



Member State Report Lithuania

DATA & STATISTICS

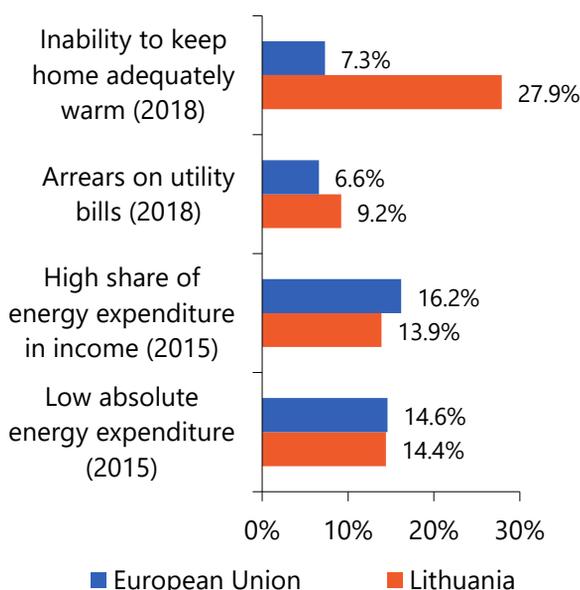
This Member State Report of the EU Energy Poverty Observatory (EPOV) provides an overview of the energy poverty situation in Lithuania at a glance. With key indicators, policies, and publications, it offers an understanding of the key aspects of energy poverty in Lithuania.

Lithuania performs particularly poorly on the indicator on the inability to keep the home adequately warm. In 2018, 27,9% of people reported that they were unable to keep the home adequately warm. This value is nearly four times the corresponding EU average of 7.3%. The number of people that had arrears on utility bills was at 9.2% and higher than the EU average 6.6%. The fact that the number of people unable to keep the home adequately warm is significantly higher than the number of people with arrears on utility bills might be because households underspend on energy, which is also illustrated by the high number of households that have a low share of energy expenditure in income

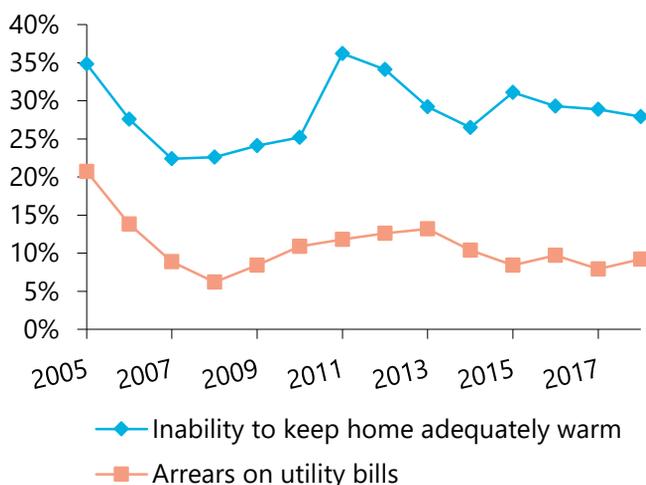
Lithuania's performance in the expenditure-based indicators is slightly better than the EU average. 13.9% of households spend a high share of their income on energy expenditure. The high energy expenditure is likely to put a strain on the household budget and might indicate a poor energy efficiency of the building.

The energy expenditure of 14.4% of households is unusually low. These households might restrict their energy spending below what is necessary to meet their needs.

Performance relative to EU average*



Performance over time*



In Lithuania, the percentage of the population that are unable to keep the home adequately warm was at 35% in 2005, gradually decreased to values of around 25% between 2006 and 2010 and then increased again to 36% in 2011. Since then it showed a decreasing trend and is at 28% in 2018.

Meanwhile the fraction of people who live in households with arrears on utility bills decreased from 21% in 2005 to 6% in 2008. It then increased to 13% in 2013. This increase might be attributed to the financial crisis. Since 2013 there is a declining trend to 9% in 2018. The declining trend might be explained by a general increase in wages and living standards in Lithuania as well as decreasing energy prices (see next page).

About the EU Energy Poverty Observatory

The EU Energy Poverty Observatory (EPOV) is an initiative by the European Commission to help Member States in their efforts to combat energy poverty. It exists to improve the measuring, monitoring and sharing of knowledge and best practice on energy poverty. EPOV has been developed by a consortium of 13 organisations. This report was authored by Navigant.

*Population-reported indicators taken from Eurostat [here](#) and [here](#) on November 19, 2019. Expenditure-based indicators calculated by EPOV based on HBS data. Disaggregated data of population-reported indicators calculated by EPOV based on Eurostat provided data.



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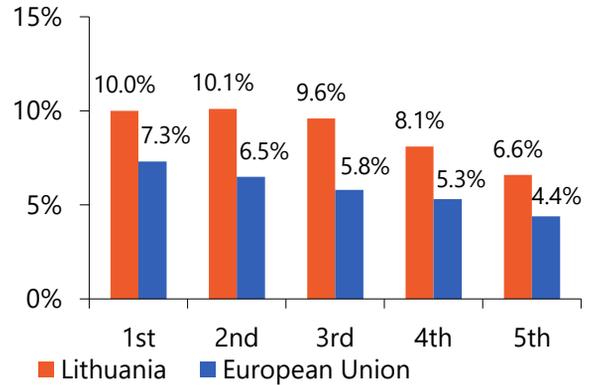
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The share of energy expenditure of the household income is higher in Lithuania than in the EU average due to its cold climate and lower median wages.

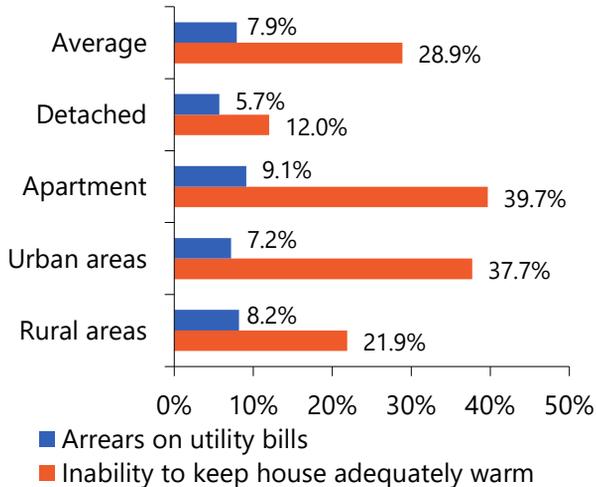
This figure shows that the share of energy expenditure in the first three income quintiles is similar to each other. Therefore, the absolute energy expenditure of the first quintile must be significantly lower than that of the people in the second and third quintile.

This might be explained by the fact that people in the lower quintile groups include many households in rural areas. These tend to have lower heating costs as they often use wood to heat their homes.

Share of energy expenditure of income by quintile (2015)*



Inability to keep home warm and Arrears on utility bills disaggregated by urban density and housing type (2017)*



The disaggregated data of the household-reported indicators suggest that energy poverty in Lithuania is highest for people living urban areas and in apartments.

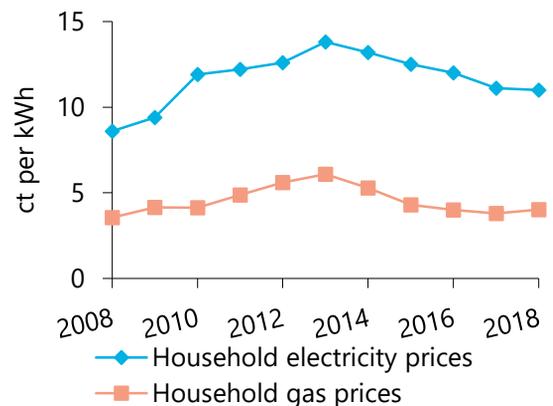
People living in apartments are more than 3 times as likely to be unable to keep their home warm as people living in detached houses.

People living in apartments make up 59% of the Lithuanian population while people living in detached houses make up 36% of the population.

The 43% of the Lithuanian population living in urban areas are nearly twice as likely as the 55% of the population living in rural areas to be unable to keep their home adequately warm. However, the fraction of households that have arrears on utility bills is slightly higher in rural than in urban areas.

The household energy cost has gradually increased over time in Lithuania to reach a peak in 2013 with electricity at 13.8 €ct/kWh and gas at 6.09 €ct/kWh and a gradual decline to values of 11.0 €ct/kWh for electricity and 4.02 €ct/kWh for gas in 2018.

Lithuania household energy costs over time



This development corresponds to an increase of people with arrears on utility bills until 2013 and a subsequent decline. This suggests that in Lithuania the development of the number of people with arrears on utility bills is driven by the development of the energy prices.

This decrease in electricity prices can be mainly attributed to new electricity interconnections and power market integration from the Baltic region to Finland, Sweden and Poland in 2014 and 2015.

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POLICIES & MEASURES

In Lithuania, there is no specific strategy for addressing energy poverty, instead energy poverty is addressed as part of general social policies. Lithuania does not have a national definition of energy poverty. There is little specific research on the topic of energy poverty.

An important instrument to address energy poverty in Lithuania is *heating compensation*, which provides financial assistance to households who cannot afford sufficient heating. In June 2017, the regulation on heating compensation was changed with a view to reduce energy poverty. Households shall not pay more than 10% of the difference between the received income and the State Supported Income, whereas before this was 20%. This has led to around 15.5% more households being eligible for this compensation in 2019. In addition, households that receive heating compensation and live in an apartment building are entitled to support towards the cost of a loan taken out to finance the renovation of the building.

In addition, some *government-sponsored programs* target energy efficiency improvements in multi-apartment buildings. One of the programmes is funded by the European Jessica II Fund and has led to the renovation of 47,000 apartments between 2009 and March 2018. Another programme aims to *replace inefficient biomass boilers* with more energy efficient alternatives, with funding available for at least 9,000 households.

To lower the energy costs to households, there is a reduced VAT on hot water and district heating of 9% (instead of 21%). After charging the full VAT between June and September 2017 the government the government again reduced the VAT for district heating and hot water to 9%.

Another interesting measure in Lithuania requires energy suppliers to establish an agreement with the national government, whereby the suppliers commit to educating and advising households on energy efficiency measures.

The European project Students Achieving Valuable Energy Savings 2 (SAVES2) is also active in Lithuania. It aims to catalyse sustainable energy behaviours amongst university students to help them reduce their exposure to energy poverty.

Selected measures	Type of measure	Organisation	Target groups	Start year	Result
Programs for renovation of apartment buildings	Building insulation, Heating system	National government	Apartment buildings	2005	More than 400 apartment buildings renovated since 2013.
Heating compensation	Energy bill support	National government, Local government	Low-income households		Financial assistance to households who otherwise cannot afford sufficient heating.
Program to replace boilers	Heating system	National government	No specific target group		Funding is available for at least 9,000 households.
Agreements on energy education and consultation for energy consumers	Information and awareness	National government, Energy suppliers	No specific target group	2017	Energy suppliers have to educate and advise households on energy efficiency measures.

Contact us:

www.energy-poverty.eu
contact@energy-poverty.eu
Twitter at @EPOV_EU



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PUBLICATIONS & ORGANISATIONS

This page gives an overview of the most relevant organisations working on energy poverty in Lithuania and presents publications on energy poverty in Lithuania.

Organisation

Name: Housing Energy Efficiency Agency (VšĮ Būsto energijos taupymo agentūra, BETA)
Organisation type: National Government
Description: The Housing Energy Efficiency Agency supports home-owners in the renovation of apartment buildings. It informs apartment owners on programmes for renovation of apartment buildings and coordinates between relevant stakeholders such as municipalities, NGOs, home owners and construction companies. Until January 2020 it supported the renovation of 2600 multi-apartment buildings.

Organisation

Name: Solutions to Tackle Energy Poverty (STEP)
Organisation type: Association
Description: STEP is a project to develop a simple, innovative and replicable model of measures to address energy poverty. The project covers nine EU member states including Lithuania. STEP's overall objective is to alleviate energy poverty by encouraging behavioural change and low-cost energy efficiency solutions among consumers in or at risk of energy poverty through trusted, tailored advice.

Publication

Title: [Energy Poverty Policies and Measures in 5 EU Countries: A Comparative Study](#)
Authors: Kyprianou, I., Serghides, D., Varo, A., Gouveia, J.P. Kopeva, D., Murauskaite, L.
Year: 2019
Description: This academic paper presents and evaluates the energy poverty policies of Lithuania and four other EU Member States. It discusses the status of energy poverty along different indicators as well as various policies in place (consumer protection policies, financial support, energy efficiency measures and information campaigns).

Publication

Title: [EU Energy Poverty Observatory Case Study - Jessica II Fund for Multi-apartment Building Modernisation](#)
Authors: Housing Europe, European Investment Bank, EU Energy Poverty Observatory
Year: 2018
Description: This case study discusses the programme for multi-apartment building renovation carried out with financial support from the Jessica II Fund. It gives a detailed description of the measure and discusses what contributed to its success and what could be improved.

Other selected publications

- World Bank (2000) [Maintaining Utility Services for the Poor: Policies and Practices in Central and Eastern Europe and the Former Soviet Union](#)
- Lampietti, J., and Meyer, A. (2002) [Coping with the Cold: Heating Strategies for Eastern Europe and Central Asia's Urban Poor](#)
- Fankhauser, S. and Tepic, S. (2007) [Can poor consumers pay for energy and water? An affordability analysis for transition countries](#)
- World Health Organization (2007) [Housing, Energy and Thermal Comfort: A review of 10 countries within the WHO European Region](#)
- Porritt, S.M., Cropper, P.C., Shao, L. and Goodier, C.I. (2012) [Ranking of interventions to reduce dwelling overheating during heat waves](#)
- Ruggeri Laderchi, C., Olivier, A., and Trimble, C. (2013) [Balancing Act: Cutting Energy Subsidies While Protecting Affordability](#)
- Ecoserveis Association (2018) [Atlas of Initiatives of Energy Poverty in Europe. State-by-state Review](#)

For definitions of the terms used in this report [click here](#). The EPOV website provides an extensive collection of Knowledge & Resources. [Click here](#) for more information and to contribute additional policies, publications and other resources.

This report was completed in February 2020.

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www.energy-poverty.eu
contact@energy-poverty.eu
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