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Lithuanian Energy Strategy: European context

Abstract. *The Lithuanian Energy Independence Strategy is overviewed in this article in the context of European integration, as well as, Europeanization. Stated and discussed within the article are the following topics: the implementation of the Third Energy Package; energy competitiveness and sustainability; the integration of the regional electricity market through electricity grid connections with Poland and Sweden, as well as, the interconnection with the Continental European network for synchronous operation; the diversification of energy (sources) supply through the new LNG terminal; the potential of building a new nuclear power plant in Visaginas; and the exploitation of renewable energy. As the government is quite sceptical on the latter issues, the progress in this field only really occurs due to the conditions and obligations imposed by the European Union (EU).*

Keywords: *energy strategy, European integration, Europeanization, conventional energy, renewable energy*

Introduction

The uncertainty on the supply of energy sources recently caused many problems in the EU, as many Member States are still dependent on external energy suppliers, in particular Russia. Moreover, some Member States still tend to ignore the principle of solidarity in solving energy issues at the EU-level, in behalf of their national security of energy sources' supply. On the other hand, the growing

consumption of energy, the declining fossil resources as well as their exploitation to meet energy demand pose sensitive socio-economic and environmental problems, such as climate change. To tackle these problems common European energy policy is implemented since 2009, which is reflected in the majority of Member States, such as Lithuania, national energy policies as the result of Europeanization.

The aim of this article is to examine the essential provisions of the EU energy policy, which are transposed to the National Energy Independence Strategy of Lithuania, to analyze the practical implementation of the above-mentioned provisions and to identify primary as well as secondary priorities of Lithuanian energy policy. The tasks of the article are:

– to discuss the evolution of the EU energy policy, to define the fundamental priorities and to identify the essential problems of the EU energy policy,

– to determine the substantive Lithuanian energy policy priorities, set out in the National Energy Independence Strategy (2012), in the context of Europeanization, to identify strenghts and weaknesses of the Strategy,

– to carry out the conceptual analysis of the implementation of Lithuanian strategic energy projects and targets, stated in the Strategy, by identifying the most esential as well as secondary national energy policy priorities.

The article analyzes the main provisions of the National Energy Independence Strategy as well as the implementation of Lithuanian strategic energy projects and targets, essentially focusing on the development of renewable energy sector. The conclusion of the article embraces the notion that Lithuanian energy policy priorities, set out in the Strategy, are re-prioritized, with the preference to conventional energy projects, due to the dominance of historically determined conventional energy discourse, which affects the formation as well as the implementation of Lithuanian energy policy.

1. European energy policy: a framework for international integration through policy harmonization

In retrospect, it can be noted that the EU policies in the energy sector have been inherent from the processes of integration, i.e., Members States' cooperation, collective actions etc., as well as from Europeanization, i.e., the processes of policy harmonization. In this case, the regulatory policies in the energy sector can be seen as a stimulus for energy integration, while the harmonization of national Member States' energy policies can be determined as a consequence or a result of

the EU regulatory policies. The legal framework of the EU energy policy consists of a number of strategic legal acts and over 200 directives as well as other regulatory pieces of legislation.[1]

In the last decade of the 20th centrury, when the process of the EU-wide energy market liberalization began, the essential direction of energy regulation was based on bringing in the element of competition into the energy sector.[2] It should be noted that, prior to the EU directives, imposing liberalization of energy markets, some Member States began to liberalize their markets in the energy sector.

Recent tendencies in the international arena (in particular, the Russian – Ukrainian conflict over gas supply) clearly demonstrated that energy crisis is likely to cause the so-called "domino effect" in strongly interdependent gas markets.[3] This external shock not only disrupted gas supplies to some EU Member States (Bulgaria, Slovakia, Greece, as well as Austria, Germany and other countries were affected the most), but also encouraged the EU Member States to review their energy strategies of supply, with prospects of increasing resource-diversification, exploitation of renewable energy and/or bringing in more solidarity to the Member States' cooperation in such issues as energy.[4] In this sense, the approaches to energy issues began to alter gradually, moving from a focus on market-related economic aspects of energy towards political as well as security issues.[5] On the other hand, this change in attitude to energy issues was also induced by the EU enlargement in 2004, as the new Member States' energy security level was extremely low, due to dependency on a single external supplier. Therefore, in this context, the ideas of the EU-level external energy policy, energy efficiency as well as energy supply diversification through the development of renewable energy, etc., began to spread intensely, which resulted with an initial stage of common EU energy policy. In this way, the market-oriented energy issues of low politics gradually took over the arena of high politics.

The beginning of the EU energy policy as independent policy area is related to the 2009 Treaty of Lisbon. Until the adoption of the Lisbon Treaty, energy policy in the EU was implemented within the framework of environmental policy, as the competences to pursue its competences in the field of environmental

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[1] European Commission, *Overview of the secondary EU legislation (directives and regulations) that falls under the legislative competence of DG ENER and that is currently in force* 2014, http://ec.europa.eu/energy/doc/energy_legislation_by_policy_areas.pdf [7.07.2014].

[2] Lietuvos Respublikos Seimo Europos informacijos biuras, http://eic.lrs.lt/index.php?-290875191 [7.072014].

[3] A. Ciambra, *The policisation of an EU energy community: ideas, market, and national interest*, Dissertation Proposal PhD Programme in International Studies, University of Trento 2011, p. 2.

[4] Ibidem.

[5] Ibidem, p. 4.

regulation were granted to the EU in the Treaty of European Economic Community (EEC).[6] The latter Treaty also provided the legal basis for the European Council to take the decision (2002/358/EC), acknowledging the EU's accession to the United Nations (UN) Framework Convention on Climate Change and the Kyoto Protocol. So, even before the formal consolidation of the EU energy policy, a relatively well-developed environmental and climate change policies were already implemented in the context of energy isues.[7] The Lisbon Treaty has contributed significantly to the security of energy supply in the EU, it has also determined the prospects to increasing exploitation of renewables.[8] The provisions of the specific energy section, set out in the Treaty, encompass the main directions as well as the essential goals of the EU energy policy, which include the proper functioning of energy markets, security of energy supply through diversification of energy sources, energy efficiency and conservation, renewable energy issues, development of electricity grids as well as other infrastructre, etc.[9]. It is also worth mentioning the principle of solidarity, postulating that all Member States shall be jointly helping to solve energy problems of Member States, experiencing serious difficulties of energy supply.[10]

The reliable energy supply through diversification of energy sources still remains one of the most important EU energy policy goals, considering the fact that some EU Member States (e.g., the Baltic States) could be perceived as certain "energy islands," depending on the sole external supplier of energy resources (i.e., Russia), isolated from the Western European electricity and gas systems. In this way, the security supply relates to another important provision, set out in the Treaty of Lisbon, which is the connection of Eastern and Western European electricity grid systems.

In 2009 the Third Energy Package, which was aimed to complete the process of market liberalization and to ensure the competition in energy markets, was adpoted. The Package came into force in 2011 and it consists of two Directives, i.e., 2009/72/EC concerning common rules for the internal market in electricity and 2009/73/EC concerning common rules for the internal market in natural gas, and three regulations, i.e., No 715/2009 on conditions for access to the natural gas transmission networks, No 714/2009 on conditions for access to the network for cross-border exchanges in electricity and No 713/2009 establishing an Agency

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[6] A. Juškys, *Atsinaujinančių išteklių energijos reguliavimas Europos Sąjungos teisėje: raida ir tendencijos*, "Verslo ir teisės aktualijos" 2012, No 7(1), pp. 183-200.

[7] Ibidem, p. 186.

[8] Europos Sąjunga, Lisabonos sutartis. XXI amžiaus Europa, http://europa.eu/lisbon_treaty/glance/better_life/index_lt.htm [6.07.2014].

[9] Ibidem.

[10] Ibidem.

for the Cooperation of Energy Regulators (ACER).[11] The main provisions of the Third Energy Package are related to the unbundling of energy sector activities, i.e., generation, transmission and distribution, in order to reduce conflicts of interests, in which operators may patronize their own companies, exercizing functions of electricity or gas generation and/or supply.[12]

The so-called Climate and Energy Package, otherwise informally known as the "Strategy 20 – 20 – 20", set out the obligations to the Member States to reduce greenhouse gas emissions by 20 percent from 1990 level, to reach 20 percent of renewable energy in the final energy consumption and to increase the EU's energy efficiency by 20 percent until 2020. The Package consists of communications, aiming to strengthen the System of Emission Trading, to combat climate change more effectively and to promote energy from renewable resources, as well as of other pieces of legislation, imposing the instruments for reaching the above-mentioned targets, such as the Directive 2009/28/EC on the promotion of the use of energy from renewable sources, which remains the central regulatory act of renewable energy at the EU-level, since it sets out individual legally binding renewable energy targets as well as interim targets for each Member State.

Energy efficiency is broadly treated as one of the most important issues of the Package. It reflects the latest trends and directions of the EU energy policy in the context of climate as well as sustainability policies. For this purpose, a number of scientific researches are carried out, ambitious construction-modernisation programmes are implemented as well as new modern energy efficiency technologies are developed across the EU.

However, despite the recent initiatives, requiring collective efforts by the Member States, inefficiency of supranational level regulatory policies as well as integration disparities in the energy sector between particular Member States can be witnessed quite frequently.[13] The external energy relations as well as the different pace of renewable energy development in the Member States may justify this assumption. Despite the fact that renewable sources, according to installed capacities, are the leading technology in such EU Member States, as the Scandinavian countries or Germany (for renewable energy takes up solid position in their energy balances, with the future prospects to completely abandon the use of fossil fuels), at the same time, some Member States often tend to rely on the concept of path dependency as well as on conventional energy discources, giving priority to

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[11] Europos Komisijos atstovybė Lietuvoje, *Klausimai ir atsakymai apie trečiąjį energetikos paketą dėl ES gamtinių dujų ir elektros energijos rinkų ir ACER agentūros*, http://ec.europa.eu/lietuva/news_hp/news/02032011_treciasis_energetikos_paketas_lt.htm [7.07.2014].

[12] Ibidem.

[13] E. Kusku, *Enforceability of a Common energy Supply Security Policy in the EU: an Intergovernmentalist Assessment*, "Caucasian Review of International Affairs" 2010, No 4(2), pp. 145-158.

nuclear and/or gas resources. This situation results in quite slow and/or complicated process of renewable energy development, despite the objectively existing technical solutions and the renewable energy potential. Therefore, although the outset of common EU energy policy is recently broadly discussed in the political as well as academic circles, the energy integration disparities across the EU pose a question, whether the latter policy is capable not only to impose specific provision and/or obligations, but also to actually pursue a truly integrated EU-level actions, or whether the EU energy policy, by its nature, is merely a project of a more declarative character.

2. National Energy Independence Strategy: Lithuanian energy priorities

Since the restoration of Lithuanian independence five National Energy Strategies were adopetd (1994, 1999, 2002, 2007, 2012). The provisions of the National Energy Act declare that the Strategy should be updated at least every five years,[14] but the Strategy was updated earlier (in 2002) with regard to the EU-accession, according to the principle of conditionality, namely the EU requirements in the context of Europeanization. In 2012 the National Energy Strategy was renamed to the National Energy Independence Strategy, and recently it is being updated prior to the ending of the five years period, as most strategic projects, set out in the Strategy, have already been or will soon be implemented. The above-mentioned National Energy Act intends that the Strategy must encompass the measures for energy independence as well as energy security, the projections of the needs of energy or energy resources, import and export, the demand for energy generation capacities, the structure of the energy sector as well as policy measures for its improvement, the structure of energy consumption and its projections, the evaluation of harmful environmental impacts, caused by the energy sector, the development of renewable and local energy sources, the measures of energy efficiency, the necessary investments in the energy sector, market development measures, the directions of energy management, energy pricing policies and other issues.[15]

This section of the article will provide a brief discussion on the essential Lithuanian energy priorities and targets, set out in the latest National Energy (Independence) Strategy (2012).

The fundamental national energy priorities, set out in the Strategy, encompass the implementation of the Third Energy Package, energy competetiveness and

[14] Lietuvos Respublikos Energetikos įstatymas 2000, Valstybės žinios Nr. 56-2224.
[15] Ibidem.

sustainability, integration into the regional electricity market through electricity grid interconnections with Poland and Sweden as well as the connection with Continental European network for synchronous operation, the diversification of energy (sources) supply through the new LNG terminal, Visaginas nuclear power plant and the renewables. It should be noted that all of these priorities are complex, so they should not be seen in isolation from one another for their overlapping as well as interconnection.

The Strategy declares that the most important goal of Lithuanian energy independence is to move towards a completely different geopolitical structure, based on market relations as well as competition, and the most important measures to ensure this transition are the alternative gas supply through new LNG terminal, the security of supply through strentghening of existing infrastructure, the establishment of competetive internal electricity-generating capacities through new nuclear power plant, the electricity grid connections with Sweden ("NordBalt") and Poland ("LitPol link1" and "LitPol link 2"), the properly operating regional electricity market, the interconnection with the Continental European electricity network for synchronous operation, the increasing energy generation from renewable sources which is optimal in economic and technical terms, as well as the creation of well-functioning energy markets by implementing the provisions of the Third Energy Package.[16]

It is stated in the Strategy that during the period of 2020-2030 Lithuania will pursue, as far as possible, a more sustainable energy sector development, increasing the share of renewables in the sectors of electricity, heat and transport, which will promote investments in environmentally friendly energy mix, until technically and economically beneficial level of renewable energy consumption is reached.[17] With regard to the evaluation of the whole potential for energy savings, the most important goal in the field of energy efficiency is to reduce energy consumption by 1.5 percent annually by 2020.[18] According to the Strategy, the reduction of greenhouse gas emmisions will mainly be ensured by three initiatives, i.e., the construction of regional Visaginas nuclear power plant, power generation from renewable sources as well as implementing the measures of energy efficiency.[19]

In accordance with the national legally binding national target, set out in the above-mentioned Directive 2009/28/EC, the Strategy aims to increase the share of renewable energy in the final energy consumption to 23 percent by 2020, giving priority to biomass cogeneration (355 MW) and wind energy (500 MW).[20]

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[16] Nacionalinė energetinės nepriklausomybės strategija patvirtinta Lietuvos Respublikos Seimo 2012 m. birželio 26 d. nutarimu Nr. XI-2133, 2012, p. 20.

[17] Ibidem, p. 50.

[18] Ibidem, p. 51.

[19] Ibidem, p. 55.

[20] Ibidem, p. 35.

According to the Strategy, the generation of electricity from renewable sources by 2020 should account for at least 20 percent in final consumption of electricity. Jurgis Vilemas argues that the latter target could be increased up to 30 percent, since recently the price of electricity, generated from wind, has been lower than the price of electricity, generated by any other type of newly constructed technologies.[21] According to him, it is also important to bear in mind that after twelve years period of financial support wind parks will be fully paid off and will produce extremely cheap electricity, so none of the existing technologies will be able to compete.[22]

The Strategy was seen quite comprehensively among Lithuanian scientists, as some of the evaluations demontrated concerns on its various negative aspects. The predictions were raised that the Strategy could create the conditions for the waste of public funds, thus delaying the real energy independence. Alternative views were also expressed that Lithuania, possesing the sufficient potential of alternative energy sources, could ensure its energy security within the period of ten to twelve years without new nuclear power plant (but the state authorities do not tend to concentrate their attention on renewables), etc.[23] The Strategy was also criticized for its abstract character, lacking quantitative calculations as well as financial sources for the project-financing, etc. On the other hand, it is noted that Lithuania, like other Baltic states, has a lack of energy professionals as well as strategists, who would be able to combine their technological knowledge and the future-oriented strategic policy decisions, instead of focusing solely on the narrow specific technological issues.[24] Vaclovas Miškinis emphasizes the involvement of scientists in the strategy-formig process and notes that it is namely the scientists, who can precisely answer questions, such as "how the consumption demand should be met, with minimum resources and without violating state's commitments."[25] Saulius Kutas states that politicians and energy experts often confuse between strategic and tactical decisions, the limits of instituions' competence and liabilities usually are not defined, and the consequences of the decision-making are often treated inadequately.[26] Vladas Lukosevičius emphasizes the neccessity of holistic approach

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[21] J. Vilemas, *Kritiškas žvilgsnis į naująją Lietuvos energetikos strategiją*, "Mokslas ir technika" 2013, No 3, pp. 2-6.

[22] Ibidem, p. 5.

[23] J. Burkus, *Nacionalinė energetikos strategija gali tapti pagrindu neatsakingam valstybės lėšų švaistymui*, "Energijos erdvė" 2010, No 5(7), pp. 4-8.

[24] M. Maigre, *Energy Security Concerns of the Baltic States*, International Centre for Defence Studies, Tallin 2010, p. 9.

[25] K. Juozapavičiūtė, *Lietuvos energetikos strategija – interesų konfliktai ir jų sprendimai*, "Žalioji Lietuva" March 12 2013, www.zaliojilietuva.lt/lietuvos-energetikos-strategija-interesu-konfliktai-ir-ju-sprendimai-594.html [6.06.2015].

[26] S. Kutas, *Energetika pastumdėlės vietoje*, "Delfi.lt" March 21 2011, www.delfi.lt/news/ringas/lit/skutas-energetika-pastumdeles-vietoje.d?id=43409393 [6.06.2015].

to the energy strategies, assessing not solely the price of electricity, but also other essential factors, Mindaugas Jablonskis highlights the coordination of interests and the understanding of differences between them (e.g., public or private interests, long-term or short-term interests, etc).[27] He stresses, that in spite of a wide range of overlapping and competing interests, environmental interests affect the whole system, thus the state authorities must focus on these particular interests and apply objective criteria in shaping the strategic directions of energy policy, which, according to him, is currently a serious drawback.[28]

3. Implementation of strategic projects and targets in Lithuania: prioritization of national priorities

The analysis of Lithuanian and other new (former Soviet bloc) EU Member States' energy policies demonstrates that the processes of policy-making are highly politicized because of historically determined energy vulnerability as well as dependence on the sole energy resource supplier, and that a certain degree of policy uncertainty exists due to institutional weaknesses, domestic fragmentation or other economic and political reasons, deriving from the Soviet heritage.[29] Therefore, former Soviet bloc countries are not properly prepared to deal with the challenges of energy dependence.[30] For this reason, their energy policies ar more reactive to the external pressures (posed by Russia and/or the EU). From the perspective of new historic institutionalism, the latter type of energy policies derives from the concept of path dependency, when the historically determined circumstances significantly influence the tradition as well as the direction of energy policies. On the other hand, former Soviet bloc countries, including Lithuania, can be seen as the particular EU top-down policy takers, especially while joining the EU due to the pre-accesion conditionality.

However, it is worth noting that recently in some areas of EU energy policy, new Members States act as the active policy shapers, in particular, dealing with such issues as the security of energy supply as well as the external energy relations. Although Lithuania, like other two Baltic states Latvia and Estonia, usually

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[27] K. Juozapavičiūtė, op. cit.

[28] Ibidem.

[29] M. Balmaceda, *EU Energy Policy and Future European Energy Markets: Consequences for the Central and East European States*, "Forschungsschwerpunkt Konflikt- und Kooperationsstrukturen in Osteuropa" 2002, No 27, p. 15.

[30] Ibidem.

acts as a taker of rules and regulations of the EU,[31] it successfully managed to incorporate its vital national interests into the EU energy policy agenda, which means it took the policy shaper's role in the the field of the external energy policy and in the issues of dealing with energy isolation.[32] On the other hand, in such EU policy areas as renewable energy, Lithuania remains and is likely to remain only a passive policy taker instead of an active policy shaper. Žygimantas Vaičiūnas notes that the main interests of Lithuania regarding the EU energy policy encompass horizontal EU energy policy integration with the foreign and neighborhood policies, as well as the grid infrastructure development issues and the prioritization of energy security.[33] Other authors, analyzing energy policies of new Member States, also emphasize the notion that the energy security concerns remain their essential priorities, and the main strategies for reaching energy security in this case are mostly related to gas as well as nuclear energy sources.[34] Therefore, it can be noted that Lithuania, as most other former Soviet bloc countries, selectively adopts its energy policy priorities and pays specific attention only to the particular issues of the EU energy policy, prefering conventional energy and treating such issues as renewable energy only as issues of secondary importance. The practical implementation of national energy projects and targets, set out in the National Energy Independence Strategy, can justify this assumption. In this case, the implementation of conventional energy projects currently remains much more successful, meanwhile, in such areas as renewable energy or energy efficiency a number of problems arise.

The implementation of the Third Energy Package in electricity sector was accomplished by unbundling the activities of electricity generation (which is the prerogative of the state company "Lietuvos energijos gamyba"), electricity transmission (provided by the national electricity system transmission operator "Litgrid"), as well as electricity distribution (provided by the national electricity distribution operator "Lesto"). The unbundling process was completed in 2012.

Along the lines of quite similar practice, the unbundling process in gas sector was completed in 2014 by separating the activities of gas supply (provided by the

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[31] R. Vilpišauskas, *National Preferences and Bargaining of the New Member States since the Enlargement of the EU into the Central and Eastern Europe: the Baltic States – Policy Takers, Mediators, Initiators?*, Biannual European Studies Association (EUSA) Conference, Panel 1H "How are they doing? The New Member States as Shapers and Taker in EU Policy Making", Boston March 03-05 2001, p. 8.

[32] Ibidem, p. 24.

[33] Ž. Vaičiūnas, *Europos Sąjungos bendros energetikos politikos formavimasis ir Lietuvos interesai*, "Politologija" 2009, No 3(55), pp. 96-101.

[34] M. Misik, *Security First: Energy Policy in the New Member States of the European Union*, in: *From Listening to Action? New Member States in the European Union*, ed. D. Malova et. al., Slovak Research and Development Agency – Devin Printing House 2010, pp. 101-128.

state company "Lietuvos dujų tiekimas"), transmission (company "Amber grid") and distribution (company "Lietuvos dujos").

The LNG terminal project was also completed in 2014, which provided the increased capabilities of gas supply diversification by ensuring the access to international gas markets, thus ensuring more flexibility in dealing with "Gazprom". The floating storage and regasification unit "INDEPENDENCE" created preconditions "to form both national and regional gas markets [...] with the possibility [...] to supply gas to neighboring countries."[35]

It is worth mentioning that the construction of electricity grid interconnections with Sweden and Poland ("LitPol link 1") is also almost completed. "LitPol link 1" "is aimed for market integration of the Baltic States and development of the interconnection between Poland and Lithuania",[36] while "LitPol link 2", which should be completed by 2020, is "one of the main preconditions for synchronous operation of the Baltic States power system with the Continental European network."[37] "NordBalt" electricity link with Sweden "will enable Lithuania to buy electricity from the Northern European countries and therefore the dependency from a sole provider in the East will be eliminated."[38]

The construction of the new nuclear power plant can be seen as an ambitious national energy priority, dominating the political agenda since the decision to close old Ignalina nuclear power plant, as a result of pre-accession conditions, raised by the EU. Despite the fact that the initial concession agreement, providing the contractual framework for the construction of Visaginas nuclear power plant, was announced by Lithuanian government and Japanese company Hitachi,[39] there is still high uncertainty about the future of the project, as there are still no official agreements with regional partners, so the uncertainty about the electricity price as well as final investments exists. Furthermore, the international practice demonstrates that currently nuclear power projects are facing economic difficulties, related with increased final investment costs. In addition, the national advisory referendum, held in 2012, rejected the project. Therefore, due to the above-mentioned complex of reasons, the project is currently de facto suspended.

Despite the fact that the state authorities encourage citizens' intitiaves in participation in the programmes of apartment-renovation, the number of renovated apartments is still limited. On the other hand, the efforts of both, the population

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[35] Ministry of Energy of the Republic of Lithuania, *LNG terminal brochure*, www.enmin.lt/lt/uploads/brosiura_updated-2011.09.30.pdf [10.06.2015].

[36] Litgrid, *PCI 2.0 Proposed Projects for the Public Consultations*, 2014, p. 1.

[37] Ibidem, p. 2.

[38] Litgrid, *NordBalt Facts and Figures*, 2014, p. 1.

[39] Government of the Republic of Lithuania, *Visaginas Nuclear Power Plant successfully achieves next development milestone*, March 03 2012, www.lrv.lt/en/news/top-stories/?nid=279 [10.07.2015].

and the government, to stimulate the processes of renovation are insufficient, and the lack in decisions for solving these complex issues exists.[40] Besides the passiveness of the population and the financial problems, there are other important barriers to the large-scale process of renovation, related to the issues of corruption, the lack of professional construction companies, etc.[41]

Regardless of the fact that the European obligation to achieve the national 23 percent renewable energy target in the final energy consumption by 2020 is already implemented, and the national energy policy is well harmonized with the EU energy policy, in particular, because of the precise regulation by a broad number of directives, the voluntary initiatives by the state authorities to develop specific policies in the field of renewable energy do not exist, despite the fact that national strategic legal acts embrace environmental goals as well as issues of diversification, sustainability, energy efficiency, etc. During the negotiation process on the Directive 2009/28/EC on the promotion of the use of energy from renewable sources Lithuania took the position that if the national energy consumption grows faster than expected, the above-mentioned 23 percent may not be achieved.[42] However, it is important to note that the latter target had been already achieved in 2013.

As it is already mentioned, the quantitative aspect of renewable energy development is strongly influenced by the precise directive-regulation. On the other hand, in 2009, when the Directive 2009/28/EC, setting the 23 percent renewable energy target, was adopted, the national share of renewables in final energy consumption, according to Eurostat, amounted for 19.8 percent,[43] which basically means that within a decade, i.e, from 2010 to 2020, Lithuania had to increase the share of renewables in the final energy consumption only by 3 percent. It is also worth mentioning that the National Energy Independence Strategy sets out the 20 percent renewable energy target by 2020 in the electricity sector, which is not yet achieved, but the quota for renewable electricity is already distributed. Therefore, renewable energy development in the electricity sector is currently suspended, as new regulatory environment is neccessarry for further development. Consequently, subsequent decisions in this policy area are required in the nearest future. It is assumed that they will depend on the political will, reflected in the updated Strategy.

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[40] A. Lipnevič, *Daugiabučių namų atnaujinimas Lietuvoje: problemos ir gyventojų iniciatyva*, "Viešoji politika ir administravimas" 2015, No 14(2), pp. 177-193.

[41] Ibidem, p. 190.

[42] Lietuvos Respublikos Seimo Ekonomikos komiteto išvada dėl Europos Parlamento ir Tarybos direktyvos Dėl skatinimo naudoti energiją iš atsinaujinančių šaltinių (ES-80), 16 April 2008.

[43] A. Darulis, *Atsinaujinantys energijos ištekliai Nacionalinėje energetinės nepriklausomybės strategijoje*, Round-table discussion „Lietuvos ambicijos ir galimybės atsinaujinančios energetikos srityje", Vilnius October 23 2011.

Assessing Lithuanian renewable energy policy, it must be noted that a number of problems, such as the principle of retroactive regulation, complicated relations between the public authorities and the renewable energy interest groups, the lack of the the cost-benefit analysis and the policy impact assessment as well as long-term strategic vision by the state authorities exist. Likewise, the official statistics does not properly reflect the development of new renewable energy technologies because of the significant share of firewood consumption in private households as well as the big share of electricity, generated at the old large-hydro power plant in Kaunas.

Given the above-mentioned situation, it can be noticed that the implementation of Lithuanian energy priorities and targets is highly influenced by the historically determined political practice, relying on conventional energy. National energy policy is based on path depedency as well as on the domination of centralized gas and nuclear energy discourse. It can be argued that renewable energy development as well as regulatory environment of renewable energy sector de facto is not Lithuanian energy priority in comparison with other strategic-level energy projects. Therefore, it can be concluded that the critical juncture of the historically determined conventional energy discourse and the EU-level obligations in the field of renewable energy affect the processes of national energy policy-making as well as energy policy-implementation.

Conclusion

1. The EU energy policy unfolded in reference to the international energy context, embracing the transition from the market-related issues towards the energy security direction of high politics. The 2004 EU enlargement, which has introduced the questions of external energy security, energy efficiency as well as diversification of energy supply, encouraged the processes of common EU energy policy formation, as until the adoption of the Lisbon Treaty, energy issues in the EU were regulated in the framework of environmental policy.

2. The priorities and targets, set out in the National Energy Independence Strategy, are remarkably consistent with the essential European energy policy issues, as they encompass the implementation of the Third Energy Package, the expansion of energy competetiveness and sustainability, the integration into regional electricity markets through electricity grid interconnections with Sweden and Poland and the connection with Continental European network for synchronous operation, as well as diversification of energy (sources) supply through the LNG terminal, Visaginas nuclear power plant and the renewables. These priorities

should be treated as an aggregated complex of interconnected issues, ensuring energy security only as whole.

3. Lithuanian energy policy is based on the historically determined discourse of conventional energy, which is essentially influenced by path dependency. Therefore, conventional energy projects in Lithuania are prioritized to alternative energy projects. The implementation of the Third Energy Package in both, electricity and gas, sectors has been currently completed in Lithuania as well as the implementation of the LNG terminal project, while the implementation of electricity grid interconnections ("LitPol link 1" and "NordBalt") is going to be completed in the nearest future. The nuclear power plant project is currently de facto suspended due to unfavorable political and economic conditions. Although the overall 23 percent national renewable energy target, as a legally binding obligation under the Directive 2009/28/EC, has already been achieved, the 20 percent target for renewable sources in the electricity sector, set out in the National Energy Independence Strategy, is not yet implemented, for the development of renewable energy in the electricity sector is currently suspended, as it depends on the political will, which will be reflected in the provisions of the revised and updated National Energy Independence Strategy.

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Litewska strategia energetyczna: kontekst europejski

Streszczenie. *W artykule przedstawiona została Strategia niepodległości energetycznej Litwy w kontekście integracji europejskiej i procesu europeizacji. Podano i przedyskutowano: implementację Trzeciego pakietu energetycznego, kwestie konkurencyjności i stabilności dostaw energii, integrację regionalnego rynku energetycznego przez połączenia z Polską i Szwecją, a także z Kontynentalną Siecią Europejską, synchronizację operacji, dywersyfikację źródeł energii, dzielność nowego terminalu gazu skroplonego, perspektywy budowania elektrowni atomowej w Visaginas oraz perspektywy wykorzystania odnawialnych źródeł energii. Zważywszy na sceptyczne podejście władz państwowych do ostatniego z wskazanych problemów, progres w tym zakresie łączy się z zastrzeżeniami wysuwanymi przez Komisję Europejską i zobowiązaniami Litwy wobec Unii Europejskiej.*

Słowa kluczowe: *strategia energetyczna, integracja europejska, europeizacja, energia konwencyjna, odnawialnie zasoby energii*