting electricity prices for vulnerable household consumers

Under the provisions of the LE, vulnerable consumers are supplied with electricity by a public electricity supplier at the public electricity price. This price is regulated by the State. For more information on the prices of the public supply of electricity applied to vulnerable consumers, is provided in the section "Prices for household consumers".

Vulnerable electricity consumers also have the right to choose an independent electricity supplier.

- Article 59(1)(t) of Directive (EU) 2019/944: Customer consumption data

Under the provisions of the LE, consumers have the right to have access to their electricity consumption data, including the amount of electricity consumed, and, by giving consent in writing or by means of electronic communications, to allow any supplier to have free access to their electricity consumption data, which the consumer has the right to receive free of charge.

The network operator is responsible for organising the metering and accounting of the electricity transferred through the electricity networks managed by them. The amount of electricity consumed by consumers connected to the distribution networks and purchasing electricity from public or independent suppliers, as determined by the network operators on the basis of the readings of metering devices, is recognised by the TSO as the actual amount of electricity consumed, which must be purchased by the public or independent supplier.

At the end of the calendar month, the DSO must submit to the supplier, not later than within 5 (five) working days, the available data on the quantities of electricity received from the distribution network and/or delivered to the distribution network by the network users in the territory specified in the DSO's operating licence, who have concluded contracts for the purchase and/or sale of electricity with this supplier.

If the electricity metering device is not connected to the DSO's automated data reading system, consumers can:

- declare their consumption data on the operator's self-service website;
- the amount of electricity consumed may be calculated on the basis of the annual average electricity consumption if the consumer does not provide actual readings by the deadline set in the contract.

If the electricity metering device is connected to the DSO's automated data reading system, consumers can view their consumption data on the operator's self-service website and the consumer does not need to declare himself.

- Article 59(1)(y) and Article 14 of Directive (EU) 2019/944: Availability of comparison tool for suppliers' offers

In September 2021, NERC launched a new electricity price comparison calculator for household consumers – a tool that facilitates the process of choosing an independent electricity supplier and provides consumers with more comprehensive information on electricity tariffs charged by suppliers. The calculator allows for the comparison of the offers of different independent electricity suppliers according to the criteria that are relevant to consumers: the consumer's annual (monthly) electricity consumption, the number of time zones, the fixed- or variable-price contracts, the demand for renewable energy, the duration of the price lock-in offered in the plan (1 to 12 months, 13 to 24 months, 25 to 36 months or price offers of more than 3 years), the duration of the contract and the supplier. Once the criteria have been selected, the consumer is presented with the plans offered by the suppliers, ranked from the cheapest to the most expensive ones. The calculator is available on the NERC website at https://skaiciuokle.vert.lt/. This calculator is being improved to enable micro and small enterprises to compare offers from independent electricity suppliers, however, this comparison is complicated by the fact that Lithuanian electricity suppliers provide

offers to micro and small enterprises on an individual basis, i.e. these offers are not standardized and are not made public. In 2024, consumers visited the calculator 283,980 times.

- Article 59(1)(z) of Directive (EU) 2019/944: Obstacles to and restrictions of consumption of self-generated electricity and the development of citizens' energy communities

In 2022, an amendment to the LE entered into force, introducing the concepts of active consumers and CECs, and their rights and obligations. Under the law, both active consumers and CECs can consume electricity generated in power plants they own, as well as sell electricity to other persons or to members of the community.

NERC monitors the change in the number of prosumers who are entitled to consume the electricity generated by their owned or otherwise operated power plants (by supplying it to the network and later withdrawing it). The rapid growth in the number of prosumers suggests that there are no significant barriers to the consumption of self-generated electricity.

In 2023, NERC approved a procedure for individuals to apply for the CEC status. By the end of December 2024, NERC granted the CEC status to 30 communities, i.e. the number of communities with the CEC status has increased more than fourfold compared to 2023 (when 7 communities had the CEC status).

4. GAS MARKET

4.1. Network regulation

- Network and LNG tariffs for connection and access

  - Report on the relevant new tariff regulation provisions

Setting the revenue cap

NERC sets the revenue cap for natural gas services for a five-year period, which is subject to annual adjustments. NERC approves the specific transmission, distribution, and LNG regasification prices once a year after verifying that they do not discriminate against separate customer groups and do not exceed the set revenue cap.

In 2024, amendments were made to the Methodology for Setting State-Regulated Prices within the Natural Gas Sector as approved by Resolution No O3-367 of the National Energy Regulatory Council of 13 September 2013. Main amendments:

- the possibility to respond more quickly to changes in gas prices on international markets if there is a difference of more than 20% between the natural gas purchase price estimated in the approved tariffs and the forecast half-yearly natural gas purchase price;
- a more objective distribution of costs between different consumer groups and more financial incentives for those who invest in improving energy efficiency, providing that a fixed part for all consumers in price group I may be set with reference to the amount of natural gas distributed when a justification is provided that, by applying only a single-component distribution price (paying only for the amount of natural gas consumed), a significant proportion of consumers in the group do not cover the costs incurred;
- after the end of the designated supply of natural gas in 2024, NERC will balance over the year 2025 the deviations due the forecasted and actual revenues of the designated supplier for the expired year of the regulation period;
- defined conditions and procedure under which natural gas companies may use financial derivatives in their regulated activities.

- Article 41(1)(a) and (6)(a) of Directive 2009/73/EC

Transmission activities

Transmission activities are carried out in Lithuania by the sole TSO – AB “Amber Grid”. The transmission activities are based on an entry and exit point pricing model, with revenue cap set and adjusted at the entry and exit points of the transmission system.

For AB “Amber Grid”, NERC set the revenue cap of EUR 63,828,000 for natural gas transmission for 2025 (the company's 2024 revenue level is EUR 67,011,000), i.e. 4.75% lower than in 2024.

After verifying that the prices of natural gas transmission services submitted by AB “Amber Grid” do not exceed the established revenue cap, that they are correctly differentiated to avoid cross-subsidisation between groups of system users and that they are reasonable and objective, NERC

approved the prices intended to be applied by AB "Amber Grid" from on 1 January 2025 with the average 7.4% increase for Lithuanian consumers, as compared to the prices effective in 2024.

Distribution activities

In 2024, NERC set the revenue caps for UAB "Gren Lietuva", adjusted the price caps for AB "Energijos skirstymo operatorius", AB agrofirm "Josvainiai" and UAB "Intergas", and approved the specific prices for these four distribution operators.

Table 11. *Dynamics of distribution revenue caps in the natural gas sector, EUR thousand, 2021-2025*

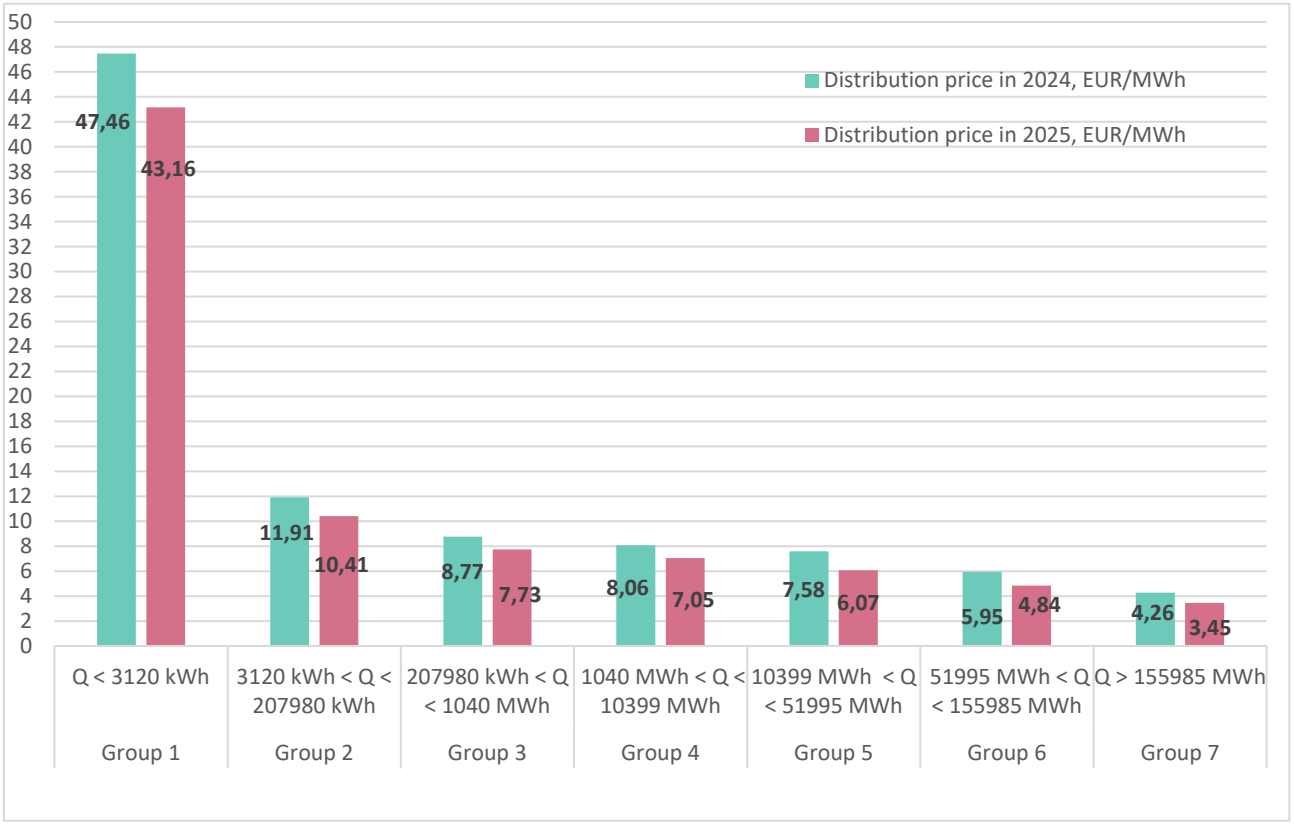
Revenue level, thousand EUR	2022	2023	2024	2025	Change, %
AB "Energijos skirstymo operatorius"	44,611.722	73,674.311	64,565	57,071	-11.6
UAB "Intergas"	2,779.566	3,120.168	2,822	3,009	+6.6
UAB "Gren Lietuva"	180.028	156.949	218	189	-13.3
AB agrofirm "Josvainiai"	55.641	46.702	34	59	+73.9

Source: NERC.

The revenue cap adjusted in 2025 by NERC for natural gas distribution activities of AB "Energijos skirstymo operatorius" decreases by 11.6%, compared to 2024. The main reason for the change is the assessment of ½ of the excess revenue for 2023 (as a result of deviation in technological costs) and decreasing wage costs.

In 2025, NERC approved lower natural gas distribution prices of AB "Energijos skirstymo operatorius" for individual groups of consumers, which, depending on the changes in the number of consumers and the volume distributed within the group, are by -9.1% to -19.9% lower.

Fig. 21. Prices of AB "Energijos skirstymo operatorius" for natural gas distribution services, EUR/MWh without VAT



Source: NERC.

Liquefied Natural Gas Terminal (hereinafter – LNGT)

In 2024, NERC adjusted the revenue cap for LNG regasification activities of AB "KN Energies" for 2025 to EUR 59,557,000, i.e. 0.6% higher than that in 2024 (EUR 59,198,000). When setting the revenue cap for the regasification activities of AB "KN Energies", the operator of the LNGT, NERC took into account the increased wage and operating costs, as well as the decreasing environmental pollution costs and other cost variances. Although the LNGT costs provided for in long-term contracts decreases by EUR 45,092,000, the acquisition of an LNG floating storage unit by AB "KN Energies" increased the depreciation (amortisation) costs by EUR 7,339,000 and return on investment by EUR 7,331,000. In addition, the repayment (EUR 6,707,000) of the loan received during the 2020–2024 regulatory period to cover the rental costs of the LNG floating storage unit begins starting with 2025. It is important to note that in 2024, the LNG floating storage unit became the property of the Lithuanian state, the LNG terminal operator has acquired it for EUR 138 million. NERC agreed on this investment in 2022. Until then, the LNG terminal floating storage unit "Independence" was leased from a Norwegian company. It should be noted that the Law on Liquefied Natural Gas Terminal sets out the obligation to purchase and own an LNG floating storage unit by the end of 2024 and to ensure its operation until 31 December 2044.

Determination of specific prices for LNG regasification and transhipment services

The LNG regasification price consists of fixed and variable parts: the fixed part is calculated per unit of consumption capacity of the identified transmission system users (EUR/(MWh/day/year)), and the variable part is determined per unit of the volume of LNG planned to be regasified (EUR/MWh).

With regard to LNG regasification services, in 2024, NERC approved:

- the variable part of the price paid for the regasification volume of natural gas, effective from 1 January 2025 – EUR 1.84/MWh (excluding VAT);
- the fixed part of the price to be included in the supply security component of the natural gas transmission price in 2024 – -26.34 (EUR/(MWh/day/year)).

Also, NERC set the price of the LNG transhipment service for 2025 at EUR 0.82/MWh. Compared to the LNG transhipment price of EUR 0.72/MWh in 2024, the price increases by EUR 0.10/MWh.

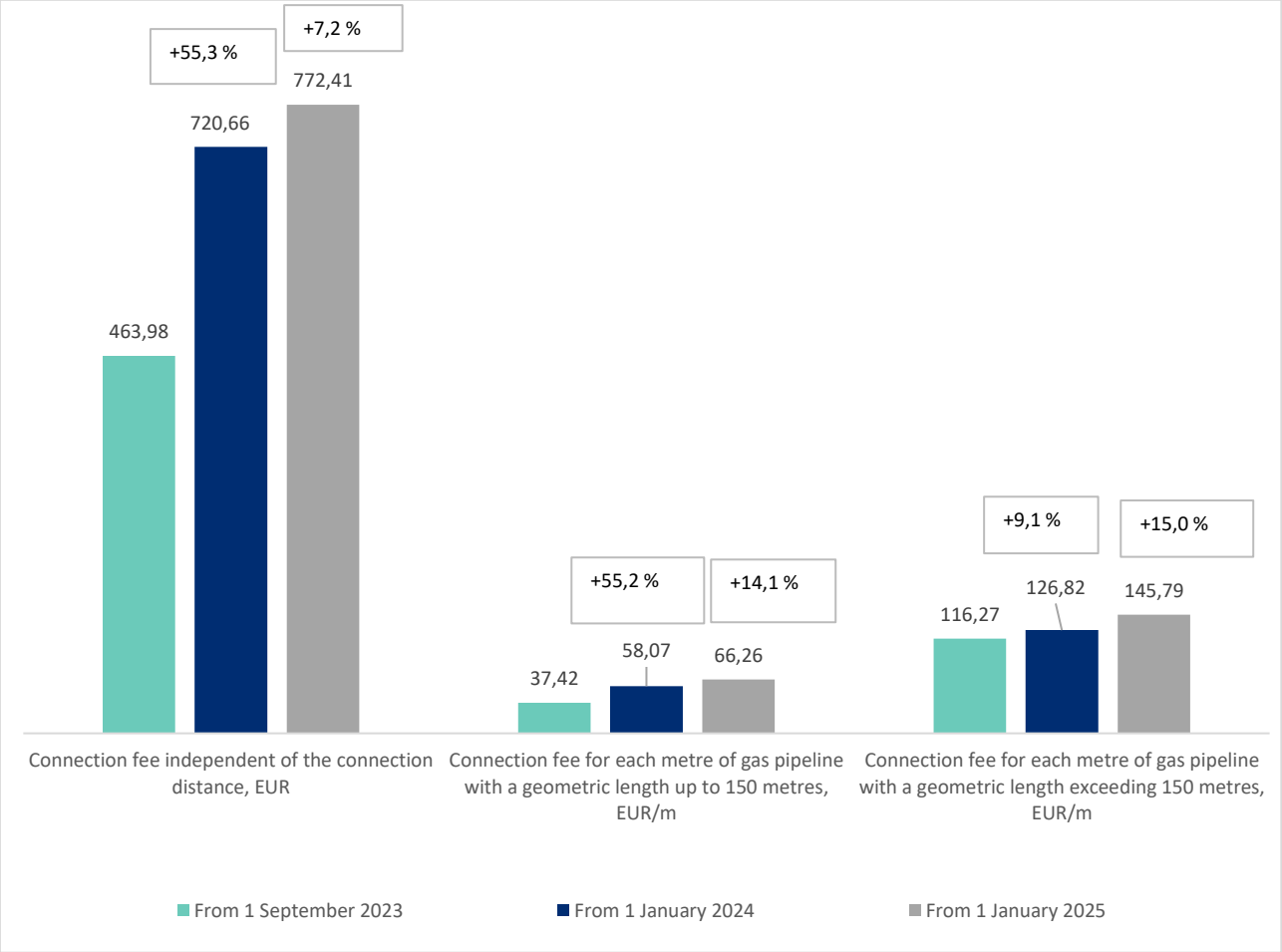
Taking into account the price differentiation coefficients for the LNG transhipment service, the transhipment price for the different groups is:

- EUR 0.82/MWh for small LNG cargoes up to 15,000 m^3 LNG;
- EUR 0.64/MWh for medium LNG cargoes between 15,000 m^3 and 50,000 m^3 LNG inclusive;
- EUR 0.46/MWh for large LNG cargoes that exceed 50,000 m^3, but cannot go beyond the technical capacity of LNGT to handle the cargoes of the respective size.

Consumer connection fees

Connection fees are calculated in accordance with the provisions of the Methodology for Determining Fees and Rates for Connection to Natural Gas Systems. Since 99% of connected consumers are within 150 m of the existing natural gas distribution system and their gas consumption, on average, does not differ from that of the more distant consumers, but the connection of the more distant consumers requires much greater investment, it has been provided that, for the consumers with a distance exceeding 150 m, the charge for each metre of pipeline in excess of 150 m will apply to the total value of investment in the pipeline meter.

Fig. 22. Connection fees for household consumers consuming more than 300 m³ of gas per year



Source: NERC.

- Article 41(1)(s) and 41(1)(n) of Directive 2009/73/EC

Natural gas storage

Currently, there are no persons in Lithuania operating as natural gas storage operators, neither do any operators provide linepack services and other ancillary services. System users use the Inčiukalnis Underground Natural Gas Storage Facility located in the Republic of Latvia. As of 1 November 2024, the Inčiukalnis Natural Gas Storage Facility held 479.8 GWh of gas reserves for vulnerable household consumers. This amount of gas is sufficient to meet the natural gas needs of household consumers in the cases specified in Article 6(1) of Regulation (EU) 2017/1938 – for Lithuania during a 30-day period of exceptionally high demand over the past 20 years (December 2021 max 495.8 GWh / 31 days x 30 days = 479.8 GWh).

- Balancing

- Article 41(6)(b) of Directive 2009/73/EC

During the reporting year, there were no amendments to this legislation related to the Network Code on Gas Balancing of Transmission Networks.

- Cross-border issues

- Access to cross-border infrastructure, including allocation and congestion management: Article 41(6)(c), Article 41(9) and (10) of Directive 2009/73/EC

Capacity allocation and congestion management

Capacity allocation and congestion management are carried out in accordance with the provisions of Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013, and Commission Decision (EU) 2015/715 of 30 April 2015 amending Annex I to Regulation (EC) No 715/2009 of the European Parliament and of the Council on conditions for access to the natural gas transmission networks. Accordingly, most of the provisions of these legal acts that are not directly applicable are implemented in accordance with the following regulations developed by TSO, DSO and the LNGT operator and approved by NERC: (1) Rules for the Use of the Natural Gas Transmission System of AB "Amber Grid", which establish the procedure and conditions for using the natural gas transmission system owned by the TSO, guidelines for cooperation between the TSO and other gas system operators, and the rights, obligations, and responsibilities of the TSO and system users; and (2) Rules for the Use of the Liquefied Natural Gas Terminal of AB "KN Energies", which establish the procedure for using the terminal.

Regional pricing

In 2024, no new decisions were taken with regard to the Baltic-Finnish natural gas market interconnection.

- Article 41(11) of Directive 2009/73/EC

Handling complaints and disputes

In 2024, there were no changes compared to the information provided in the report last year.

- Article 41(1)(c) of Directive 2009/73/EC

Cross-border agreements

See "Regional pricing".

- Article 41(1)(g) of Directive 2009/73/EC

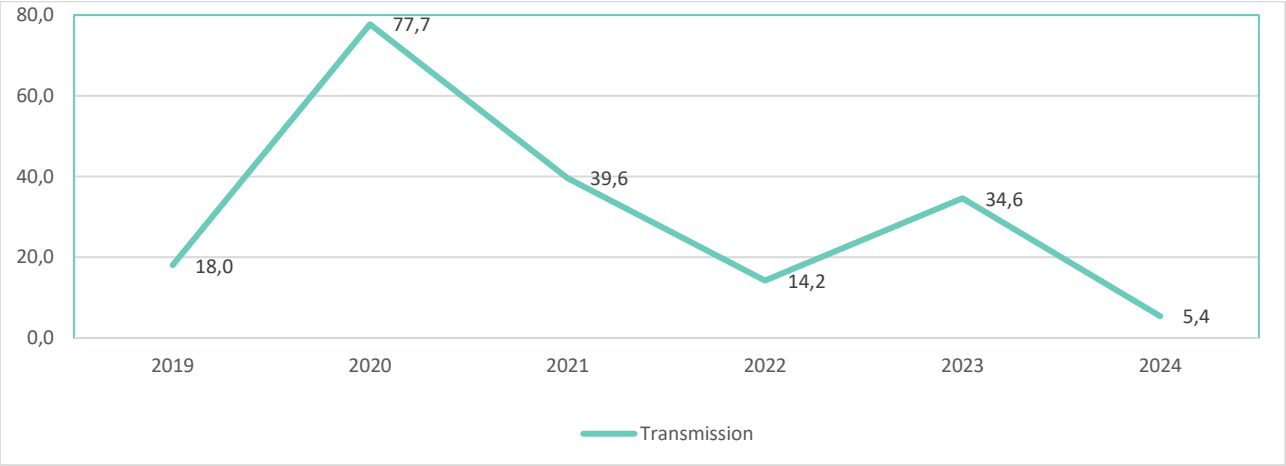
Coordination of TSO investment

NERC coordinates investment projects related to the construction of new energy facilities, rehabilitation, modernisation, reconstruction of existing energy facilities or development of energy facilities currently operating, etc. The Law on Energy provides for the obligation of NERC to assess the feasibility of investments. If the investments are not coordinated with NERC, they cannot be

considered reasonable and are not included in the prices of regulated services. Also, NERC coordinates and assesses the ten-year development plans prepared by TSOs and DSOs.

In 2024, NERC coordinated one list of jointly coordinated investments and 6 individual investment projects.

Fig. 23. Investments in natural gas transmission activities in 2019-2024, EUR million



Source: NERC.

- Implementation of network codes and guidelines

- Network Code on Capacity Allocation Mechanisms
- Network Code on Balancing of Transmission Networks
- Network Code on System Interoperability and Data Exchange

In 2024, there were no significant changes related to the improvements in the implementation of Commission Regulation (EU) 2015/703 of 30 April 2015 establishing a network code on interoperability and data exchange rules. As regards other topics, substantive changes are presented in sections “Access to cross-border infrastructure, including allocation and congestion management” and “Balancing”.

- Tariff network code

On 16 December 2024, NERC published a document for public consultation on the Methodology for the Pricing of Services Provided by the Lithuanian Natural Gas TSO AB “Amber Grid”, in accordance with the requirements on the application, publication of, and consultation on the reference price methodology as set out in Commission Regulation (EU) No 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas.

The public consultation document describes the methodological provisions for the remainder of the regulatory period (2026–2028) for the transmission services of AB “Amber Grid”, and the calculated transmission service prices, their forecasts, and the attached price calculation models are only indicative.

Taking into account the recommendations provided by ACER for the previous public consultation and in order to simplify the guidelines for calculating and setting prices for the new tariff years (2026 and onwards), the following fundamental methodological changes are proposed:

- the revenue cap set by the TSO is distributed based on two drivers – annual capacity product and gas volume emitted;
- all physical domestic exit points are combined into a single domestic exit point.
- the price of transmission services for consumption capacities at the domestic exit point will no longer be set;
- the costs of transmission services for non-EU needs (transmission from a third country to a third country) will be allocated in the first year of the reference price methodology (2026) according to the annual capacity product weight and the amount of gas released, and from the second year onwards (and in subsequent years until 2030) will be adjusted (inflated) according to the harmonised Lithuanian consumer price index and increased technological costs.

4.2. Promotion of competition and market functioning

4.2.1. Wholesale market

Wholesale market players and structure

In 2024, 13,968 GWh of natural gas was sold and/or consumed on the wholesale natural gas market, which is 38.54% less than in 2023, when 22,728 GWh of natural gas was sold and/or consumed.

Table 12. *Structure of the wholesale natural gas supply market 2020-2024, GWh*

Structure of the wholesale natural gas supply market	2020	2021	2022	2023	2024
Under bilateral contracts in Lithuania	19,710	19,526	32,227	18,246	10,234
On the exchange*	3,687	4,320	3,009	4,481	3,735
Total	**23,397**	**23,846**	**35,236**	**22,728**	**13,968**

** Natural gas exchange transactions are assessed if the buyer's trading platform is in Lithuania.*

Source: NERC.

- Monitoring price levels, the level of transparency, the level and effectiveness of market opening and competition
- Article 41(1)(i) of Directive 2009/73/EC

In accordance with the provisions of the Law on Natural Gas of the Republic of Lithuania, NERC continuously monitors and controls the compliance of undertakings operating in the natural gas sector with the conditions and requirements for transparency, non-discrimination and competition in the natural gas sector, licensed or permit-regulated activities, and the protection and defence of consumers' rights and legitimate interests, including reliability of the information provided to consumers, as laid down in the Law on Natural Gas and in other legal acts. Undertakings operating on the wholesale natural gas market shall make the information provided for in the separate legal acts publicly available. Following the approved description of information to be made publicly available, NERC publishes, on its website, a list of the information to be made publicly available by natural gas undertakings[14]. In accordance with the above-mentioned description, NERC also

[14] https://www.regula.lt/dujos/Puslapiai/gamtiniu-duju-sektoriaus-ukio-subjektu-viesai-skelbiamos-informacijos-sarasas-.aspx

annually checks the manner in which the information contained in this list is made publicly available by the undertakings.

In order to carry out market monitoring, NERC collects information from regulated undertakings in accordance with the Rules on the Provision of Information by Energy, Drinking Water Supply and Wastewater Management, Surface Water Management Undertakings approved by NERC. In order to increase the awareness of market participants and to ensure that market participants have reliable information at their disposal, NERC regularly prepares semi-annual natural gas market monitoring reports and annual development reviews on the basis of the information provided by the undertakings and publishes them on the NERC website[15].
NERC continued to carry out tasks related to the joint monitoring of the natural gas and electricity markets under REMIT. For more information on REMIT monitoring, see the Electricity sector review in this report.

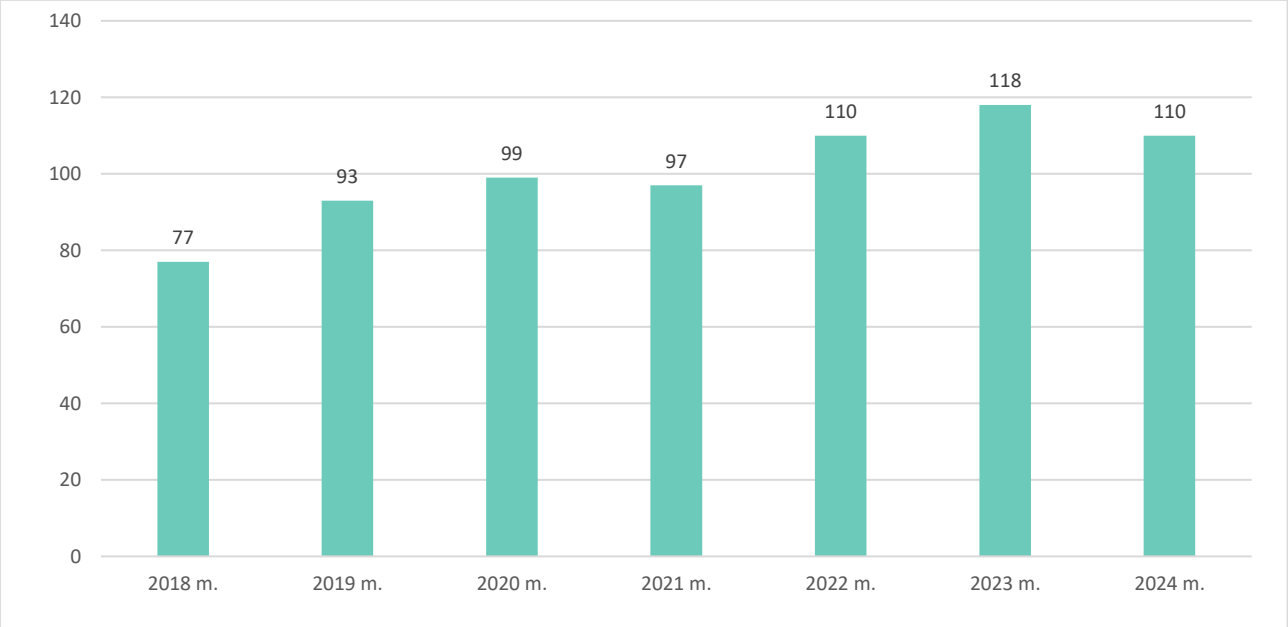
In order to create preconditions for the development of effective competition in the natural gas markets and to prevent persons from abusing their significant influence in the natural gas markets, NERC carries out market research in accordance with the Rules for Market Research. Accordingly, NERC regularly publishes and updates on its website market research reports, except for information which is considered confidential, and final decisions on the results of the market research or parts thereof, excluding confidential information. It should be noted that no market research was carried out in 2024.

- Article 41(1)(j) of Directive 2009/73/EC

Trading on natural gas exchanges

At the end of 2024, there were 110 registered participants on the natural gas market of UAB "GET Baltic", of which 78 were active.

Fig. 24. Number of natural gas exchange participants in 2018-2024



Source: NERC.

[15] https://www.vert.lt/dujos/Puslapiai/duju-rinkos-apzvalga/rinkos-stebesena.aspx

In 2024, 8.37 TWh of natural gas was traded on the natural gas market of UAB “GET Baltic”. Compared to the 2023 period, the volume of natural gas traded on the natural gas market of UAB “GET Baltic” was 8% lower.

In 2024, the average natural gas price on the natural gas market of UAB “GET Baltic” was EUR 39.44/MWh, or 24.81% lower than in 2023 (EUR 52.45/MWh). The trading volume on the exchange amounted to EUR 330.2 million in 2024 and was 30.82% lower than in 2023 (EUR 477.3 million).

- Article 41(1)(k) and 41(1)(l) of Directive 2009/73/EC

In the area of security of supply of natural gas, NERC monitors the main terms of natural gas supply contracts regarding ensuring the reliability of the supply of natural gas between natural gas supply undertakings and consumers. To this end, supply undertakings annually provide information to NERC on the main terms of the natural gas supply contracts concluded and NERC has the right to request that natural gas undertakings revise their contracts in order to comply with the requirements laid down in the Law on Natural Gas and other legislation. If the natural gas undertaking fails to comply with this request, NERC has the right, in defence of the public interest, to apply to the court for the modification of the contract. No restrictive contractual practices were identified in 2024.

Table 13. *Natural gas wholesale market indicators in 2018-2024*

	2020	**2021**	**2022**	**2023**	**2024**
Number of active wholesale market participants, pcs.	12	14	16	16	15
Production of Lithuanian biogas, GWh	-	-	-	47.0	126.7
Natural gas demand, GWh*	23.397	23.846	35.236	22.728	13.968
Gas demand of energy producers	NA	NA	NA	NA	NA
Import, GWh	33.538	26.312	41.006	38.175	29.980
Transported through transmission networks to other EU countries, GWh	7.960	1.902	24.814	22.365	12.236
Main source and share of imports, %	LNGT (65.30)	LNGT (67.26)	LNGT (84.88)	SGDT (89.67)	LNGT (90.46)
Number of natural gas supply sources	2	2	2	2	3
Market share of the three largest wholesalers, %.	30.37	32.29	44.84	75.59	63.38
Volume of natural gas traded on the spot natural gas market, GWh	6,641	7,943	6,780	8,367	8,284
Volume of natural gas traded on the natural gas futures market, GWh	565	14	167	733	87
Total volume traded on the natural gas exchange, GWh	7,206	7,957	6,947	9,100	8,372
Average spot price of natural gas, EUR/MWh	12.05	40.24	117.38	48.97	39.53

*Under bilateral contracts and natural gas exchange transactions where the buyer's trading platform is in Lithuania.

Source: NERC.

- Article 41(1)(u) of Directive 2009/73/EC

In 2024, there were no major changes in relation to the improvement of the harmonisation of data exchange processes for key market processes at regional level. See in addition the section "Cross-border issues".

4.2.2. Retail market

- Monitoring price levels, the level of transparency, the level and effectiveness of market opening and competition

Statistics on the retail market of natural gas are provided by assessing natural gas supply undertakings, market participants (natural or legal persons) that conclude natural gas supply contracts with final consumers[16].

Fig. 25. Market structure by volume of natural gas purchased in 2018-2024, GWh and %.

Source: NERC.

In 2024, there were 618,500 natural gas consumers in Lithuania, of which 610,600 were household consumers and 7,800 non-household consumers. In 2023, there were 611,700 household consumers and 8,100 non-household consumers.

Household consumers, who account for 98.7% of the total retail market by number of consumers, consumed 44.4% of the natural gas supplied on the retail natural gas supply market. Non-household consumers purchased even 55.6% of the natural gas supplied on the retail natural gas supply market, although their number, as consumers, was very small compared to the number of household consumers – only 1.3%.

[16] With the exception of natural gas supply contracts for final consumers with natural gas consumption capacity exceeding the threshold set out in the second sub-paragraph of Article 2(1)(5) of REMIT (600 GWh).

Household consumer segment

In 2024, 4 companies supplied gas to household consumers in the retail market. In 2024, household consumers consumed 2,342 GWh of gas (0.04% less than in 2023). Household consumers paid EUR 102.7 million for natural gas (68.54% less than in 2023). The decrease in revenues is due to the decrease in the price of natural gas. UAB "Ignitis" remains the main supplier of natural gas to household consumers with a market share of 99.84% of total sales to household consumers in 2024.

Tariffs for household consumers

Natural gas tariffs for household consumers are normally recalculated twice a year. In 2024, NERC made amendments to the methodology with the aim of providing the possibility to respond more quickly to changes in gas prices on international markets. The methodology provides that in the case of a difference of more than 20% between the natural gas purchase price estimated in the approved tariffs and the forecast half-yearly natural gas purchase price, companies may apply to NERC for a recalculation.

The natural gas tariff for household consumers consists of a fixed part, paid monthly, regardless of the amount of natural gas consumed and a variable part, paid for the volume of natural gas consumed. Only the variable part of the tariff is recalculated mid-year. The natural gas tariff for household consumers includes:

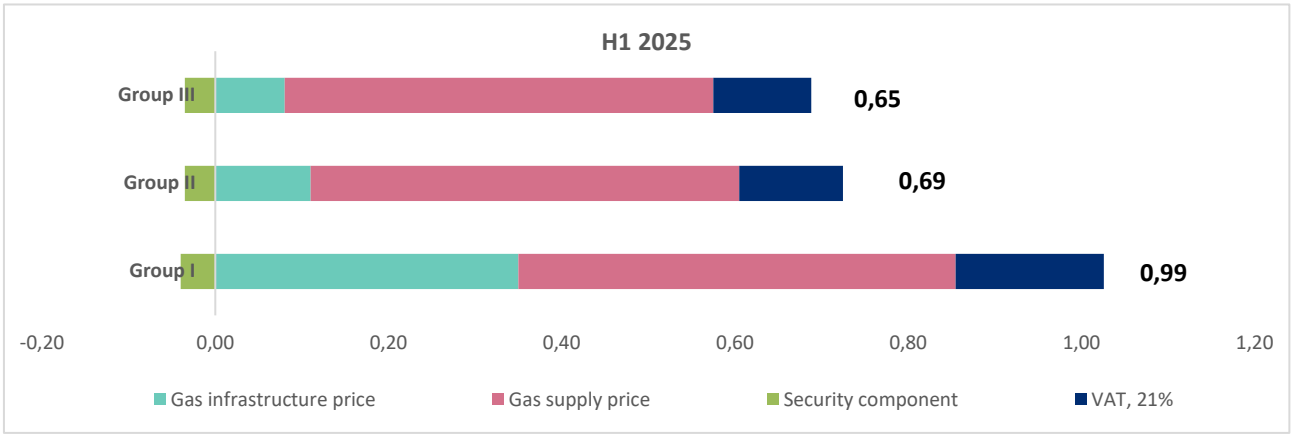
- the forecast price of natural gas;
- the price of the supply service;
- the price of security of supply;
- the transmission price (after assessing the security component);
- the distribution price;
- the difference between the forecast and actual natural gas (product) prices for the previous tariff period, reduced by the amounts for the compensation of the part of the price of natural gas consumed by household consumers, as referred to in Article 19^2 of the Law on Energy, if such amounts are determined.

Table 14. *Natural gas tariffs for household consumers (EUR incl. VAT/m^3)*

Company	Group	Q2 2024		H2 2024		H1 2025	
		Fixed part of the tariff	Variable part of the tariff	Fixed part of the tariff	Variable part of the tariff	Fixed part of the tariff	Variable part of the tariff
UAB "Ignitis"	I	0.56	1.05	0.56	1.05	0.99	0.99
	II	3.99	0.59	3.99	0.59	3.99	0.69
	III	3.99	0.55	3.99	0.55	3.99	0.65
UAB "Gren Lithuania"	II	3.94	0.76	3.94	0.72	3.94	0.87
AB agrofirm "Josvainiai"	I	0.63	0.39	0.63	0.44	0.63	0.48
	II	3.99	0.30	3.99	0.36	3.99	0.40
UAB "Intergas"	I	1.45	0.53	1.45	0.52	1.45	0.62
	II	1.45	0.48	1.45	0.47	1.45	0.57

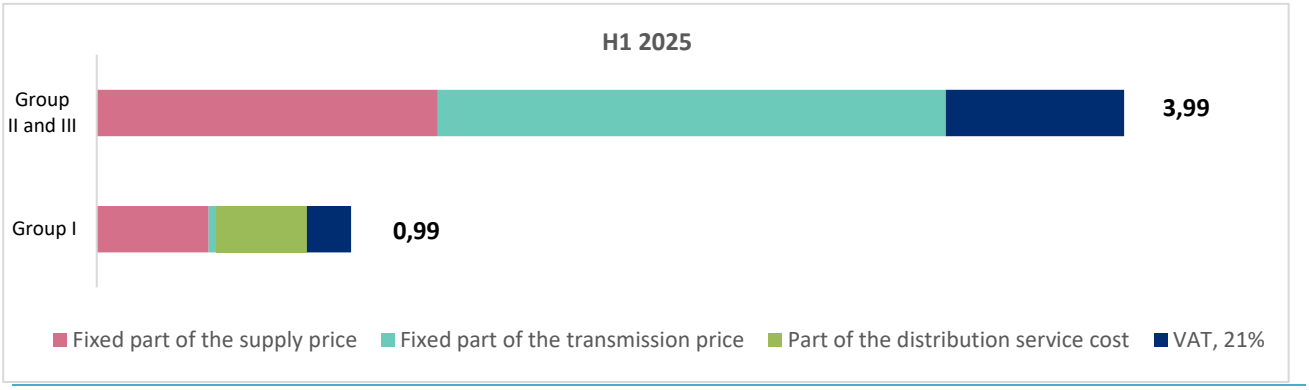
Source: NERC.

Fig. 26. Structure of the variable part of the natural gas tariff for household consumers of UAB "Ignitis" in H1 2025



Source: NERC.

Fig. 27. Structure of the fixed part of the natural gas tariff for household consumers of UAB "Ignitis" in 2025



Source: NERC.

Competition and market: retail market

Table 15. *Retail market indicators (household consumers)*

Retail market indicators (household)	2020	2021	2022	2023	2024
Natural gas consumption, GWh	2,254	2,843	2,552	2,341	2,342
Number of consumers	602,978	609,740	613,337	611,681	610,604
Number of registered suppliers	4	4	4	4	4
Number of active suppliers	4	4	4	4	4
Market share of the three largest suppliers by number of measuring instruments	99.84	99.98	99.98	99.98	99.81
Number of suppliers with more than 5% market share	1	1	1	1	1
Number of suppliers with more than 5% of the market consumers	1	1	1	1	1
Share of consumers who switched supplier (in terms of volume of gas distributed), %	0	0	0	0	0
Share of consumers who switched supplier (by number of measuring instruments), %	0	0	0	0	0
Statutory time limits for switching of supplier	3 weeks	3 weeks	3 weeks	3 weeks	3 weeks
Average switching time	NA	NA	NA	NA	NA
Number of consumers paying in accordance with the regulated tariff	602,978	609,740	613,337	611,681	610,604
HHI by sales	9,968	9,962	9,965	9,967	9,962
HHI by number of metering instruments	9,991	9,988	9,988	9,988	9,988
Number of interruptions due to unpaid bills	10	12	20	219	33
Average price for a consumer with the 9,000 kWh annual consumption, EUR/year	289	393	708	1,314	568

Source: NERC.

Table 16. *Retail market indicators (non-household consumers)*

Retail market indicators (non-household)	2020	2021	2022	2023	2024
Natural gas consumption, GWh	4,958	5,989	4,991	4,218	2,937
Number of consumers	7,458	8,150	7,819	8,082	7,872
Number of registered suppliers	30	36	51	60	70
Number of active suppliers	20	15	35	37	36
Market share of the three largest suppliers by number of measuring instruments	93.20	85.04	82.68	74.23	72.94
Number of suppliers with more than 5% market share	2	5	2	4	5
Number of suppliers with more than 5% of the market consumers	1	1	1	1	1
Share of consumers who switched supplier (in terms of volume of gas distributed), %	16.80	24.67	28.00	20.36	20.29
Share of consumers who switched supplier (by number of measuring instruments), %	3.80	7.47	9.69	4.49	5.40
Statutory time limits for switching of supplier	3 weeks	3 weeks	3 weeks	3 weeks	3 weeks
Average switching time	-	-	-	-	-
Number of consumers paying in accordance with the regulated tariff	0	0	0	0	0
HHI by sales	3,704	3,338	3,385	2,251	2,197
HHI by number of metering instruments	8,150	7,885	7,374	7,031	7,333

Source: NERC.

Monitoring of the retail market in natural gas, Articles 41(1)(i), (j), (k), (l) and (u) of Directive 2009/73/EC

NERC carries out scheduled inspections of regulated natural gas undertakings to determine their compliance with the set cost and price levels. In 2024, NERC completed scheduled and unscheduled inspections of the suppliers of natural gas to household consumers, which aimed to assess whether the partial compensation amounts of EUR 426.98 million transferred to natural gas suppliers between 1 July 2022 and 31 December 2023 were not higher than the amounts necessary to mitigate the impact of gas price increases on consumers. The companies have been obligated to return EUR 228,500 in partial compensation funds to the payment administrator, as determined during the inspection, and the amounts will have to be returned to the state budget accordingly.

- Consumer protection and dispute resolution

- Compliance with Annex I (Article 41(1)(o) of Directive 2009/73/EC)

Pursuant to Article 4(3) of the Law on Energy, NERC, in its regulatory, supervisory and control functions in the field of energy activities, ensures the implementation of the state policy in the field of consumer rights protection in the energy sector. Consumer protection measures are provided for in Article 57 of the Law on Natural Gas. There were no changes in 2024.

- Ensuring access to consumer data (Article 41(1)(q) and Annex I(h) of Directive 2009/73/EC,)

In 2024, the terms and conditions for access to consumer data remained mainly unchanged. According to the legal regulation, natural gas consumers must be provided with adequate and sufficient conditions for access to information and data on their actual energy consumption, payments for the energy supplied to them and/or for the services related to energy supply.

Adequate and sufficient means of access are considered the provision of a bill to the consumer or electronic access to the consumer's payment data or other reasonable means. Gas consumers are served via the self- service website at www.e.ignitis.lt/.

- Articles 41(11) and (4)(e) of Directive 2009/73/EC

In 2024, NERC received 79 applications from natural persons. The breakdown of the applications received by type is shown in the figure below.

Fig. 28. Distribution of applications in the gas sector received in 2024 (%) according to the nature of the application

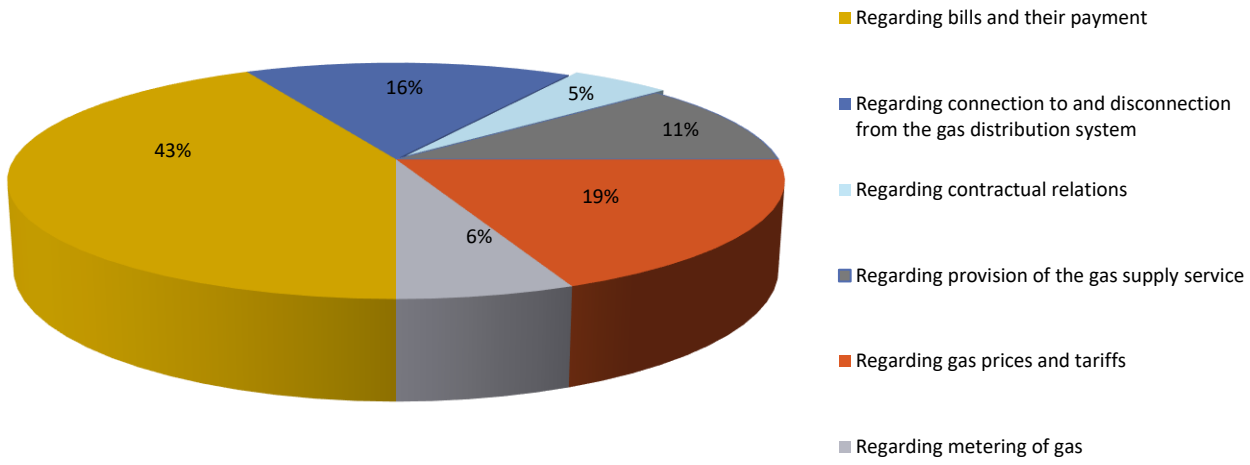


Table 17. *Consumer protection indicators*

Consumer indicators	2020	2021	2022	2023	2024
Number of household consumers	602,978	609,749	613,337	611,681	610,604
Number of consumers to whom the guaranteed supply is provided	0	0	0	0	0
Number of calendar days between the notice of payment and the disconnection, as established in the legal acts	15	15	15	15	15
Number of consumers disconnected for non-payment of bills	10	12	20	219	33
Number of consumers in energy poverty	N/A	N/A	N/A	N/A	N/A
Number of consumers paying according to the social tariff	N/A	N/A	N/A	N/A	N/A

Source: NERC.

4.3. Security of supply

- Article 41(1)(t)

NERC is not responsible for establishing or implementing the necessary temporary protective measures required in the event of a sudden energy market crisis or a threat to the physical safety or security of persons, or to the security of installations or equipment or the integrity of the system.

- Article 41(1)(h)

Quality of service

The Law on Natural Gas provides for the obligation for NERC to establish indicators for the quality of services of natural gas undertakings, including reliability, and the procedure for their assessment. In accordance with the Description of the Indicators of Reliability and Quality of Services Provided by Natural Gas Undertakings, the Procedure for Their Assessment approved by NERC, the minimum quality levels for each gas undertaking are set individually for a specific price regulation period.

In the reference period, the main indicators of the quality of uninterrupted natural gas supply are SAIDI and SAIFI. The SAIDI and SAIFI indicators are differentiated according to the reasons for the interruption.

In June 2024, NERC stated that the actual performance indicators of AB "Amber Grid", AB "Energijos skirstymo operatorius", UAB "Intergas", UAB "Gren Lietuva", AB agrofirm "Josvainiai" and UAB "SG dujos" meet the minimum quality levels set for the specific gas undertaking.

- Monitoring the balance between supply and demand

The TSO, in consultation with relevant stakeholders and taking into account existing and forecasted supply and demand, shall prepare and submit, every two years, a 10-year network development plan to NERC in accordance with the procedure established by NERC. The network development plan shall include efficient measures to ensure the adequacy of system capacity and security of supply.

In June 2024, the Lithuanian TSO prepared and publicly consulted on the Network Development Plan 2024-2033, which was made publicly available on the TSO's website. The plan until 2033 foresees investments in the development of the gas transmission system, which aim to achieve the strategic goals of the European Union and Lithuania in the gas sector: to ensure the security and reliability of gas supply, promote competitiveness, and develop a common regional gas market of the Baltic countries. It is planned that around EUR 201 million will have to be invested in the gas transmission network over the next decade. Of this amount, the investments of the next five years will amount to around EUR 138 million.

In addition, every year the TSO and the DSO submit to NERC reports on undertaking's annual performance and the ensuring of security, specifying the volumes of gas planned to be transmitted to the system users, distributed and transported in transit through the territory of the Republic of Lithuania during the current and the following two years. The TSO provides aggregated information on the utilisation of the relevant points of the transmission system, i.e. the percentage of the maximum capacity utilisation for each month of the reporting period, compared to the technical capacity of the relevant points.

- Measures to cover peak demand or shortage of suppliers

Under normal conditions of operation of the transmission system and supply to Lithuania, the peak gas consumption is fully met. In the event of disruptions in gas transport, the following measures would be used:

- For system users who have signed uninterrupted supply contracts with the supply company, gas is supplied from the Inčiukalnis Underground Storage Facility;
- The priorities for the supply and transport of natural gas and the sequence of curtailment and phase-out of natural gas supply, are applied as laid down in the natural gas transmission contracts with system users directly connected to the transmission system;
- Supply undertakings would be obliged to comply with the instructions of the TSO and the DSO, as stipulated in the National Natural Gas Emergency Management Plan.

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