

## Session SBI42 (2015)

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A compilation of questions to - and answers by - Lithuania  
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UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

[Question by China at Monday, 30 March 2015](#)

**Category:** Progress towards the achievement of its quantified economy-wide emission reduction target

**Type:** Before 31 of March

**Title:** mitigation effects of PaMs

Several PaMs provided by Lithuania have an impact on both emissions inside and outside the EU ETS, could Lithuania report the effects of PaMs for the ETS and non-ETS sectors separately in order to improve the transparency of information?

[Answer by Lithuania at Tuesday, 26 May 2015](#)

The EU ETS sectors in Lithuania cover over 90 installations (burning fuel and net rated thermal input when is more than 20 MW (except installations incinerating or disposing hazardous or municipal waste); oil refinery; producing cement clinker and lime in rotation furnace (when production capacity is more than 500 t per day or other type of furnaces then the capacity is more than 50 t/day); producing glass products (capacity is more than 20 t/day); producing ceramic products (when capacity is more than 75 t/day); producing stone wool by using glass, rocks or slag (when capacity of melting are bigger than 20 t/day); and from 2013 installation producing nitrogen acid and installation producing ammonia) and consist approximately 37% of total GHG.

The non EU ETS sectors comprise GHG emissions rest of sectors such as industry (medium and small installation less than 20 MW), agriculture, waste, transport (excluding aviation), services, household and consist approximately 63% of total GHG in 2013.

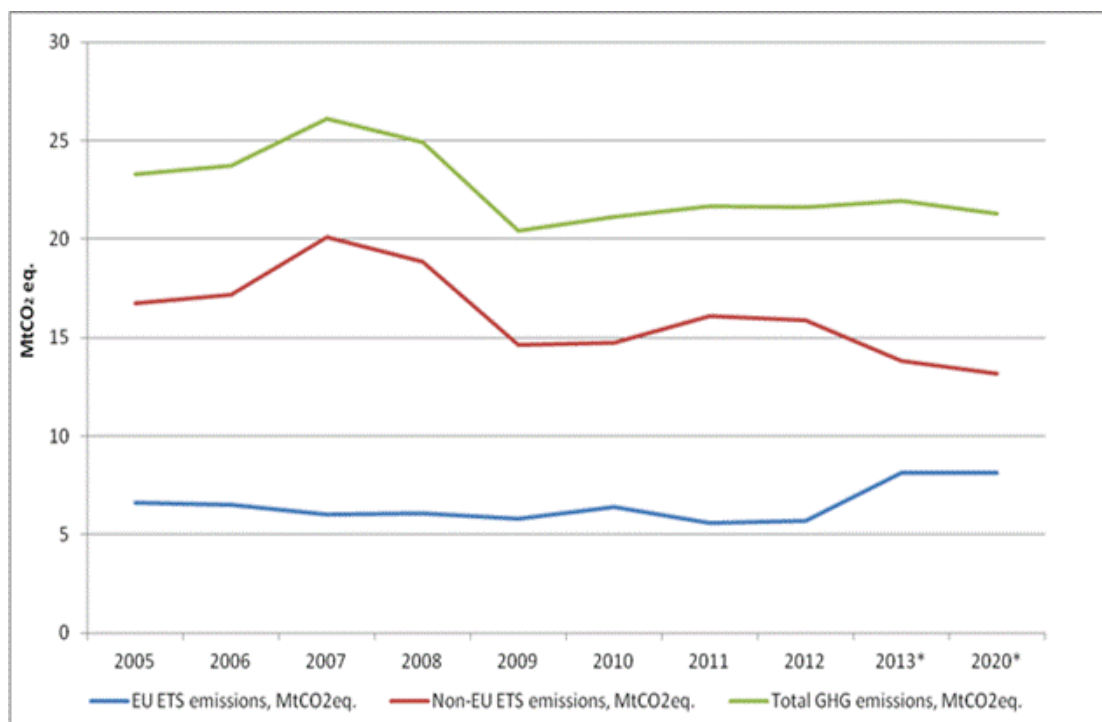
Renewable energy promotion and energy efficiency increasing PaMs presented and assessed in the 1st Biennial report have the effects for both the EU ETS and non- EU ETS sectors. To distinguish the impact of these PaMs into the EU ETS and non- EU ETS sectors was complicated mostly due to applied a top-down approach for evaluation of the effect. This approach was chosen in order to avoid double counting and due to lack of relevant and deep analysis on the effects of separate PaMs. The effect of energy efficiency measures was estimated by evaluating the impact of the implementation of national binding energy efficiency target (to consume 1.5% less energy annually (to consume 17% less energy in 2020 compared to 2009)), which is planned to be achieved by implementing measures such as: increasing energy efficiency by energy distributors and/or retail energy sales companies under energy efficiency obligation scheme, renovation (modernization) of multi-apartment buildings, modernization of public buildings, implementing the requirements to purchase energy-efficient goods under the National Green Procurement Implementation Programme, modernization and development of the existing district heating systems subsidized via the EU Structural Funds, etc. The same approach was used in case of evaluation the effect of renewable energy promotion PaM in Lithuania aiming to achieve national binding target to use no less than 23% of RES in

the final energy consumption balance by 2020. RES target is covering the electricity, heating, household heating, transport sectors. In the electricity sector key support instruments for RES production are feed-in tariffs[1], feed-in premium tariffs[2] and discount for the connection to the grid of electricity producers from RES; in district heating sector the use of RES is promoted through several support schemes. These include the suppliers' obligation to purchase all heat produced from RES, grants in the form of subsidies from the Lithuanian Environmental Investment Fund (LEIF), as well as the environmental pollution tax incentives. This target is also planned to be reached by implementing measures such as modernization and development of co-generation plants, improvement of biomass mobilization and logistics systems, modernization of biomass fuel boilers and further development etc., increase the use of RES in households by changing the old or unsustainable heating equipment in households into equipment using RES which is financed from the Special Programme for Climate Change and the EU structural funds, etc.

The share of the EU ETS emissions in Lithuania was 26 % of total emissions in 2012. Following verified GHG emission data of the operators participating in the EU ETS the emissions curve is slightly decreasing (2005 – 6.6 m t CO<sub>2</sub> eq; 2006 - 6.52 m t CO<sub>2</sub> eq; 2007 – 6.00 m t CO<sub>2</sub> eq; 2008 – 6.10 m t CO<sub>2</sub> eq; 2009 – 5.79 m t CO<sub>2</sub> eq; 2010 – 6.39 m t CO<sub>2</sub> eq (Nuclear Power Plant was decommissioned from 1 January 2010); 2011 – 5.61 m t CO<sub>2</sub> eq (import of electricity increased); 2012 – 5.72 m t CO<sub>2</sub> eq; 2013 – 7.464 m t CO<sub>2</sub> eq, from which 2.2 m t CO<sub>2</sub> eq from chemical sector, which included in the EU ETS from 1 January 2013). The EU ETS itself is a PaM and is considered as market based mechanism for reducing GHG emissions, mainly, by the use of RES and energy efficiency increase. It has positive influence on the shift from fossil fuels to biomass in part of the middle scale heating plants covered under the EU ETS (in the period of 2008-2012). The switch to biomass also was a result of the subsidies given to promote the use of RES in heat production sector as it was part of the implementation of the Law on Use of Renewable Energy Sources. An additional reason to switch from fossil fuels, particularly gas, to biomass was a smaller cost of this type of fuel.

The JI project in chemical industry sector and modernization project in cement production sector added among the PaMs reported in the 1st Biennial report are assigned to the EU ETS sector, without the implementation of these projects in 2013 the ETS sector's verified emission could be 1.2 m t CO<sub>2</sub>eq higher (8.7 m instead current 7.5 m t CO<sub>2</sub>eq in 2013).

The rest PaMs such as promotion of biofuel production and consumption in transport sector and implementation of other energy efficiency related measures in transport sector under the National Communication Development Programme for 2014-2022; the implementation of European Union Nitrates directive (91/676/EEC) and other measures in agriculture sector under the National Rural Development Programme 2014-2020; the implementation of waste management measures (biodegradable waste, collection and use of methane from all existing and new landfills) under the National Plan 2014-2020 for Waste Management are the PaMs having an effect on GHG emissions assigned to the non ETS sectors.



\* projected GHG emissions “with additional measures”

## GHG emissions and projections

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[1] Fixed electricity from RES purchase price

[2] Fixed electricity from RES purchase price above the market price of electricity

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[Question by China](#) at Monday, 30 March 2015

**Category:** Assumptions, conditions and methodologies related to the attainment of its quantified economy-wide emission reduction target

**Type:** Before 31 of March

**Title:** mitigation potential

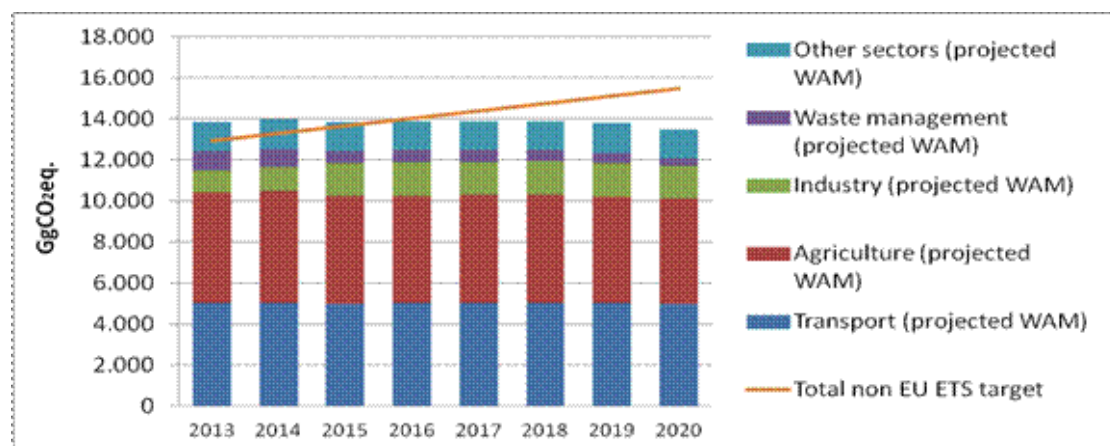
According to WM scenario, Lithuania will reduce their emissions below their 1990 level by 2020 60% (without LULUCF) or 82% (including LULUCF). It is a great reduction compared with the 20% overall reduction target of EU as well as the 15% emission growth allowed under ESD. Considering that the reduction in WAM scenario can be even bigger, do you plan to set a more ambitious national target?

[Answer by Lithuania](#) at Tuesday, 26 May 2015

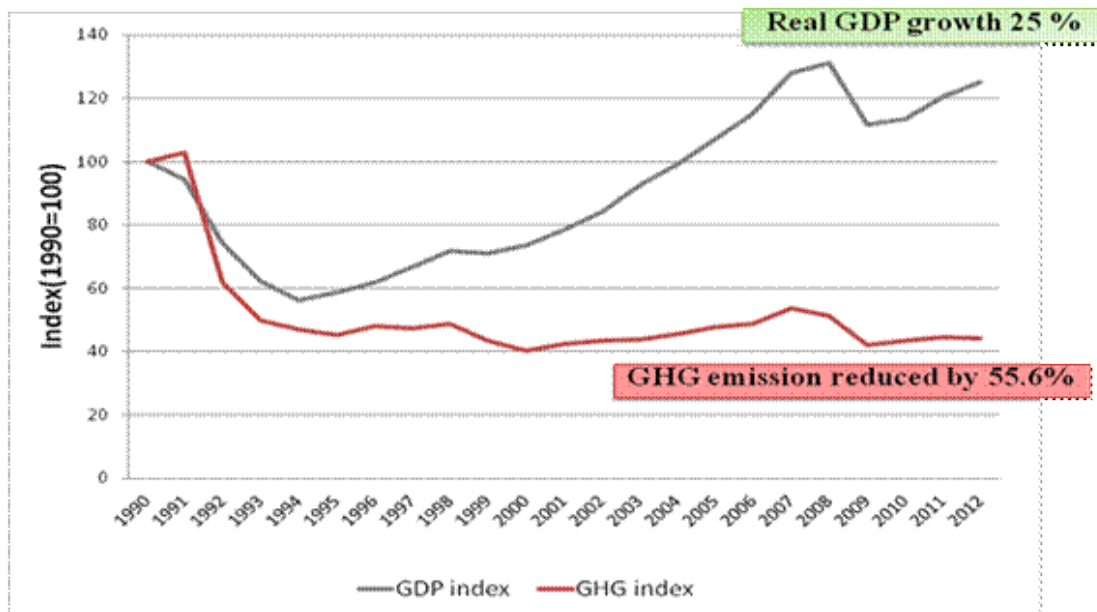
Lithuania does not have a national quantified economy-wide emission reduction target for 2020. Lithuania participates in achieving the EU quantified economy-wide

target which is to achieve a 20 per cent reduction in emissions by 2020 compared with the 1990 base-year level. The target for the EU and its member States is based on the EU climate and energy package. This includes the EU ETS and the non-ETS sectors. Emissions that fall under the EU ETS sectors contribute to the EU-wide ETS target of a 21% reduction by 2020 compared with the 2005 level. For the non-ETS sectors (excluding LULUCF), the EU-wide target has been translated into a national target for Lithuania to limit emissions growth to 15% in 2020 compared with the 2005 level. Emissions and removals from the LULUCF sector are not included in the EU quantified economy-wide emission reduction target.

Lithuania’s emissions in 2012 (including both the ETS and non-ETS sectors) were 7.3 per cent below the 2005 level, and according to the “without measures”, “with measures” and “with additional measures” projection scenarios, the emissions are expected to be 47.1% above, 9.4% above and 8.8% below the 2005 level by 2020, respectively. Even though Lithuania meets and over-achieves 2020 GHG target according to GHG projections “with additional measures”, there still be some difficulties in achieving annual targets in the non-ETS sector at the beginning of the commitment period, particularly, in the period 2013-2015. Successful decoupling between emission and economic growth occurred in Lithuania. Over the period 1990-2012, GDP of Lithuania grew more than 25%, while GHG emissions decreased by 55.6%. Taking into account that Lithuania’s GDP per capita was only 45.5% of the EU average GDP in 2013, the more ambitious GHG reduction target will be challenging for the sustainable development of economy growth and would be unaffordable financial burden for the state budget and private sector.



**Non-ETS annual GHG emission reduction targets and projected emissions with additional measures in 2013-2020**



Changes of GDP and GHG emission index in Lithuania from 1990 till 2012.

Question by China at Monday, 30 March 2015

Category: All emissions and removals related to its quantified economy-wide emission reduction target

Type: Before 31 of March

Title: reporting of GHG inventory

The 2014 annual inventory review report pointed out that 8 recommendations proposed by expert group in 2013 annual review report had not been adopted, could you please explain why?

Answer by Lithuania at Tuesday, 26 May 2015

The reason that number of recommendations proposed by expert review team (ERT) in 2013 annual review report (ARR) had not been implemented in 2014 GHG inventory submissions is that Lithuania received draft version of the ARR 2013 only on 29th July 2014 (ARR officially published on 3rd September 2014), when GHG inventory annual submission 2014 was completed. This is also noted by 2014 ERT in Lithuania's 2014 ARR, para 2: "...The expert review team (ERT) notes that the 2013 annual review report of Lithuania was published after 15 April 2014, which may have affected the Party's ability to implement recommendations and encouragements made in the previous review report."

Nevertheless, for the 2014 annual submission Lithuania implemented all the recommendations (10 issues) provided by the ERT just after the review week in 2013 ("Provisional main findings and recommendations, Review of Lithuania's 2013 annual submission"). 2014 ERT also noted Lithuania's progress in 2014 ARR (para 16): "In its

2014 annual submission, Lithuania has continued to make improvements to its inventory, in terms of transparency, completeness and accuracy. The Party has addressed most of the recommendations made in the 2013 annual review report (e.g. see paras. 36, 50, 55, 63, 68, 75 and 77 below). The Party's improvements in its 2014 annual submission as a result of the list of the provisional main findings and recommendations provided during the 2013 review are described in annex VII to the NIR, because the previous review report was not published at the time of submission of the inventory. The ERT commends Lithuania for its efforts to continue to improve its inventory and for transparently reporting on its progress."

As regards the remaining not implemented 2013 ERT recommendations - these are included in Lithuania's GHG inventory improvement plan and will be implemented in the next annual GHG inventory submission.

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